Rural Governance in North Karelia: Adjusting EU's Rural Development Programme on the national and regional scales of policymaking

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Master's Thesis
December 2010

RESEARCH STATEMENT UNIVERSITY OF EASTERN FINLAND

This work analyses supra-national rural policy of the European Union, entitled as the Rural Development Programme for the programme period of 2007-2013. With regard to the EU's Rural Development Programme, this study examines the EU's rural policy making as a process of multi-level governance in Finland, particularly devoting attention to the regional example of North Karelia.

On the EU level, Studies of European integration have been particularly connected with the changing dynamics of governance in terms of inter-governmental co-ordination of the EU's common policies. In this respect, government policies aimed at sub-national arenas in conjunction with the devolution of power to regions and sub-national units, may be highlighted as significant issues of governance. In this master's thesis, the objective is thus to better understand and explain how the demands for territorial sensitivity are integrated in the delivery and implementation of the EU's Rural Development Programme on national and regional scales of rural policy making in Finland.

On the basis of the relevant literature and expert interviews, the Rural Development Programme for Mainland Finland has been marginally affected by the 'regionalisation process' of the EU's common policies. Despite the increased parlance of rural development as a territorially delivered field of policy making in the EU, the Rural Development Programmes on Finnish and North Karelian scales are still focused on the maintenance of the primary sector.

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The title of the research: Multilevel Rural Governance: Adjusting EU's Rural Development Programme on the national and regional scales in Finland, regional example from North Karelia
Faculty/Subject: Faculty of Social Sciences and Business Studies, Human Geography
Pages: 101
Work: Master's Thesis
Time: December 2010
Key words: multi-level governance, rural governance, scale, rural policy, Europeanisation, Regionalisation

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1. Introduction

Rural development is a broad concept covering many different perspectives and priorities. Given the vulnerable and often less successful economic performance of rural areas in comparison to urban areas, economic development and viability are core issues for the future (Shuckmith et al. 2005:193). In the rural reviews, it is now generally acknowledged that a purely sectoral approach is less successful in enhancing and stabilizing a region's performance, and thus an integrated, territorial approach sensitive to the diversity of rural circumstances, is needed to ensure regionally balanced development (Shucksmith 2009; Vihinen 2009; Cairol et al. 2009; Ward & Brown 2009; Dwyer et al. 2007; Ward & Lowe 2004 & Marsden & Bristow 2000).

In this qualitative study of human geography, my intention is therefore to better understand and explain how the demands for territorial sensitivity are integrated in the delivery and implementation of the EU's Rural Development Programme (RDP) in the programme period of 2007-13. My objective is hence to enlighten the EU's rural governance system built around the national Rural Development Programme for Mainland Finland (RDPMF) and that for North Karelia. In this qualitative inquiry, the policy analysis of EU's RDPs entails thus dimensions of *vertical* and *horizontal* policy co-ordination.

Vertical integration is here determined as integration between different levels of government and horizontal means co-operation between agencies and key players in a particular territory (Derkzen et al. 2009:164; Abram & Cowell 2004). By the vertical dimension, I firstly refer to the examination of the EU's policy frameworks, which are further adjusted to the national and regional demands by the Member State' and regional administrations. Vertically, the opportunities for the regional delivery of the rural programming are studied through threefold territorial scales of analysis (supranational, national and sub-national).

Secondly, the horizontal approach of the policy analysis covers thematic semi-structured expert interviews conducted both for the informants at the national and regional institutions and actors in the North Karelian agricultural and rural interest groups. Horizontally, my objective is to study

the perceptions and experiences among the national and regional rural policy-makers with regard to the regional responsiveness and flexibility of EU's rural policymaking.

1.1 Research objective and questions

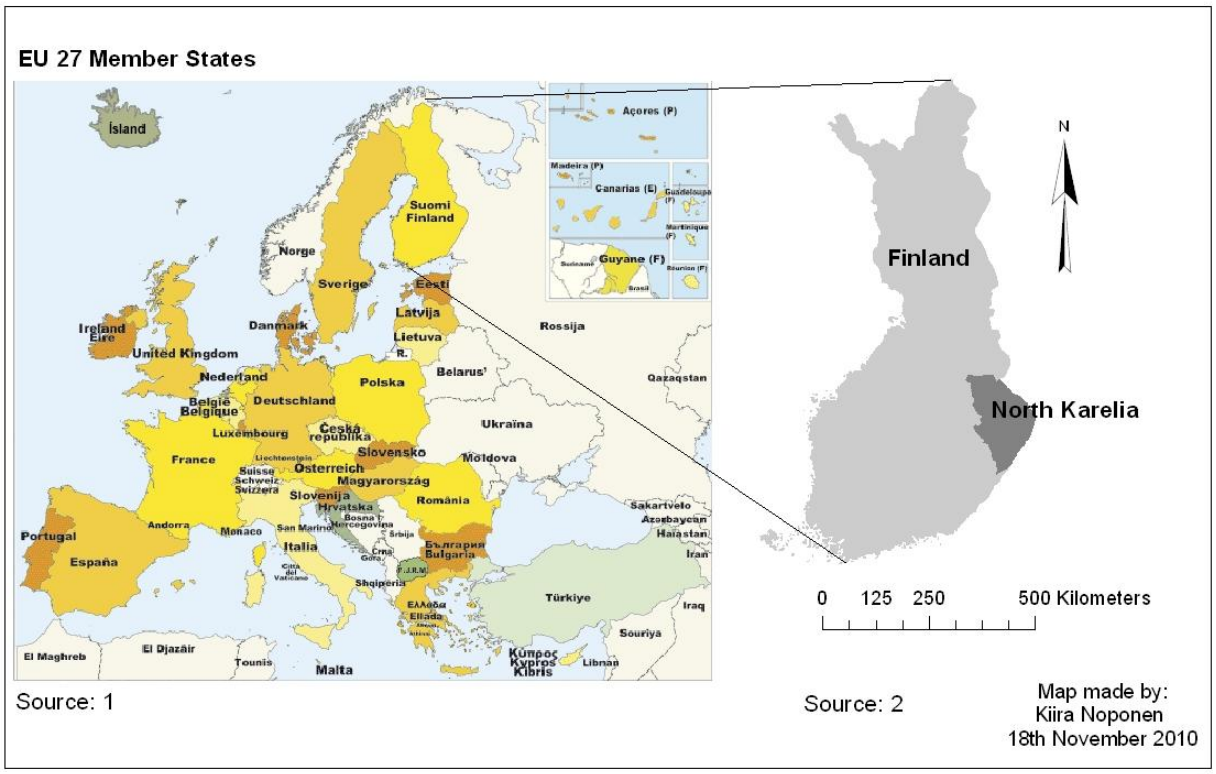
In the programming period 2007-2013, the EU´s rural policy implemented through the Rural Development Programme, is closely integrated into the same framework with the Common Agricultural Policy (CAP). In this context, my research problem reflects the different conceptualisations defining the EU's rural policy as a cross-sectoral policy field or rather a sectoral policy centred on agricultural instruments.

My intension is to better understand and explain the mechanisms of the EU's Rural Development Programme in the period of 2007-13 governed through the following three territorial scales as well as administrative levels of policymaking (See Picture 1):

- EU (Rural Development Programme)
- National (Rural development programme for Mainland Finland) and,
- Regional (Rural Development programme for Region of North-Karelia).

In greater detail, the objective of this study is to comprehend the co-ordination and financial delivery of the EU's rural policy. In the theoretical framework of my thesis, I will thus elaborate the discussion of multi-level governance in relation to the EU's Rural Development Programme implemented at the Finnish national and regional levels of administration. Subsequent to the examination of rural policy frameworks, I will scrutinise the adjustability of the EU and the Finnish frameworks to the regional needs of rural policymaking. As a regional example, I will more thoroughly investigate the rural governance in the context of the North Karelian region.

Picture 1. Territorial scales of investigation



Source: 1 © European Commission (2010), http://europa.eu/abc/maps/index_en.htm
Source: 2 © National Land Survey of Finland (2010), Maanmittauslaitos, lupa nro 51/MML/10

In my empirical research, I will examine the co-ordination and delivery of the EU's Rural Development Programme by conducting expert interviews at the national and North Karelian levels of policy implementation. To elaborate, I have devised two different research questions:

- How flexible is the EU´s nationally designed RDP for the regional implementation of the Rural Development Programme for the North Karelia?
- How the rural governance system is constructed in North Karelia?

In particular, this study takes an interest in the regional adjustability of the EU's rural development mechanisms. The rural policy instruments of the EU are designed and implemented in Finland through two domestic Rural Development Programmes (*Rural Development*

Programme for Mainland Finland and *for Åland Island*). Alongside the national programming documents for Finland, the EU's rural policy is also implemented in Finland through the regional programming documents at the intermediate NUTS-3 (Nomenclature of Territorial Units for Statistics) level. Yet, as the rural development measures taken at regional level are dependent on the normative regulations set up at the EU level, the examination of rural governance at the intermediate level requires a multi-scalar understanding of the policy design.

As discussed in the outline of this thesis, I will tackle the rural policy of the EU as a process of multi-level governance. Subsequent to the general discussion of governance approaches, I will secondly more specifically examine the theory of multilevel governance in close conjunction with the studies of European integration and, thirdly, in my theoretical section I will study the demands of rural governance in the implementation of EU's RDP as a part of the Common Agricultural Policy (CAP). After the theoretical discussion, I will then proceed to the empirical analysis of expert interviewing, where the EU's rural policymaking is studied in the light of multilevel governance in the context of North Karelia.

1.2 Methods and design of empiric data

In my qualitative study of human geography, the self-constructed data encompasses semi-structured thematic interviews. The interviewees were eleven experts implementing the Rural Development Programme for the Mainland Finland (RDPMF) 2007-13 from regional (8 informants) and national (3 informants) organisations. My objective was to formulate a factual interpretation about the regional sensitivity of the EU's rural policy (Rural Development Programme) with regard to the rural administration on the national and regional Government institutions and rural interest groups in North Karelia. In addition to the administrative opinion, I interviewed North Karelian rural developers working in the regional organisations for local players (See the informants 3, 4, 5, 6 and 10 below).

By rural developers, I refer hence to different rural interest groups (e.g. associations and agricultural/rural lobbing organisations) operating in the province of North Karelia. The regional interviewees were selected as participants of the co-operative body ('steering group') organised

by the ELY-Centre of North Karelia in conjunction with the delivery of Rural Development Programme of the North Karelia 2007-13 (See Appendix 3, the composition of the steering group). The national informants, authorities in the implementation of the Rural Development Programme in Finland, were chosen by the snowball method. The interviewees represented administrative institutions and rural interest groups from different territorial scales as follows:

NATIONAL:

8. **The Rural Network of Finland** (Maaseutuverkosto)
7. **Agency for Rural Affairs** (Maaseutuvirasto, Mavi)
9. **Ministry of Agriculture and Forestry, MAF** (Maa- ja metsätalousministeriö)

REGIONAL:

1/11. **North Karelian Centre for Economic Development, Transport and the Environment, ELY-Centre** (Pohjois-Karjalan ELY-Keskus)
2. **Regional Council of North Karelia** (Pohjois-Karjalan maakuntaliitto)
3. **Union of Rural Education and Culture of North Karelia** (Maaseudun sivistysliitto, MSL)
4. **The Central Union of Agricultural Producers and Forest Owners** (Maa- ja metsätaloustuottajien Keskusliitto, MTK)
5. **The ProAgria Rural Advisory Centre of North Karelia** (ProAgria Pohjois-Karjala)
6. **Leader-association of the Joensuu region** (Joensuun Seudun Leader)
10. **Karelian Institute**, rural researcher, (Karjalan tutkimuslaitos, Itä-Suomen yliopisto)

Methodologically and in reference to my aims of formulating factual interpretations of the EU's rural policymaking in the Finnish context, I mirror this inquiry critically in the light of realism. More precisely via technique of expert interviewing, firstly the objective was to construct a 'factual' description of the EU's rural policymaking in Finland. Secondly, the aim is to compare the informants' knowledge on rural policymaking with the information in relation to the EU's

normative frameworks (Alastalo & Åkerman 2010:337). In this respect, Alastalo & Åkerman (2010:390) have articulated that the 'factual knowledge' in the expert interviews is co-produced together with the researcher and the interviewees in a constant process of making research andf learning more about the specific phenomenon. The factual findings that the researcher evidences are hence interpretations produced in a particular situation of interaction in conjunction with the informants (Alastalo & Åkerman 2010:381).

In to the sampling of the interviewees, I intended to recruit participants representing a variety of positions in relations to the research topic that is expected to throw light on meaningful differences of experience (Kingl & Horrocks 2010:29). Flexibility and dynamism are important criteria throughout my research. Therefore I acknowledge "that the interviewer must be able to respond to issues that emerge in the course of the interview in order to explore the perspective of the participant on the topics under investigation" (Kingl & Horrocks 2010:35). My 'interview guide' outlined the main topics to be covered. Moreover, it was flexible regarding phrasing and order of questions and allowed the participant to lead the interaction in unanticipated direction (Dunn 2005:81-88).

In my empirical analysis, I also kept in mind that collecting and interpreting qualitative information relies upon a dialogue between you and your informants. Therefore, it reminds us how "in these dialogues your personal characteristics and social position – elements of your subjectivity – cannot be fully controlled or changed because such dialogues do not occur in a social vacuum" (Dowling 2005:25).

The ways the researcher is perceived by her/his informants, the ways the researcher perceive them, and the ways you interact are the least partially determined by societal norms (Dowling 2005:25). Social data sources are inherently subject to multiple interpretations and understandings that are far-fetched or extreme; in general, humanistic geographers will be interested in capturing diverse understandings (Cope 2005:232). In this respect my academic interest in rural development, via rural studies for instance, has certainly had an impact on my conceptions and interpretations of rural policy making on Finnish and European Union scales.

For my interviews, I utilised audio recording that allows a natural conversational interview style because the interviewer is not preoccupied with note-taking (Dunn 2005:96). For the further qualitative interview analysis, the interview transcripts were written as complete reproductions of the formal interviews which took place between the researcher and informant (Dunn 2005:96). Yet in terms of expert interviews, I paid more attention to the contents of the produced conversations than to the linguistic particularities in terms of how the language is produced in a particular moment (Alastalo & Åkerman 2010).

Alastalo & Åkerman (2010:377-378) utilises the term of 'factual analysis' when referring to the method of making sense of the expert interviews. This requires, for instance, that the research data is 'cross-read' meaning that the interview findings are compared or reflected in parallel with the other documentary sources utilised in the research. Factual analysis of expert interviewing presumes, therefore, that the researcher is beforehand well acquainted with the researched topic (Alastalo & Åkerman 2010:379).

In order to analyse, evaluate, organize and especially 'make sense' of the interview data, I utilised 'thematic coding'. By thematic coding, I refer to the categorisation of my interview data in order to organize the diversity of interview opinions around the main issues of my research, finally creating a debating matrix of opinions. In other words, as Cope (2005:223) underlines "the purposes of thematic coding are partly data reduction (to help the researcher get a handle on large amounts of data by distilling along key themes), partly organization (to act as a finding aid for researchers through data), and partly a substantive process of data exploration, and theory-building".

Therefore, being a human geographer requires categorising, sifting and sorting, prioritizing, and interpreting social data in all of our interactions. Thematic coding of qualitative data is hence a formalisation of this process in order to apply it to research and to provide some structure as a way of conveying our interpretations to others (Cope 2005:232). Therefore, also in my work as well, the rigour of interview-based research was to seek out diversity of expert opinion (Dunn 2005:100).

2. Role of Research in Political Geography

Traditionally, political geography has used the state as a primary unit of analysis. Political geographers have studied how states were organized internally, and how they interacted with other states in regions and the international system as a whole. In recent years, however, political geography has added other units of analysis to its repertoire. These include not only smaller levels of analysis, such as 'regional' or 'local', but also larger ones, such as the supranational level. The use of these units has brought renewed attention to the different ways that political actions play out across scales (Gallaher 2009:1).

As political geographers tend to use mid-level concepts rather than meta-theories to analyse spatial organisations of politics (Gallaher 2009:3), I utilise such concepts as 'scale' and 'governance' in my theoretical framework.

2.1 Question of geographic scale

Today, virtually all modern nation-states and their sub-national units have become increasingly enmeshed in larger patterns of global transformations and flows, affecting the nature of politics and governance and their geographies (Leitner 2004:236). In this respect, the meaning of a scale as a 'vertical' series of nested levels, local, national, regional, and global provides a convenient way of thinking about relationships between humans and institutional players across different spatial extents (Dahlman 2009:190).

Humanistic geographers, in particular, have used the notion of 'politics of scale' to explain these socio-spatial transformations (Leitner 2004:236). Geographers analysing the structural relations of the economy, networks, interaction, governance, politics of scale, territoriality, spatial experience/representations, identities/loyalties or spatial socialisation are very likely to conceptualise scale in different terms depending on the research context and inherent power relations (Paasi 2004542).

Yet, the concept of scale employed in research on the politics of scale is not only defined as different levels of analysis within which investigations of economic, social and political processes are set (Leitner 2004:238). In my study, I utilise the both notions 'scale' and 'level'. By different 'levels of analysis', I refer hence to distinct hierarchies in rural administration but the notion of 'scale' encompasses a broader idea of power struggle between different territorial spaces of policy implementation.

In contrast to the term 'level', the notion of 'geographic scale' as a pre-given and fixed hierarchy of bounded spaces has come under increased scrutiny in human geography and has been replaced with more dynamic concepts (Leitner 2004:238). Edwards et al. (2002:290), for instance, have emphasised how "scales of governance are not fixed, ontological entities, but reflect the shifting topographies of territorially constrained ´spaces of dependence' and of political strategy". Moreover, Paasi (2004:542) has stressed that "scales are structured and institutionalized in complex ways in de/re-territorializing practices and discourses that may be partly concrete, powerful and bounded, but also partly unbounded, vague or invisible".

In fact, there remains a diversity of conceptions regarding the precise meanings of scale. One of the common grounds of this body of research is, however, that: "the social and spatial are mutually constitutive – for example the construction of a new scale of political governance, such as the European Union, involves the reconstruction of political relations among different scales of governance" (Leitner 2004:238). The question of scale is, therefore, particularly highlighted in the European Union, as it exercises its authority through a 'scale division of labour' by which responsibility for the delivery of the EU activities are divided between different scalar levels of institutional hierarchies (Edwards et al. 2002:290). On the other hand, this supranational scale of the European Union has been highly contested: involving numerous negotiations, tensions and struggles among different actors operating and situating themselves at different geographic scales (sub-national, national, and supranational) (Leitner 2004:242).

Equally, the importance of geographic scales has led me to study the rural policy of the EU in the light of the multi-level governance theory. In a study of agricultural and rural policies, Cairol et

al. (2009:284) have particularly acknowledged "the current need to examine public policies by analysis of different territorial levels of decision making and their complementarity in a multi-level governance system". By my multi-scale approach, I refer hence to the following territorial scales of implementing the EU's rural policy: supra-national such as *EU/European Commission*; national such as the *Government of Finland/Ministry of Agriculture and Forestry* and sub-national/regional such as the *province of North Karelia* representing different regional development agencies and rural interest groups. The localities are also indirectly connected with the examination of regional rural governance because local action groups (LAC's), such as Leader Associations, function not only at the regional but also at the local level of implementing RDPs.

2.2 Governance approach

The governance literature is broadly concerned with the changing role and nature of the state. Van Kersbergen and Van Waarden (2004:143) foresee that modern societies have faced a destabilisation of the traditional governing mechanisms and the advancement of new arrangements of governance. Such changes in governance have occurred in the private, semi-private and at (in-between) the local, regional, national and supra-national and global levels. Shifts have taken place in the forms and mechanisms of governance, the location of governance, governing capacities and styles of governance (Van Kersbergen & Van Waarden 2004:143). Yet, Shirlow (2009:41) signals with regard to understanding governance that it is usually the effect of government or supranational institutions upon delivery of policy, practice and accountability.

These changes in governance structures have been the subject of a multitude of disciplines including geography, sociology, political science, law, economics, business and as well as public administration. These disciplines all give 'governance' distinct meanings causing extensive theoretical and conceptual confusion (Van Kersbergen & Van Waarden 2004:143). Holistically, in this study, by political geography I refer to its understanding of governance issues with regard to the mechanisms required to negotiate between various and competing interests (Shirlow 2009:43). Understanding complex governing processes may hence entail different actors (in

terms of their functions, powers and interests configuration), procedures (e.g. systems of management), and instruments (soft and hard policies) (Nilsson et al. 2009:3).

For instance, Van Tatenhove (2003:6) foresees that the multi-level governance approach has been primarily developed in response to dominant state-centred approaches, reflecting developments in the study of European integration (Van Tatenhove 2003:6). Studies of European integration have been particularly connected with the changing dynamics of governance in terms of inter-governmental co-ordination of the EU's common policies (Nilsson et al. 2009:3). In this respect, government policies aimed at sub-national arenas in conjunction with the devolution of power to regions and sub-national units may be highlighted as significant micro issues of governance (Shirlow 2009:42).

Similarly, Gualini (2004a:34) has pointed out that "the current process of European integration can be illustrated as a 'multi-level game', which calls for new forms of political agency and strategies beyond the state-centric emphasis". One of the core assumptions in the multi-level governance approach is the criticism of the idea of the state as a unitary and rational player. In contrast, it stresses the importance of policy networks organised across policy arenas and government levels (Kersbergen & Waarden 2004:150).

Having chosen the theory of multilevel governance in the context of the European integration process, I argue that it is a relevant conceptualisation in the study of the Common Agricultural Policy (CAP) as a supranational policy of the European Union. Marsden (2006:12) , for instance, has echoed that "the gradual reform of the CAP, the development of enhanced regional structural funding, and the uneven growth of regional development agencies in adopting and adapting to rural development objectives, has given growing salience to the concept of multi-level governance of the European rural domain". Moreover, Nilsson et al. (2009:3) have underlined how understanding the governance process requires an examination of multiple scales of policy implementation. The multi-level governance approach therefore highlights various modal shifts and interactions across different territorial scales of governance (Nilsson et al. 2009:3).

2.3 Europeanisation process and Multi-level governance

Since the mid-1990s, renewed European integration studies under the label of '*Europeanisation processes'* have contributed to putting studies on regional mobilization and regionalisation into a broader context of changes in national-state policies, indicating their connection with the multi-scalar dimension of creating European policy spaces (Gualini 2004b:330). European studies of multi-level governance have therefore been especially inspired by regional and cohesion policies, in which elements of 'positive integration' have fostered significant dynamics of institutional change to increase sub-national and supra-national empowerment and power dispersal in the European Union (Gualini 2004b:330). Marsden (2006:13) has also signalled that the steady reform of the CAP (1992-2003) is beginning to stimulate regionalisation in the rural domain.

European researchers of multi-level governance examining sub-national politics have been particularly concerned with the concept of '*regionalisation*' utilised to describe processes of institutional and political development, during which the regions gain importance in policy-making through greater autonomy or through participation in centralised politics (Gualini 2004a:34). In accordance with the conceptualisation of multi-level governance, it has been argued that the system of government is gradually shifting to a system of governance, which is becoming a distinct governing structure (Kuokkanen & Vihinen 2009:61; Derkzen et al. 2009:143; Östhol & Svensson 2002:25).

With the emergence of regionalisation, the aspect of 'hollowing out' of the state, has received a wide coverage of interest political geography as well, focusing as it does on the rescaling of statehood (Winter 2006:735). Östhol and Svensson (2002:25), for instance, have argued that "whereas the system of government is based on a hierarchical structure centred on the main political body, the system of governance refers to a looser and more scattered distribution of both internal and external political and economic power".

Thus European integration in the context of governance can be understood as "a polity-creating process in which authority and policy-making influence are shared across multiple levels of government – sub-nation, national, and supranational" (Hooghe and Marks 2001). Yet, Kull (2009b:3) has remarked with regard to the sub-national and local research contexts that the

discourse of changing focus from government to governance in the creation of new forms of network-type interactions tends to neglect impacts on directly legitimised institutions. The theories of multi-level governance have therefore mainly focused on the empowerment of regional decision-making. Regional players are thought to have become integrated into the complex European system of trans-national decision-making in order to re-formulate, represent and bring forward their interests in the enlarged framework of the European political system (Gualini 2004a:34; Keating 1997; Keating and Hooghe 1996; Keating and Loughling 1997). Consequently, Gualini (2004a:31) points out that the multi-level governance approach may offer an effective conceptual framework for examining public policies of the European Union, most notably that of regional policy (Gualini 2004a:31).

With a special focus on local governance, Kull (2009:2) has, however, pointed out that although the governments of Member States have agreed on the empowerment of EU institutions and conceded more influence to the local level, central governments continue to control even those policy fields which provide easy access for new players. In addition, it has been pointed out that a certain ambiguity exists surrounding applicability and its explanatory power in relation to the Europeanisation and governance approaches as theoretical and analytical frameworks (Kuokkanen & Vihinen 2009:61; Kull 2009:5; Bauer et al. 2007:406; Olsen 2002:992).

Olsen (2002:922), for instance, argues that the main concern is not "what Europeanisation really is, but whether and how the term can be useful for understanding the dynamics of the evolving European polity". Kull (2009:5) has also seen that multi-level governance is an imprecise and dynamic concept which remains open for further theoretical debate and invites deeper conceptualisation. Bauer et al. (2007:406), for instance, have defined a *policy analytical Europeanisation model* as an explanatory framework that synthesises actor-centred and institutionalist elements. It acknowledges the central role of regulatory measures in the policy-making process and the key position of national administrations in the implementation of EU regulatory policies (Bauer et al. 2007:406). In addition, Kuokkanen and Vihinen (2009:61) have highlighted that the discourse concerning governance has a dual character: on the one hand, it

may emphasize the search for effectiveness in the implementation of policies, and on the other hand, it is focused on a new forms of democracy and participation.

Despite strong state-led influence on policy planning, I share Gualini's (2004a:34) opinion that "the Europeanised multi-level governance has to be addressed as "the duality of regionalisation processes ´from above´ and ´from below` – alongside a persistent governmental level in favour of formal territorial jurisdictions". Kull (2009b:3) also recognises the challenges involved in the analysis of EU integration processes by focusing on the sub-national and local levels in conjunction with the use of multi-level governance approach. In his opinion, multi-level governance as a theoretical approach underestimates the role of the public sector and government institutions located at higher spatial levels and their ability to preserve their powerful positions in the EU multi-level game. In his opinion, the institutionalised levels of governance continue to shape, construct and reconstruct policy fields (Kull 2009b:3). Therefore, my objective is to contrast the theoretical statements of strong regionalization parlance linked to the European integration studies with my empirical experience from the regional level of implementing RDP in the province of North Karelia.

2.4 Rural governance

In rural geography, there can also be also envisaged a re-emerging interest in territoriality in the re-spacing of rural development (Winter 2006:735). The debates on the 'politics of scale' and the scaling of governance have important resonance for the analysis of rural political and economic re-structuring. As a consequence, the concept of governance has been widely used in rural literature to reflect upon the recognition of the changing role of the state at all territorial levels adding greater propensity for public, private and voluntary sectors to work together in diffused power contexts (Shucksmith 2009:2; Böcher 2008:372; Marsden et al. 2004:80).

Nilsson et al. (2009:3), for instance, suggest that the multi-level governance concept is applicable in order to better understand the implementation of policies, particularly at the local level. Marsden et al. (2004:80) have emphasised that the turn of CAP reforms towards the Structural

Funding principles in order to empower regional development agencies in adopting and adapting to sustainable rural development objectives, has given growing salience to the concept of multi-level governance. Shucksmith et al. (2005:170) have also signalled recently the appropriate level of decision-making with regard to rural development has become a matter of discussion. Besides, it has been acknowledged that the diversity among rural areas and their circumstances makes it very difficult and inappropriate to design policies at a central level (EU or national) which would take into account locally specific needs as well as a geographically balanced economic development for a nation or for the EU (Shucksmith et al. 2005:170).

In defining rural governance, Woods (2005:164) has also stressed that "new styles of governing operate not only through the apparatus of the sovereign state, but also through a range of interconnecting institutions, agencies, partnerships and initiatives in which boundaries between public, private and voluntary sectors become blurred". The ´new forms of governance' have received considerable attention in rural literature along with the study of partnerships (Derkzen 2009; Kull 2009:2; Shucksmith 2009; Edwards et al. 2002).

Rural literature has therefore been especially marked by two different approaches in the study of multi-level governance in rural circumstances (Kull 2009b:2; Edwards et al. 2002:291-291). First, Kull (2009b:2) differentiates a 'classical' conceptualisation of multi-level governance in the EU where sub-national and local levels as multi-level structures are directly and indirectly legitimized institutions and organs situated at the EU-level, member-state and sub-national levels. Second, he emphasises a 'new form of governance' that empowers and sets up formal or informal networks or functional units of cooperation to foster efficiency and democracy (Kull 2009b:2). Edwards et al. (2002:291-292) also propose that rescaling of rural governance can be analytically studied from the perspective of changing diffusion of power and responsibility between existing scales of governance. The design of my research puts greater emphasis on the classical inspection of multi-level governance. However, in interviewing regional interest groups, I also examine their opportunities to participate in the implementation of the EU's RDP through new forms of rural governance.

Despite the growing discussion on '*partnershipping*' within the idea of 'new governance', rural scholars have begun to raise a number of concerns about the distribution of power in rural societies. Woods (2005:169), for instance, remarks that the 'new system of rural governance' is still an evolving phenomenon whereas its legitimacy and accountability as new governance structures have been constantly questioned. At the same time, he expresses his concern that "the rhetoric of partnerships is continuously undermined by the unequal resources of different interest groups and despite the goals of community engagement, the power structures of rural governance may concentrate power in a small group of established and institutionalised organisations and individuals" (Woods 2005:169).

With special regard to the research of new governance, Winter (2006:736) has therefore emphasised "that the plethora of work on regionalism and multi-level governance tend to recognise more the continuing priority given for the central state direction, and there has been a retreat from earlier notions of the hollowing out of the state to more nuanced emphasis on the rescaling of statehood". On the other hand, Winter (2006:736) has remarked that in the case of agricultural and rural governance research, more attention in the governance literature has been given to the regional development agencies than to the strengthening of regional central state offices.

In addition, it has been noted how at least agricultural policy in most countries is a highly institutionalised policy field built on close cooperation between interested parties such as farmers, the agri-industry (sometimes also the forest industry) and the state (Andersson et al. 2003:13). This is an interesting remark since EU's rural policy is closely linked to a common framework with the CAP, and that is why agricultural interest groups also participate in the delivery of RDP.

On the other hand, networks for rural policy in Finland usually display rather heterogeneous and loosely structured network of interest parties including a mixture of the first, second, and third sector such as governmental bodies, regional and local authorities, academic experts, NGOs, entrepreneurs, rural developers and other active rural inhabitants (Csite & Granberg 2003:79).

Moreover, Csite & Granberg (2003:79) have deduced from the Finnish experience that the rural policy network has been positioned in a contradictory relationship to the state administration, and from the very beginning the ideology has been critical towards the governmental structures of state administration in the development of rural areas.

In the light of recent EU reforms for the period 2007-2013, the rural development programme of the EU was even more closely linked within a common framework with the CAP due to the new fund (EAFRD) for financing rural development measures being established under the Common Agricultural Policy. This crystallises the constant debate about legitimating rural policy either as part of the EU's regional or agricultural policy. Csite and Granberg (2003:67), among others, have emphasised that generally speaking, rural policies are territorially focused differing from sectorally oriented agricultural policies, and therefore rural policy resembles more the aims of regional policies.

The empirical evidence of the EU's RDP in reviewing the 2000-2006 programme period highlights that the national administrations of Member States have tended to favour Rural Development Programmes based on past experiences and priorities reflecting national co-financing decisions rather than on actual conditions and needs to develop rural territories in economic change (Burrel 2009:280; Dwyer et al. 2007; Dax 2006:16). EU's rural policy, the RDP as a less institutionalised policy field, is hence constantly challenged with the structural measures of agricultural policy predominant in the scope of RDP. This can be mirrored from the Commission parlance concerning the term "rural development" which at EU level is still used in a rather broad sense to include both on-farm agri-environmental land management activities as well as off-farm initiatives for diversifying the performance of rural economies (Shuckmith et al. 2005:29).

2.5 Territoriality in rural policy

In parallel with changes from government towards the more open process of governance, in the research of rural policies the shift from a sectoral to a more territorial delivery of policies has

gained increased attention (Ward & Brown 2009; Shucksmith 2009; Böcher 2008; Marsden et al. 2004; Shucksmith and Shorthall 2001; Ray 2000; Marsden & Bristow 2000; Malinen 2000). Recent Europeanisation studies have also clustered around the development of a territorial dimension of European policies (Gualini 2004a:31).

Consequently, the integration of territorial concerns into sectoral policies has emerged as a new priority in the EU's territorial policy, rooted in the European Spatial Development Perspective 1999 (ESDP) (Schout & Jordan 2007:836; Dax 2006:12). The shift towards territorial considerations has been promoted by principles of subsidiarity endorsed in the 1993 Amsterdam Treaty. In terms of the aims of subsidiarity, national and regional governments have a more prominent role to play in the preparation of various CAP/RDP arrangements for the Commission's approval (Shucksmith et al. 2005:27). Moreover, Marsden (2006:12) has elaborated that the aims of regional and member state 'subsidiarity' are embodied in the development of the new rural development plans and the 'second pillar' of CAP set up by the rural development regulation.

In the EU rhetoric, 'integrated rural policy' alongside with the notion of 'integrated rural development (IRD)' experienced an increasing interest in the mid-1980's in the need to develop a new territorial model for rural development support (Shucksmith 2009:2). At the European Conference on rural development in Cork in 1996, the discussion on IRD peaked when it was promoted as a multi-disciplinary concept, multi-sectoral in application, and with a clear territorial dimension (Derkzen et al. 2009:144). The IRD approach in the EU policy is usually exemplified by the LEADER Community Initiative characterising three aspects for this approach: a territorial basis (as opposed to a sectoral one), the use of local resources, and local contextualisation through active public participation (Shucksmith 2009:2).

On the other hand, Cairol et al. (2009:278) define the 'territorial dimension' of a policy formulation as a primary goal of providing more equal living conditions among EU citizens bearing mind the diversity of geographic and demographic circumstances. In the practical context of policy planning this aim of 'territoriality' could therefore be understood through the

objective of bottom-up area-based planning taking into account the specificity of rural areas. Territorially-oriented concepts also display increased attention paid to the more comprehensive and integrative rural development measures with reconciliation of three sustainability aspects: economic competitiveness, social cohesion and environmental concerns (Cairol et al. 2009:279). In the EU-wide analysis, the CAP support has been studied in terms of 'territorial or spatial cohesion' concepts with aims at reducing inequalities between regions. The positive correlation of 'territorial cohesion' is in this sense evidenced as higher levels of CAP support to be more equitably distributed for NUTS-3 regions with higher unemployment, de-population rates and lower regional GDP per capita levels (Dax 2006:13).

Cairol et al. (2009:278) argue that this territorial dimension in EU's agricultural policy has been strengthened when regionally targeted structural funding measures such as LEADER programmes and Objective 5 were introduced in the same framework with CAP in 1993. On the other hand, the regional and territorial impacts of the EU's agricultural and rural policies have been studied in the EU-wide project by the European Spatial Planning Observatory Network (ESPON) agricultural and rural support (Arkleton Institute 2005). The main results of this policy relevant study indicated that the CAP has extended its objectives beyond a sector policy and it is directly concerned with the spatial development of Europe. According to the ESPON evidence, it was determined that Pillar II support, representing a more integrated rural development policy, was not favouring spatial cohesion (Arkleton Institute 2005).

Therefore, it was shown how the Pillar II support is inequitably distributed for NUTS-3 regions with lower unemployment and de-population rates and higher GDP per capita levels. It has also been generally argued that the second Pillar is still focused mainly on agricultural producers rather than on territorial rural development, and this has continued under the revised RDR for the period of 2007-2013 (Shuckmith et al. 2005:198). Yet, the RDR has been characterised as an innovative tool with considerable potential to support sustainable rural development throughout Europe, particularly in promoting a more integrated and multifunctional approach. However, this potential is not currently being realised (Shuckmith et al. 2005:198).

In the report 'Agriculture, rural areas and allocation of support' published in 2009 by the Agrifood Research Finland, similar evidence in terms of territorial impact analysis for the Finnish rural areas can be found (Vuotilainen et al. 2009). Vuotilainen et al. (2009) discovered in reviewing the impacts of the CAP 2000-2006 programme period that the agricultural and rural policies in Finland have not considerably promoted a uniform development of rural areas and therefore a more tailor-made policy for different regions would have been required. Do the new rural development programmes for Mainland Finland 2007-2013, designed for the national and regional levels, allow for more tailor-made or region-based planning in comparison with the previous programme period? On this question I will focus more in my empirical study.

Nonetheless, the Finnish and the EU-wide evidence are in line with Ward and Brown's (2009:1239) argumentation about the ineffectiveness of agricultural policy in the support of rural areas. The declining economic significance of agriculture and land-based industries is a common trend within rural economies across OECD countries. In other words, as employment in agriculture and in other land-based industries has shrunk, the economic fortunes of rural areas have come to depend upon a much wider range of drivers than the economic fortunes of the primary sector (Ward & Brown 2009:1238).

In the province of North Karelia, for instance, the number of active farms has been reduced to one third between the years 1995 and 2006. The most profound structural change in agriculture can be detected around the time of Finnish accession to EU in 1995. At that time, there were 9677 agricultural holdings in North Karelia whereas in 2003 the number had shrunk to 3184 (Eisto 2009:21-22). As for the whole of rural Finland in 2009, only about 10 % of the entire Finnish rural population worked for the primary sector, and they represented 19 % of the active labour force in rural areas. Moreover, in 2009 less that 8 % of the country was covered by agricultural land (Vihinen 2009:85).

As a contrast to Finnish rural characteristics and the ensuing developmental needs, the European Community nevertheless positions rural policy as a subordinate part of the common agricultural policy, CAP. Additionally, agricultural instruments play a central role within the EU's RDP.

According to Eisto (2009:29), for instance, this centrality of agriculture within the EU's rural development policy may intensify the Finnish division of rural areas into areas of agricultural production and to 'project-driven rural areas' maintained by development projects.

Yet, rurality is no longer synonymous with agriculture. Many rural researchers share an understanding that the development of rural livelihoods cannot solely be dependent on agricultural funds and policy measures which are allocated predominantly for agricultural producers (Vihinen 2009; Cairol et al. 2009; Shucksmith et al. 2005:170; Dwyer et al. 2000; Marsden & Bristow 2000:457). Ward & Brown (2009:1238), for instance, have echoed in their analysis on RDRs as a part of the CAP that "sectoral policies particularly focusing on supporting agriculture are increasingly inappropriate and ineffective in stimulating rural development and diverse rural economies". With respect to this issue, Shuckmith et al. (2005:193) have argued that "an integrated, territorial approach – sensitive for the diversity of rural circumstances – is needed to ensure regionally balanced development and territorial cohesion".

Despite the recognition that that a purely sectoral approach is less successful in enhancing and stabilising a region's performance, the goals of rural development within the CAP predominantly remain the same: the maintenance of agricultural productivity (Shuckmith et al. 2005:193). In addition, it has been increasingly recognized that as well as addressing the serious contradictions inherent in the application of sectoral policies to rural areas, rural policy needs to explore the opportunities for more effectively dovetailing them in the context of different types of rural areas (Vihinen 2009; Vuotilainen et al. 2009; Cairol et al. 2009; Marsden & Bristow 2000:457).

Yet, Derkzen et al. (2009) have stressed that the increasingly institutionalised parlance of 'integrated rural policy' – instead of a sectoral one – has received very little empirical attention from rural scholars, and due to its analytical ambiguity it is much more complex and contestable than policy discourse suggests. However, Derkzen et al. (2009:145) have pointed out that the objective for integration may imply an idea of improvement by making whole what was previously separated. In the context of public policy, those separated policy sectors most often

embody vested interests and therefore create deeply entrenched barriers to horizontally co-ordinated activity (Derkzen et al. 2009:145).

3. Common Agricultural Policy of EU

The mechanisms of the Common Agricultural Policy (CAP) were put in place over forty years ago following the Treaty of Rome in 1957 (Donald et al. 2002:171). The CAP by the European Community (EEC) was set up by its six founders, Germany, France, Italy and the Benelux countries, characterised by high internal farm prices, strong market intervention and border protection, which meant that European economic integration inherited an isolated and protected agricultural sector from the founding states (Vihinen 2003:54). From the start, the sole objective of the CAP has therefore been to manage agricultural markets and support farmers' incomes (Donald et al. 2002:171).

Moreover, Burrel (2009: 272) has argued that for the twenty-five years of existence of the CAP, its regime structure has remained largely unchanged, reflecting the relative homogeneity of farm conditions and sectoral preferences of the original six members. Thus the CAP has had a long-lasting impact in integrating national agricultural strategies across EU Member States under a single supra-national dynamic. Today, however, the pressure for changing the CAP's community support regimes has come from various fronts, and fifteen years of successive reforms have reduced the excesses of the earlier periods and widened agricultural policy objectives in response to societal demands (Burrel 2009:286).

The regulations for the financial management of the CAP have been laid down by the Council of Ministers. The rules governing rural development policy for the period of 2007-2013, as well as the policy measures available to Member States and regions, are set out in various Council Regulations (European Legislation 2009). According to the rules set up by the Ministers, the European Commission (EC) is responsible for the management of the CAP framework (DG AGRI 2007:4).

For the period of 2007-2013, the CAP consists of two instrumental policy-sectors referred to as Pillar 1 and Pillar 2 combining both agricultural and rural policies. According to this division, Pillar 1 comprises financial mechanisms for market price support and direct income support to regulate agricultural markets and to guarantee more stable incomes for farmers. Pillar 1 is funded in the period of 2007-2013 by the European Agricultural Guarantee Fund (EAGF) and Pillar 2 by the European Agricultural Fund for Rural Development (EAFRD) (DG AGRI 2007:4).

Pillar 2 of the CAP comprises a number of quite distinct structural and rural development measures (Shuckmith et al. 2005:68). Pillar 2, hailed as a rural development instrument of the CAP encompasses three core targets*: competitiveness through restructuring the environment and the countryside*, *quality of life in rural areas* and *diversification of economic activity* (Burrel 2009:279). In other words, it has implied fostering a greener CAP in terms of sustainable agriculture and creating more opportunities whereby regions could design strategies attuned to their own needs (Marsden 2006:13).

However, these trends are yet to come fully to fruition. Pillar Two funding continues to account for only a relatively small proportion of foreseeable CAP total expenditure (Marsden 2006:13). Burrel (2009:280), for instance, has estimated that resources allocated to the Pillar 1 within the total budget allocation for the CAP 2007-2013 remain about four times larger than those of the second Pillar.

According to the Council Regulation (1290/2005) which governs the rural development programme for the programme period 2007-2013, the Common Agricultural Policy (CAP) of EU is divided into two individual funds. From the beginning of 2007, therefore, a new financial instrument for Pillar 2, the European Agricultural Fund for Rural Development, EAFRD, was launched. With this instrument rural development measures were consolidated under the same regulative and financial unity with the rest of the structural adjustment measures for agriculture (DG AGRI 2009).

3.1. Developing EU's rural development policy

The Common Agricultural Policy (CAP) of the EU has been the subject to multiple reforms since the mid-1980s, primarily due to the political and budgetary pressures of agricultural overproduction (Lowe et al. 2002:2). The constant challenge of the CAP has been to engage the prospects of agricultural trade liberalisation and to develop an agricultural and rural policy that recognises and accommodates multifunctional futures of rural areas. Lowe et al. (2002:1-2) have described that the objective of multi-functionality in the CAP has been expressed increasingly in environmental concerns, landscape management as well as in support for rural population in peripheral areas (Lowe et al. 2002:1-2)

However, rural development policy has acquired a highly contested meaning in EU parlance through the institutionalisation process of the rural development regulation (RDR) in the post-1999 programming periods of the CAP (Shucksmith 2009:3). The Rural Development Regulation (1257/1999), hailed by the European Commission (EC) as the Second Pillar of the CAP, was agreed on in the 1999 Berlin Summit and further consolidated within Agenda 2000 (Dwyer et al. 2007:874).

The establishment of CAP's Pillar II in 1999, set up by Rural Development Regulations (RDR), brought together a range of CAP measures in order to create a more coherent and integrated approach to rural development (Dwyer et al. 2007:874-5). The RDR consolidated under one single regulation multiple measures for structural adjustment in agriculture[1] and measures for the adaptation and development of rural areas[2] (Dwyer et al. 2007:876). Before the reform of the CAP in 1999, rural development measures are traceable back to the Objective 5b measures of

[1] Support for structural adjustment of the farming sector; support for farming in Less Favoured Areas; remuneration for agri-environmental activities; aid for investment in processing and forestry measures.

[2] Promoting the Adaptation and Development of Rural Areas: Land improvement, Reparcelling, Farm relief and management services, Marketing of quality agricultural products, Basic services for rural economy and population, Diversification of agricultural activities, Agricultural water resources management, Development and improvement of infrastructure connected with the development of agriculture, Encouragement for tourism and craft activities, Protection of the environment in connection with agriculture, forestry, and landscape conservation as well as with the improvement of animal welfare, Restoring agricultural production potential damaged by natural disasters, Financial engineering

the Structural Funds Regulation from 1993 (Watts et al. 2009:684; Ward & Lowe 2004:121; Dwyer et al. 2007:874-5). This means that the rural development instruments have been initiated alongside with the evolution of the EU's Regional Policy. In Finland, rural policy also originated from Finnish regional policy in the 1980's, as explained later.

After the CAP reform in 1999, which was aimed to amalgamate certain agricultural and rural development measures under the same rural development regulation (RDR), EU's rural policy has constantly undergone several reforms in order to consolidate the position of EU's rural policy under the same policy umbrella and fund with the EU's agricultural policy. The CAP reform of 2003 confirmed rural development as one of the fundamental elements of the CAP. The European Council decided therefore to reduce spending on Pillar 1 measures by 3 % in 2005, 4 % in 2006 and 5 % from 2007 onwards until 2012 and transfer (known as 'modulation') the funds to be spent on Pillar 2 measures (Shuckmith et al. 2005:29) . The 'broad vision' for the second pillar was hence re-echoed in the Commission's rhetoric as a move towards a more territorial, multi-objective and decentralised orientation within the EU's agricultural policy (Dwyer et al. 2007:875).

In September 2005, the Council of Ministers adopted a Rural Development regulation (RDR) (1698/2005) for the upcoming period of 2007-2013. One of the most important outcomes of the 2005 reform, was the launching of a single fund, the EAFRD (European Agricultural Fund for Rural Development), in order to set up one management and control system and one type of programming for the measures initially regrouped under two distinct financial frameworks, Guidance and Guarantee Sections under the European Agricultural Guidance and Guarantee Fund (EAGGE) (Directorate-General for Agriculture and Rural Development 2009:1).

Moreover, in the mid-1980's there was growing interest at the EU level in the need to develop a new rural development support, as agricultural surpluses and growing environmental concerns challenged the identity of the rural with the agricultural (Shucksmith 2009:2). Due to budgetary pressures, environmental and equity arguments to reform the CAP, and the apparent failure of Structural Policy to bring about economic convergence between the regions of Europe, the EC

announced a shift in the use of the Structural Funds away from a sectoral approach and towards interventions that targeted territories with particular socio-economic disadvantages (Ray 2000:164).

Consequently, the Community structural measures for rural development were administered through a programming approach in which the EC, member states and in particular regional and local actors in co-operation were supposed to identify the problems and potentials of rural areas and finally proposed a strategy in the form of a Single Programming Document (SPD) (Shucksmith 2009:2). In addition, Dwyer et al. (2007: 874-875) have specified that in the periods 1989-93 and 1994-99 the structural measures were delivered through multi-annual strategic programmes as part of the regionally targeted, area-based programmes, funded jointly with European Regional Development and Social Funds (Dwyer et al. 2007:874-875).

These funds grew significantly in the late 1980's and 1990's and were used to support structural adjustments in the EU's economically most lagging areas (through so-called Objective 1, Objective 5b and, subsequently, Objective 6 programmes) and in rural areas in need of economic diversification (the Objective 5b areas) (Dwyer et al. 2007:875; Ray 2000:164; Malinen 2000:31-31). The province of North Karelia, for one, was eligible to be among the areas of Objective 1 programme until the period of 2000-2006.

Ray (2000:164), for instance, has argued that the reform in Structural Fund Policy in the 1980's resulted in the adoption of a territorial, endogenous model for rural development. In addition, it has been emphasised that from 1989 the EU's regional funds were able to target the most disadvantaged rural areas through the pursued territorial and integrated rural development approach (Shucksmith 2009:2; Malinen 2000:30). Vihinen (2003:54) has also pointed out that regional issues emerged in the EU policies outside of the CAP when the Structural Funds were strengthened. The EU's Regional Policy has therefore been regarded as a forerunner in the institutionalisation process of the EU's rural development policy (Shucksmith 2009:2; Papadopoulos & Liarikos 2007:291-292; Ward and Lowe 2004:124; Malinen 2000:30, Ray 2000:164).

In a positive light, Shucksmith (2009:5) also estimates that that Structural Funds during the 1990's launched a new holistic approach for rural development objectives referred to as Integrated Rural Development (IRD) (Shucksmith 2009:5). The initial purpose of the IRD approach was to combine social, economic, environmental, and infrastructural measures within the concept of sustainable rural development (Shucksmith 2009:5; Marsden & Bristow 2000:457). At the European Conference on Rural Development in Cork in 1996, the European Commission reaffirmed a political commitment to a closer targeting of rural development onto territories in particular need and the ambitions for the adoption of the IRD approach for the EU's new rural policy (Dwyer et al. 2007; Marsden & Bristow 2000; Malinen 2000; Ray 2000:164). The Cork Conference followed by the Cork Declaration by the Commission of the European Communities asserted that rural policy "must be as de-centralised as possible and based on partnership and co-operation between all levels concerned" (Shucksmith 2009:5).

As a previous linkage to the Structural Reform in 1988 and as an adoption of territorially sensitive rural measures, it was proposed in the draft to the Cork Declaration in 1996 that this horizontal and integrated approach to rural development under Structural Funds should also be applied in other sectoral policies of the EU. This proposal, coupled with growing concerns surrounding the efficiency of key sectoral policies such as the CAP in particular, increased the urgency of developing methods for the assessment of effectiveness and compatibility of sectoral policies in terms of overall integrated rural development objectives (Marsden & Bristow 2000:456).

Despite the EC's innovative agreement named as Agenda2000 for Integrated Rural Policy launched in the CAP 1999 rural reform, the implementation of new rural development parameters inspired by the Cork Conference ultimately appeared to be difficult to put into practice due to the strong political resistance of agricultural lobbyists and the Council of Ministers (Dwyer et al. 2007:874; Lowe et al. 2002:3 Malinen 2000:34). Therefore, the establishment of an Integrated Rural Development policy was strongly compromised within the outcomes of the Agenda 2000 Agreement and Council Rural Development Regulation (EC)

257/1999. Therefore, the whole process was judged as a missed opportunity to transform the CAP (Lowe et al. 2002:4; Malinen 2000:34).

Moreover, Vihinen has specified (2003:55) that the time was not ready for such a radical rural development reform. Therefore, in the Commission's final proposals, instead of instrument for the Integrated Rural Development, the second Pillar was initiated as a subordinate of the first Pillar – the price and market policy (Vihinen 2003:55). On the other hand, the genesis of the rural development regulation in 1999 has nonetheless been linked by the Commission with the rhetoric and principles espoused by Commissioner Franz at the Cork Conference of November 1996, and later the 'broad vision' for the Second Pillar was echoed at the Agenda 2000 reform proposals agreed on in 1999 (Dwyer et al. 2007:874).

After the programme periods of 1989-1993 and 1994-1999, the rural development aids were integrated with the EU's regional development agenda until the end of the programming period 2000-2006. In the period of 2000-2006, rural development measures were financed by the *EAGGF Guidance Section* in Objective 1 areas and by *Guarantee Section* in regions not covered by Objective 1. The EAGGF Guidance Section was one of the Structural Funds, together with the European Regional Development Fund (ERDF), the European Social Fund (ESF) and the Financial Instrument for Fisheries Guidance (Directorate-General for Agriculture and Rural Development 2009:5).

For the programming period 2000-2006, the rural policy system was rather complex, with several financial instruments, or even different measures, used for different countries and periods (Directorate-General for Agriculture and Rural Development 2009:5). Rural development policy under the Agenda 2000 agreement[3] finally offered a 'menu' of 22 distinct measures from which the member states could choose in their national or regional programmes those measures that best suited the needs of their rural areas (European Commission 2003). Yet, the Agenda 2000

[3] Set of reforms to EU policies, including in agriculture, agreed at the Summit meeting of EU heads of government in the European Council in Berlin in March 1999, and setting the 'Financial Perspectives' for the EU budget from 2000–2006.

agreement established agri-environment measures as the only compulsory element of the EU rural development policy. This illustrates the political priority attached to agri-environment schemes, when member states had to include this measure within their rural development programmes financed by the EAGGF-Guarantee Section (European Commission 2003). In reviewing the 2000-2006 period, Dwyer et al. (2007) have made the important remark that "national administrations have tended to favour programmes based on historical precedents rather than on actual conditions and needs, and failed to exploit the new opportunities creatively, in part because of the strictures of legislative framework".

To sum up, the Agenda 2000 established by the Council Regulation 1257/1999 brought together all measures for rural development and structural measures for agriculture (funded either by EAGGF Guidance or Guarantee Section) under a single regulation which became known as the second pillar of the CAP. Subsequently, the Rural Development Regulation in 2005 (1698/2005) consolidated all the measures within Pillar Two under the same financial instrument entitled the European Agricultural Fund for Rural Development (EAFRD) (European Parliament 2001).

Consequently, the latest rural development reforms strengthened the financial and regulative interconnectedness of rural measures within the CAP. Simultaneously, for the programme period of 2007-2013, the rural development measures were disconnected from the past linkage with the EU's Regional Policy. That is why Pillar 2 of the CAP today groups, both financially and normatively, a variety of structural measures for farmers as well as rural development measures for the diversification of rural economies.

3.2 Rural development programme in the period of 2007-2013

For the period 2007-13, the Rural Development Programme (RDP) of the EU brings together a myriad of instruments characterising three core targets: competitiveness through restructuring the environment and the countryside, quality of life in rural areas and diversification of economic activity (Burrel 2009:279). The specific policy design and decision making regarding Pillar 2 of the CAP are predominantly at the discretion of each member state and therefore member states

do have strong differences in their preferences for different types of rural development programmes (Dwyer et al. 2007). The degree of centralization or decentralisation in decision making that is desirable in the Union also varies between different jurisdictions in the member states (Burrel 2009:281).

For the co-finance of EU however, each Member State will draw up a national strategy plan in line with the strategic guidelines adopted by the Community (2006/144/EC). Each Member State will then submit their *National Strategy Plan* to the Commission before presenting their *Rural Development Programmes*, approved in Brussels. The national strategy plan from 1st of January 2007 until 31st of December 2013 is carried out through rural development programmes containing a package of measures grouped around 4 axes covering the period (European Legislation 2009). The Finnish Ministry of Agriculture and Forestry for instance chose to design two national rural development programmes: one for Mainland Finland and the other for the Åland Islands, an autonomous province of Finland.

More specifically, Pillar 2 is designed as an integrated rural development aid system which focuses on three core priorities (European Commission 2009):

> Priority 1: Improving the competitiveness of the agricultural and forestry sectors
> Priority 2: Improving the environment and the countryside
> Priority 3: Improving the quality of life in rural areas and encouraging diversification of the rural economy

Each of the core priorities relates to one thematic 'axis' with a variety of measures to which each Member State should devote a minimum percentage of funding (Table 1). These instrumental categories referred to as 'axes' with specific goals are explained to be initiated to improve the consistency (minimum financial assistance by each axe) of programmes between Member States as well as the flexibility in the use of measures within each axis (European Legislation 2009; Council Regulation (EC) No 1698/2005).

Table 1: Minimum Community support on EAFRD 2007-2013 by thematic Axis

Axis	Core objectives:	Minimum Community financial assistance within Axis (%)
Axis 1	Improving competitiveness of agriculture and forestry sector	10 %
Axis 2	Improving the environment and the countryside	25 %
Axis 3	The quality of life in rural areas and diversification of rural economy	10 %
Axis 4	Leader axis	5 %

Source: European Legislation (2009)

According to the Commission's second financial report on the financial implementation of the EAFRD for the year 2008: 21 % of the EAFRD expenditure was allocated for measures under Axis 1, 75 % for the Axis 2 and 2 % to measures to measures under Axis 3 (European Commission 2009:12). *The Rural Development in the European Union: Statistical and Economic Information Report* by the Directorate-General for Agriculture and Rural Development (DG AGRI) for the year 2009 also showed similar evidence. According to the declarations of expenditures[4] for the EU27 it was calculated that 20 % of the expenditures were connected to the measures under Axis 1, 75 % to measures under Axis 2, while 3 and 4 received 2 % of the RDP budgets (DG AGRI 2009:511). Both of the previous calculations show similar trends in allocation of aid for the EU27. The agri-environment measures within the Axis 2 receive the majority of the Pillar 2 funding.

On the other hand, the analysis on the tentative allocation of funds according to the approval of preliminary Rural Development Programmes (RDPs) for period of 2007-2013 show more equal distribution of aids by axis (See Table 2) (DG AGRI 2009:23). The declarations of expenditures for the years 2008 and 2009 may differ from the given figures of the tentative programme plans because they do not necessarily show the complete trend in the realisation of programme

[4] Declaration of expenditure 2007: (4th quarter of 2006, 2nd, 3rd and 4th quarter of 2007) and 2008 (1st, 2nd, 3rd, 4th quarter). The amounts declared in the 4th quarter of 2006 were paid in 2007 based on transnational provision allowing expenditure under EAGGF Guarantee section incurred from 15 October to 31 December 2006 to be taken over by the EAFRD budget in accordance with Article 39(1) of Council Regulation (EC) No 1290/2005.

expenditures. The Axis 2 measures in this case might have been launched for the co-financing at the early stages of the programme period, whereas the Axis 3 instruments might be realised towards the end of the programme time. In addition, the co-financing figures do not distinguish separately the Axis 4 aids. The LEADER Community support, granted to local action groups (LAGs) as a compulsory element into the RDP, is delivered through all of the three thematic axes and therefore it may overlap the minimum funding of these axes (DG AGRI 200:28).

In aggregate, Axis 2 has, however, the highest share of total EAFRD contribution according to the tentative programmes for RDPs 2007-2013 and the planned support allocated to Axis 3 never exceeds 40 % among 27 Member States (DG AGRI 2009:23). In the report of DG AGRI (2009:26) it was also shown in more detail that '*Agri-environment payments*' (23 %, measure code 214) and '*LFA payments*' (13 %, measure codes 211 and 212) within Axis 2 and '*Modernisation of agricultural holdings'* (11%, measure code 121) within Axis 1 – are the most important measures of the total EAFRD contribution in EU-27 level (See table of measures in Appendix 2).

Table 2: Allocation of EAFRD support by Axis according to the RDPs 2007-2013 in the EU27

Axes	Core objectives:	Importance of Axis by RDP in EU-27	Highest percentages of Axis by RDP 2007-13 in EU 27	Lowest percentages of Axis by RDP 2007-13 in EU-27
Axis 1	Improving competitiveness of agriculture and forestry sector	33 %	Belgium (48.6%), Latvia (47.2%), Hungary (45.6%), Portugal (45.5%), Spain (45. %), Cyprus (44%), Greece (43.7%), Romania (40.2%)	Sweden (15. 4 %), Austria (14.8 %), United Kingdom (12.5 %), Finland (11.3%), Ireland (10.3%)
Axis 2	Improving the environment and the countryside	46.4 %	Ireland (79.6%), Finland (73.5%), United Kingdom (73%), Austria (72.4%), Sweden (70.3%), Denmark (63.9%), Luxembourg (59.1%)	(Latvia 28.1%), Malta (26.6%), Bulgaria (24.5%), Romania (23.6%)
Axis 3	The quality of life in rural areas and diversification of rural economy	16.5 %	Malta and the Netherlands (33.7%), Bulgaria (27.9%), Germany (24.9%), Romania (25.1%), Poland (23.1%), Latvia (20.1%), Estonia (19.4%)	Cyprus and Austria (10.1%), France and Ireland (10%), Luxembourg (9%), and Portugal (8.3%)

Source: Directorate-General for Agriculture and Rural Development (2009). Rural Development in the European Union: Statistical and Economic Information Report 2009.

Dax and Hovorka (2007:4) have further explained that the more prosperous regions of northern Europe tend to prioritise agri-environment and LFA payments, whilst poorer regions of the south and the accession countries prioritise agricultural modernization. For Finland, for instance, Axis 2 accounts for 73,5% of the total EADRD support, the share being the second highest percentage of EU27 after Ireland.

It has been emphasised that in period of 2007-2013, the main focus of the CAP's will be on the second pillar and therefore on the rural development initiatives (EU Legislation Summary 2009). However, it seems that according to the domestic prioritisations in RDP's for EU27 the majority of the EAFRD funding is still contributed to Axis 1 and 2 in the scope of which agricultural producers are the most important group of beneficiaries. In the light of recent CAP reforms with regard to Pillar 2, it can be also observed that environmental concerns in relation to agricultural production have gained future developmental focus. The CAP Health Check agreement on rural development (Council Regulation (EC) No 74/2009) in 2009 is a good example of a shift in this policy direction. In the CAP Health Check this meant, in other words, that agricultural ministers agreed to increase the 'modulation' from the first Pillar's direct aids to the second Pillar's rural development to 10 % until 2012 (European Commission 2009a).

Yet in the amendment of the *Community Strategic Guidelines for Rural Development* (Council Decision (EC) No 61/2009) it was agreed that this obtained funding of CAP Health Check transferred into the Pillar II may be utilised by the Member States to reinforce RDPs in the fields of climate change, renewable energy, water management, biodiversity and dairy restructuring named as particular new challenges for the European Agriculture (European Commission 2009a). Finally, it can be questioned whether the only beneficiaries of this 'modulation' funding are agricultural producers and to what degree this strengthens rural development as highlighted in the EC rhetoric as core priority for the period 2007-2013 of Pillar Two.

The Council Regulation (74/2009)[5] also demonstrates a growing emphasis of the CAP's Pillar Two towards a strengthening agri-environment policy. Over 80 % of the suggested measures implemented through obtained 'modulation' funding, were in the scope of the Axis 1 and 2. Axis 1 is characterised as an instrument for '*Improving competitiveness of agriculture and forestry sector*' and Axis 2 for '*Improving the environment and the countryside*'. In contrast, a minority (less than 20 %) of the measures were advised to be delivered in relation to the measures within Axis 3 entitled as '*The quality of life in rural areas and diversification of rural economy*' (Council Regulation (EC) No 74/2009).

Hence, there seems to be an enhanced agri-environmental focus in the prospects of the RDP budgets although there might be national differences in the implementation of the Member States priorities. Burrel (2009:281) has pointed out in reference to CAP Health Check that despite of the new funds obtained from increased modulation to be utilised to address climate change, renewable energies, water management and biodiversity, the specific policy design and decision making regarding these measures will be at the discretion of each member state. The overall results of the increased Pillar 2 funding depend hence on the management and targeting decided on the national level (Burrel 2009:281).

The new community priorities should, however, be revised in national strategy plans as a reference framework for the revision of rural development programmes (Council Decision (EC) No 61/2009). Finland for instance announced that the theme year 2010 for the *Rural Development Programme for Mainland Finland 2007-2013* recognises a special priority for environmental concerns (Ministry of Agriculture and Forestry 2009). From the perspective of recent reforms in the Pillar 2 of the CAP, it seems that agricultural producers remain the predominant group of beneficiaries despite the fact that Pillar II is hailed widely as a policy for rural development in the EC rhetoric. Simultaneously, the non-farming actors applying aids for

[5] Council Regulation (EC) No 74/2009 of 19 January 2009 amending Regulation (EC) No 1698/2005 on support for rural development by the European Agricultural Fund for Rural Development (EAFRD)

initiatives labelled under Axis 3 as 'diversification of rural economies' have received little attention in the allocation of new CAP recourses.

In a report on Finnish rural policy by the *Finnish Regional Research* (*Suomen Aluetutkimus, FAR*), the researchers also criticised the Pillar 2 'modulation' by arguing that the new emphasis on Pillar Two signifies after all a cosmetic reformulation that dissipates most likely the differences between the Pillar 1 and 2 of the CAP (Linden et al. 2008:30). It was also noted that the Pillar 2 constitutes an important income subsidy in terms of LFA and agri-environmental payments for the Finnish agricultural producers. As a member state Finland receives few Pillar 1 aids, and Pillar 2 functions as a compensation for the maintenance of Finnish agricultural competitiveness in European free markets (Linden et al. 2008:29). The real nature of the Pillar two as an effective rural policy will be next discussed more profoundly in the following sections in the light of rural literature.

3.3 Rural Development Programme beyond agricultural conservatism?

Shucksmith (2009:3) has argued that the term of rural development has become a site for symbolic and material struggle between agricultural and other interests. The struggles are caused by the constant attempts to reform the CAP from a sectoral policy towards a more territorial, multi-objective and decentralised policy (Shucksmith 2009; Cairol et al. 2009; Ward & Brown 2009; Dwyer et al. 2007; Ward & Lowe 2004:136; Marsden & Bristow 2000). Yet, among rural scholars opinions about evolving the CAP in relation to its rural development objectives remain different.

Malinen (2000:34), in particular, has insisted that the rural rhetoric in relation to the EU's rural policy has progressed far beyond the implementation of EU's rural development framework. Despite the fact that the menu of rural development instruments in each member state's rural development plans has progressed, in practice rural development policy as a part of the CAP seems to remain primarily as a structural adjustment policy for agriculture (Shucksmith 2009:3; Dwyer et al. 2002:13).

Dwyer et al. (2007:882) have also affirmed that after the agreement of the Rural Development Regulation in 1999 (1257/99), the Pillar 2 has been characterized by institutional conservatism extending from the Commission to the national and the sub-national levels, allied strongly to the traditional character of the CAP. Similarly, Schmidt-Thomé and Vihinen (2006:51) have insisted "that in the EU tradition, rural development is still clearly agriculture oriented and that the current design of the EU´s rural policy is strongly interrelated to the historically important development of the EU´s Common Agricultural Policy".

Moreover, Dwyer et al. (2007:886) concluded that the RDR 1698/2005, with the lunching of the EAFRD for the period 2007-2013, differs relatively little from RDR 1257/1999 in its range of measures and overall scope (Dwyer et al. 2007:886). The DG AGRI's (2009) report "*Rural Development in the European Union Statistical and Economic Information*" has shown similar evidence – agricultural producers still receive the majority of Pillar 2 aids. This most probably mirrors the common EU conception where rural areas are seen as a space dominated by agriculture which can, consequently, be developed by supporting farmers (Schmidt-Thomé & Vihinen 2006:51; Malinen 2000:28).

According to the financial agreement in December 2005, Dwyer et al. (2007:886) have discovered that the second Pillar clearly fails to command resources when set in direct competition with much longer-established regimes of Pillar 1 of the CAP. Marsden et al. (2004:79) have therefore acknowledged that the after the launching of Pillar II in 1999, the rural development measures have remained relatively small in the actual allocation of CAP funding. For instance, rural development funds in the programming period 2000-2006 devoted to RDR represented a modest 15 % share of the of the total CAP expenditure (Lowe et al. 2004:122).

Despite the strong rural rhetoric at EC level – from 1998 to 2000 only a 3 % increase was seen in the funding for RDR measures (Dwyer et al. 2007:878). Subsequently, for the programming period 2007-2013, it has been stated that the EAFRD's allocated budged is EUR 96.3 billion which represents 20 % of the funds dedicated to the CAP within the both pillars I and II

(European Legislation 2009). The Pillar 1 of the CAP, despite of 'modulations' towards Pillar 2, still gets a lion's share of the total CAP budget.

On the other hand, CAP reforms have been evaluated in a more positive light envisaging a more diversified rural development approach for the EU. At a general level, it has been explained that Pillar 2 under the CAP framework has become semi-detached from sectoral agricultural policy. EU's rural development policy has therefore broadened its compass to include spatial and environmental issues affecting the rural Europe (Papadopoulos & Liarikos 2007:291-292). Also Finnish rural scholars have pointed out that due to the constant CAP reforms – CAP has increasingly started paying attention integrating territorial and multi-functional concerns into its rural policy. So CAP has hence begun to broaden its policy scope beyond the agricultural and forestry sectors (Vuotilainen et al. 2009:12).

Moreover, Lowe et al. (2002:14) have argued that even the Structural reforms in 1992 and subsequently the Agenda 2000 reform: permitted a shift in rural policy from EU institutions to individual Member States allowing a significant internal decentralisation of policy implementation. They have also pointed out that the RDR gives a Member States a considerable freedom to choose and adopt specific measures and mechanism for achieving sustainable rural development (Lowe et al. 2002:14). In contrast, Vihinen (2003:54) has underlined that McSharry reform in 1992, in line with the Agenda 2000 reform, strengthened the status of environmental and rural issues on the agenda, but the concrete policy measures connected to these issues remained vague and left room for manoeuvre for the member states in the implementation. Due to fact that the agri-environment measures related to the McSharry reform were set low according to the minimum standards, in some cases full support was exemplary paid to farmers although there was virtually no change in farming practices (Vihinen 2003:56).

The growing autonomy of the Member States in designing and delivering their RDP has been perceived both positively as 'freedom' of action (Lowe et al. 2002) or more negatively as 'room' for the manoeuvre (Vihinen 2003). In effect, the de-centralisation process of the RDPs is leaves room for speculations. On one hand, it permits Member States to take into account the territorial

specificities of rural areas. On the other hand, there is always a risk, as Dwyer et al. evidenced (2007) that Member States design their policies according to the historical paths of developments which does not necessarily promote the initial desire of the policy makers to foster change in policy making and strategies.

For the period 2007-2013, the brigading of measures into 'Axes' has been declared to improve the consistency of programmes between Member States and to further promote flexibility in the use of measures within each axis, but does not allow for integration between them (Dwyer et al. 2007:886). The 'fourth Axis' of the second pillar designed for LEADER is a good example of measures giving relatively low financial priority to community initiatives. According to the Community Guidelines, only a minimum of 5 % of program spending has been required from the total Pillar 2 expenditure for the Leader initiative (Council Regulation (EC) No 1698/2005). However, local areas with prior experience of 'bottom-up', territorially grounded initiatives in integrated rural development, particularly LEADER I or II, seem more likely to have deployed the measures available under the RDR in imaginative or innovative ways (Dwyer et al. 2007:882).

Yet, it seems that the argumentation surrounding the evolution of the EU's rural policy varies. There is no unanimous opinion about the current nature of the EU's rural development policy. Certainly, the results of the policy assessments also vary from member state to member state according to the domestic strategies taken in each nation. The EU's supra-national policy frameworks (e.g. Community strategic guidelines 144/2006 and Council Regulation 1698/2005) provide an important financial flexibility in the drafting and submission of national strategy plans. Therefore, I will next examine in more depth the particularities of Finnish rural policy making.

4. Finnish Rural Development Policy

Rural policy as such is a relatively new concept in most OECD countries. Although in Finland it has emerged without a sectoral, agricultural perspective, it used to have one in most OECD countries (Vihinen 2009:85). According to the OECD's rural reviews on Finland, conducted twice, i.e. in 1995 and 2008, it has been highlighted how Finland is one of the pioneer countries in naming and building an institutional framework around rural issues and adopting policy tools especially targeted for rural areas (OECD 2008:91). Yet, as the OECD researchers re-evaluated the Finnish rural policy in the rural review on 2008, they re-stated that in 1995 it had been early to evaluate the effectiveness of the Finnish Rural Policy and consequently hard to predict the impacts of Finland joining the EU (OECD 2008:91). That is why the focus of my inquiry on the Finnish rural policymaking is in the period following Finland's entry into the EU.

4.1 History of Finnish rural policy

Finnish rural policy has, however, been institutionalised as a policy field and its origins have been identified in the early 1980's" (OECD 2008:98; Vihinen 2007:61-62). The national rural policy thinking evolved gradually years before Finland joined the EU in 1995 in conjunction with the development of regional policy. Historically, Finnish rural policy therefore reflects hence a long tradition of a sparse population and de-centralized solutions in the country (Schmidt-Thomé & Vihinen 2006:51-61).

Eisto (2009:29) has illustrated that 62,4% of the Finnish rural land surface falls under to the category of sparsely populated rural areas which accounts for 10,7 % of the Finnish population. In the Finnish rural typology, it is typical to view the countryside in terms of three categories of rural areas: *urban-adjacent rural area, rural heartland area* and *sparsely populated rural area* (MTT 2010:68). Particularly Eastern and Northern areas of rural Finland have been characterised as sparsely populated (MTT 2010:81) and more precisely Eisto (2009:19) has elaborated that the majority of rural areas in North Karelia fall into the category of 'sparsely populated rural areas'.

Finnish rural policy is based on the principle that the countryside has an intrinsic value as such and therefore rural areas need active developmental initiatives by the public sector to guarantee the existence of a viable and functioning countryside in constantly changing circumstances (Vihinen 2009:85). As a consequence, the rural goal is hence to develop disadvantaged rural areas and to draw attention to their specific needs regarding the decision making of central government in different sectors and spatial scales (Vihinen 2007:60). Recently, increased attention has also been paid to the importance of the Finnish cross-sectoral administration and territorial approach in the implementation of rural policy (Vihinen 2009:85). This new trend to find more spatialised solutions for policy delivery can be emphasised in the light of the EU's rural policy approach.

Isosuo (2000: 58-59) has classified the evolution of Finnish rural policy under four different historical stages as follows: *Origins* (→ 1980); *Rhetorical Phase* (1980-1988); *Implementation Phase* (1988-1985) and *Europeanization* (1985→). The current Europeanization phase, marked by the Finnish entrance into the EU in 1995, had an important impact on Finnish rural policy in dividing it into the 'narrow' and 'broad' policy approaches (OECD 2008:97). According to this Finnish conceptualisation, it has been defined that "the broad rural policy refers to the efforts to influence all actions that impact rural areas implemented within and by the different administrative sectors as part of the development of the society" (Vihinen 2009:85). Moreover, the broad rural policy approach mirrors moreover the holistic and extensive conception that has been designed to cut across all Governmental policies (OECD 2008:101).

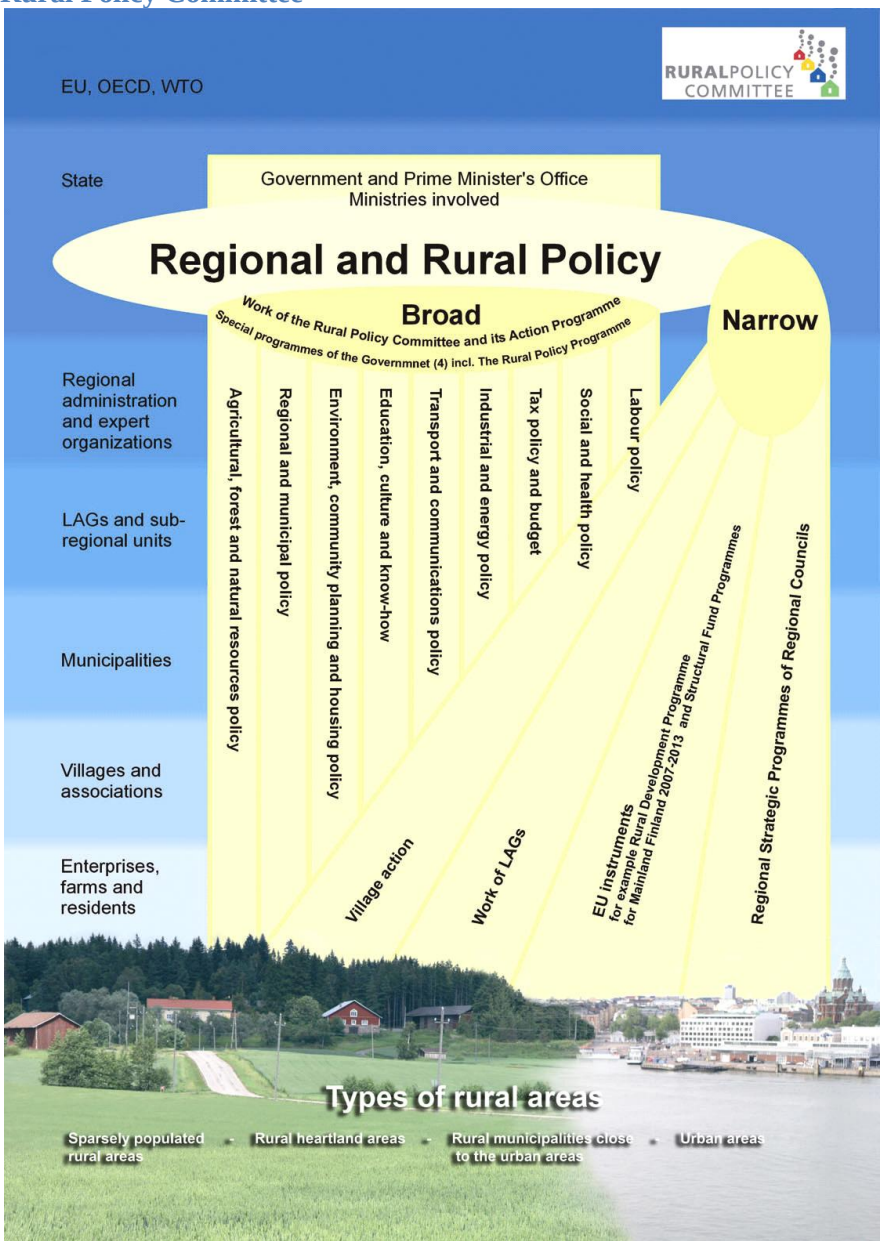
Thus the broad rural approach refers hence that rural areas are developed through various policies in all Governmental sectors. According to my understanding, 'broad rural policy' is therefore directly or indirectly implemented through all policy fields of the Finnish Government. However, this does not necessarily mean that 'broad rural policy' is by nature cross-sectoral. Would 'broad rural policy in this sense actually strengthen the boundaries of the existing sectoral policy fields? Could a cross-sectoral policy-making alternatively signify that rural policy together with other societal policies would be implemented through one single industrial policy covering instruments for developing regions as integral unities? In my opinion, the Regional

Strategic Programmes of the Finnish Regional Councils can be mentioned as cross-sectoral industrial policies covering all sectoral policy measures whether we are concerned with, developing rural or urban areas. Interestingly however the Regional Strategic Programmes are positioned according to the Finnish conceptualisation under the 'narrow approach' (See picture 2: about the narrow and broad approaches).

However, 'narrow rural policy' according to the Finnish conceptualisation comprises policy measures targeted primarily for rural areas. Narrow rural policy conventionally embraces forestry and agriculture sectors of policy (Vihinen 2007:60). In Finland, the *Rural Development Programme for the Mainland Finland* (RDPMF) is regarded as the main instrument in implementing narrow rural policy (OECD 2008:104). Quite interestingly, according to the Finnish conceptualisation the EU's RDP is positioned under the narrow policy approach characterising predominantly agriculture and forestry sectors, whereas at the EU level the RDP is largely considered a cross-sectoral and diversified field of policy sharing characteristics with the Finnish broad policy approach.

Thus, the term "rural development" is hence used holistically in the Commission parlance, to include both on-farm agri-environmental land management activities as well as off-farm initiatives for diversifying the performance of rural economies (Shuckmith et al. 2005:29). To my mind, the Finnish conceptions differ to a certain extent from the Commission's views on the realisation of the RDP differ to certain extent. Does the Finnish positioning of the RDP under the 'narrow approach' actually reflect the national conception of the EU's rural policy as a sectoral policy field concentrated on agricultural measures? Or, would the Finnish conceptualisation enforce the legitimation of the Finnish financing decisions concerning the national RDPs which are at the discretion of the Member States? Nonetheless, as Dwyer et al. (2007) have evidenced, it seems nonetheless that the financing decisions of the RDPs across the Member States reflect the national decisions on historical experiences rather than the regulative discourses set by the legislator, i.e. the European Commission.

Picture 1: Typology of broad and narrow approaches by the Finnish Rural Policy Committee



Source: ©Rural Policy Committee, Uusitalo (2010).

Linden et al. (2008:31-32) have emphasised that the Finnish adhesion to the EU alongside with the co-funded rural programming: began to strengthen the role of the narrow rural policy approach whereas the broad policy system has started to lose its importance. Simultaneously,

Finland's entry into the EU strengthened the position of small-scale development projects within the rural development action (Eisto 2009:29). This is rather unfortunate in a situation where Finland has been praised as a pioneering country in 'broad policy making' in rural areas.

In contrast to the EU´s agriculture-centred approach on rural development, Schmidt-Thomé and Vihinen (2006) have argued that the Finnish rural policy has moved beyond the dichotomies of core/periphery and agriculture/rural areas. What is an essential repercussion to this Finnish 'broad' rural rhetoric is hence that rural policy is seen as an independent policy field without sectoral limits of agricultural policy (Schmidt-Thomé & Vihinen 2006:51). On the other hand, is it not somewhat ambiguous from a conceptual perspective, that Finnish broad rural policy is at the same time characterised as cutting across multiple Government policies and still seen as an independent policy field?

As a whole, however, it has been evaluated that the Finnish approaches to rural development, are observed to be quite innovative and pioneering in comparison to EU's rather conservative tradition of rural policy. However, Finnish rural scholars have however admitted that the legitimisation of the position of Finnish rural policy is still being continuously contested and therefore the survival of Finnish Rural policy requires constant efforts to foster its position both in rural areas themselves and in policymaking and administration (Schmidt-Thomé & Vihinen 2006:51).

4.2 Broad and narrow policy approaches

The strategic objective of the Finnish rural policy is to incorporate rural areas more closely into the general development work carried out by public and private actors. This is established in the current Finnish rural policy design by pursuing theoretical policy approaches of both: *broad* and *narrow* rural policies (Vihinen 2009:85; YTR 2007; Vihinen 2007:60).

According to the OECD's (OECD 2008:104) estimations, the conceptualisation of broad and narrow policies was introduced when Finland began to incorporate domestic policies within the

EU's frameworks. Due to the adhesion of Finland in the EU, it was therefore important to highlight that Finnish rural policy is broader than the extent of the EU programmes (OECD 2008:104). The narrow rural policy hence encompasses hence the rural development measures included in the second Pillar of the CAP submitted by the Commission according to the national strategy plans. The concepts of broad and narrow policies have consequently been incorporated in the national programme of rural development governed by the policies of the Rural Policy Committee (Uusitalo 2010).

The administrative role and procedures of rural policy now hold a separate status within Finnish administration, partly coinciding with agricultural, regional and sectoral policies, partly standing between them (Schmidt-Thomé & Vihinen 2006:51). The coordinative function of the Rural Policy Committee, bringing together all national level actors involved in rural policy, is crucial in the Finnish rural policy system (Schmidt-Thomé & Vihinen 2006:51; OECD: 99).

The most important strategic instrument of broad rural policy in Finland is the Rural Policy Programme launched by the Rural Policy Committee (RPC). The Programme compiles and targets the actions of the public and private sectors and NGOs to promote rural development in different sectoral levels. The Rural Policy Programme, revised every fourth year, envisages above all the broad rural development issues involved in the broad policy (Vihinen 2009:88).

The Rural Policy Committee (RPC) initiated in 1988 carries forward the proposals of the programme through negotiations, projects, theme group work, and by influencing all various policy processes. The fifth and the most recent Rural Policy Programme for 2009-2013 is entitled *Countryside for Vigorous Finland* (Aakkula et al. 2009:75; Vihinen 2009:88). According to the annual report *Finnish Agriculture and Rural Industries* published by Finland's Agrifood Research (MTT): "the Rural Policy Programme represents the so-called new rural paradigm, according to which the core principle of the rural policy is that it is area-based involving actors on all administrative levels" (Aakkula et al. 2009:75-77).

In contrast to broad rural policy, affecting public administration in cross-sectorally, the narrow rural policy comprises policy measures targeted primarily for rural areas. Narrow rural policy is conventionally embraces the forestry and agriculture sectors of policy (Vihinen 2007:60). The *Rural Development Programme for the Mainland Finland* (RDPMF) is considered as the main instrument to implement narrow rural policy (OECD 2008:104). In addition, OECD (2008:104) has included into the scope of narrow rural policy the Regional Strategic Programmes of Regional Councils and the contribution of LAG's & Village Action Groups.

The *Rural Development Programme for the Mainland Finland* and *Rural Development Programme for the Province of Åland Islands* (2007-2013) were established and submitted in 2007 according to the EC's Regulations for rural development. The general rules for the support for rural development are laid down in Council Regulation (1698/2005) on support for rural development by the European Agricultural Fund for Rural Development (EAFRD). Both rural programmes respond to the objectives set in the national rural development strategy entitled Finland's Rural Development Strategy for 2007-2013 (MMM 2010). As discussed above regarding the EU policy parlance, *Finland's Rural Development Strategy* is referred to as the national strategy plan which has to be submitted to the Commission before presenting *the* rural development programmes for Mainland Finland and for Åland.

In 2007-13, total public funding for the RDPs for Finland comprises approximately €6,6 million, one third of which comes from the EU (MTT 2009:68). In total, EU funding for Finland from the EAFRD including so called modulation (funds cut from direct payments) is estimated therefore at about €2,080 million (OECD 2008:105; MMM 2009). According to the *Finland's Rural Development Strategy* the distribution of EU's co-funded support within EAFRD is allocated according to the following prioritisations (See Table 3).

A parallel trend in the allocation of financial Community assistance can be also seen in the RDP for North Karelia (See Table 4). In the North Karelian RDP, percentages in the thematic 'Axis' show slightly more equal distribution of Community aids. Would the smaller number of agricultural holdings in North Karelia in comparison with the rest of the country have an impact

on the figures? Yet, these tables present only the EU's financial assistance for Finnish programmes without the estimations on total Finnish public and private funding.

Table 3 Allocation of EAFRD support by Axis according to the RDP of Mainland Finland 2007-2013

Axis	Core objectives:	Minimum of Community financial assistance (%)	Importance of Axis by RDP in FIN 2007-13(%)[1]
Axis 1	Improving competitiveness of agriculture and forestry sector	10 %	11 %
Axis 2	Improving the environment and the countryside	25 %	76 %
Axis 3	The quality of life in rural areas and diversification of rural economy	10 %	11 %
Axis 4	Leader axis	5 %	5 %

[1] Rural Development Programme for Mainland Finland 2007-2013. Ministry of Agriculture and Forestry (2010)

Table 4 Allocation of EAFRD support by Axis according to the RDPs of Mainland Finland and North Karelia 2007-2013

Axis	Core objectives:	EAFRD/EU27 estimated Expenditure financial plans 2007-13 (%)[1]	EAFRD/FIN Mainland Finland Plan FIN 2007-13 (%)[2]	EAFRD/NK Regional Plan 2007-13 (%)[3]
Axis 1	Improving competitiveness of agriculture and forestry sector	34 %	11 %	25 %
Axis 2	Improving the environment and the countryside	44 %	73 %	55 %
Axis 3	The quality of life in rural areas and diversification of rural economy	13 %	11 %	14 %
Axis 4	Leader axis		5 %	6 %

[1] Rural Development in the European Union: Statistical and Economic Information Report 2009. Directorate-General for Agriculture and Rural Development, DG AGRI 2009)
[2] Rural Development Programme for Mainland Finland 2007-2013. Ministry of Agriculture and Forestry (2010)
[3] Pohjois-Karjalan maaseutuohjelma 2007-2013 (2005) (Rural Development Programme for North Karelia)

The majority of EAFRD funding via Finnish Rural development programmes is however channelled to the structural agri-environment measures within the Axis 2. At the scale of detailed measures, the majority of the aids according to the RDPMF in 2007-13 are distributed for agricultural producers via instruments such as: *Agri-environment payments* (code 214), ***natural***

handicap payments in mountain areas (211) and *payments in other areas with handicaps* (212) (DG AGRI 2009:345). A similar trend was previously seen across the Member States of the EU27 in terms of DG AGRI's (2009) financial estimates. It has been explained in this respect that in the course of Finnish EU membership, the LFA and agri-environmental measures have become a significant element for indirect income formation of agricultural producers (Eisto 2009:28).

4.3 Regions and rural administration in Finland

The regionalisation process of the EU's common policies has assumed different institutional structures across the Member States of the European Union. Finland is usually characterised as a unitary state, and any intermediate level analysis must take into consideration its bi-polar politico-administrative structure, which is rooted in a strong central level and fairly autonomous municipalities (Kuokkanen & Vihinen 2009:66; Rizzo 2007:163).

The current focus of Finnish regional policy is to strengthen regional centres in particular, thereby also hoping to spread growth to their hinterlands. The latest research implies that the aim of current Finnish regional policy – to strengthen regional centres in order to balance development within regions – does not seem to be leading to the desired results, although it may help in preventing growth from becoming concentrated in only a handful of large cities (Tervo 2009:389; Marsden et al. 2004:84-85).

In Finland, the administrative reform in the 1990s had a significant impact on the regionalisation of Finnish intermediate-level, between central and local, government. The establishment of 19 Regional Councils (RCs) in line with NUTS-3 classification, represented an important shift towards regionalisation to empower regional democracy and governmental decentralisation and to see to the administration and implementation of EU´s Regional Policy (Kull 2009:22; Marsden et al. 2004:85) One of the principal targets of Finnish regionalisation by Regional Councils was to strengthen the municipal community level in the regional administration in order to move closer the idea of a Europe of the Regions (Rizzo 2007:164).

The Regional Councils are closely linked to the 15 regional Provincial State Offices, established in 1997 and since the beginning of 2010 re-established as *Centres for Economic Development, Transport and the Environment* (ELY-Centre). Unlike the Regional Councils, which get their political legitimacy at the level of the local municipality, the ELY-centres are directly subordinated to national ministries (Marsden et al. 2004:85).

Since the Regional Development Act in 2002, the proliferation of regional bodies in Finland has been assisted by the establishment of Regional Management Committees (The RMC's) as a response to strengthen the co-operative reconsolidation of national and EU regional policy programmes. According to the Regional Development Act (1651/2009), three partners are represented on these committees: Regional Councils (and the municipalities); regional state administration; and social and economic partners. For example, EU Structural and CAP funding are channelled through ELY-Centres, but the other regional bodies still participate in the decision making process via RMC's (Marsden et al. 2004:85).

The Finnish regional administration entities (*Regional Councils*, *RCs* and *Centres for Economic Development, Transport and the Environment, ELY-Centres*) do not only have their own policies and resources, but they are relevant actors in the implementation of EU programmes which have a regional component such as *European Agricultural Fund for Rural Development* (EAFRD), *European Regional Development Fund* (ERDF) and *European Social Fund* (ESF). As mentioned above, *the Rural Development Programme for Mainland Finland 2007-2013* is considered as the most important policy document within the Finnish narrow rural policy. More specifically, the ELY-Centres are the principal authorities through which EU and national funds from the Rural Development Programme for Mainland Finland 2007-2013 (RDPMF) are delivered to the sub-national levels (OECD 2008:107).

According to the Regional Development Act (2009/1651) 17.5 § the Regional Management Committee (*RMC; MYR*) may name this distinct *Regional Rural Section* (also named as *rural sub-division)* to ensure that national and EU-funded programmes are integrated in the most

beneficial way concerning the rural areas. These rural sections are obliged to report to the Regional Policy Committee. The main task of the Regional Policy Committee in general is to align regional development and the distribution of EU aid. Municipalities, state administration, as well as employment and economic development organizations are represented in the Regional Management Committee, appointed by the Regional Council (Katajamäki 2007:81).

According to the RDPMF: "*for the national rural development operations and those co-financed by the EAFRD, the setting of regional strategic objectives, selection criteria and priorities, as well as co-ordination between regional and local action groups, mainly takes place in the Regional Rural Section (also called as rural sub-division) set up by the Regional Management Committee or a corresponding body designated for the entire programming period"* (The Ministry of Agriculture and Forestry 2007). In the 'rural sub-divisions', the regional level rural organizations and other interest groups relevant to rural issues are represented in addition to universities, polytechnics and other expert organizations, which may be involved in the work of this body (OECD 2008:134).

However, in North Karelia, the work of the *Regional Rural Section* is being established by the North Karelian ELY-Centre in conjunction with the regional Rural Development Programme, instead of being in connection with the Regional Management Committee under the responsibility of the Regional Council. In North Karelia, a similar co-operative body for the rural developers is entitled as the 'steering group' (*ohjausryhmä*) of the Rural Development Programme of North Karelia 2007-2013 (See Appendix 3, the participants of this rural body for North Karelia). All of the regional informants in my interviews were invited to assist in these 'steering group' meetings in the establishment and implementation phases of the RDP of North Karelia.

5. Rural Governance via Expert Interviews and Observation

My interviewee sample was composed of 11 rural actors from regional and national levels in the implementation of the Rural Development Programme of the European Union. These informants represent civil servants in the ministerial and regional organization and actors from the rural/agricultural interest groups from North Karelia. All of the interviewees in the North Karelian rural interest groups were responsible leaders in their organisation and the national and regional civil servants occupied executive positions in the management of RDP of Mainland Finland.

5.1 Research process

The duration of the expert interviews varied approximately from half-hour until one hour and a half. After having interviewed the designed ten persons, I decided to conduct the last and eleventh 'follow-up' interview among the ELY-Centre personnel, the central administrative agency responsible for the regional implementation of the EU's RDP. In this last interview I discussed my preliminary reflections arising from the interviews, observations and theoretical literature. I therefore initiated my interviews within the ELY-Centre administration and subsequently closed my empirical inquiry within it as well.

To capture a broader spectrum of the policy ambiance, I also had the opportunity to participate in a few meetings related to the regional implementation of the EU's RDP in North Karelia. Besides the primary research method of interviewing, my research techniques included therefore also observation by participating in the following events in North Karelia. Firstly, I attended training concerning the EAFRD payments on 24th–25th April, 2010 organised for the ELY-Centre personnel by the Finnish Agency for Rural Affairs.

Secondly, I participated in the *KeTut Morning Coffee* -meeting organized by the Leader Association of the Joensuu Region on the 2nd June, 2010. Thirdly, I took part in a day's

expedition to the municipality of Ilomantsi where the official meeting for the 'steering group' of the RDP of North Karelia was held on 9th June, 2010. To follow fully the research process and to sort my preliminary thoughts, I constantly kept a research diary in the course of my proceeding research.

The data of expert interviews and the observations that I made by participating later events in relation to the EU's rural policymaking comprise the primary data for the 'factual analysis' as described in more detail in the Chapter 1.2 'Methods and design of empiric data' (Alastalo & Åkerman 2010:377-378). In parallel with the primary empiric data, my secondary data comprised diverse policy documents and regulations related to the implementation of the Rural Development Programme as part of the Common Agricultural Policy of the EU.

Since all of the interviews were conducted in the Finnish language, the quotations selected are my direct translations. In the process of translating the interview data, it was thus important to describe the content of the spoken expression as carefully as possible, instead of always using rigorous word-for-word translations (Pietilä 2010:421). As few of the interviewed persons wished to remain anonymous, all of the quotations utilised in my study are therefore coded in reference to their organisational backgrounds and numbered according to the chronological order of conducting the interviews. The direct quotations used are followed by numbered codes after the name of the each organisation in question. On the one hand, the first number signifies the order of conducting the interviews. For the validity and transparency of the utilised quotations, on the other hand, via the second running number the translated quotations can be verified as original Finnish transcriptions in the appendixes (Nikander 2010:436) (See Appendix 4).

For further 'factual analysis' of the empiric data, I first classified the transcribed data in Finnish into ten different categories according to the main themes utilised in my interview plan (See the interview plan, Appendix 1). Simultaneously, I was able to sift and sort all the irrelevant information out of the scope of the analysis. Subsequently, I re-classified the interview data into a fewer categories in order to reflect the new themes more closely with my research questions. To make sense of the empiric data more analytically, I organised and translated the main themes

into English via a matrix distinguishing regional and national expert opinions from each other (See Appendix 5). Finally, the direct quotations, chosen as illustrative examples, were re-examined in order to be utilised in this thesis.

5.2 Empirical findings on rural policymaking

The primary aim of my qualitative inquiry is to illustrate the diversity of opinion in relation to the delivery of the EU's Rural Development Programme demonstrating a particular example from the province of North Karelia. In reference to my research questions I finally represent the interview findings in the following four major themes:

- ***Structures of horizontal rural governance***
- ***Reform of the RDP for period of 2007-2013***
- ***Role of the regional RDPs – North Karelian example***
- ***Legitimating rural policy in the multilevel governance***

Structures of horizontal rural governance

This category of findings deals with structures of rural governance in North Karelia. Iin the investigation of horizontal governance, in particular, I have examined the 'steering group' meetings gathering diverse North Karelian actors around the implementation of the Rural Development Programme for the North Karelia organised by the ELY-Centre.

As a whole, all the regional actors participating in the 'steering group' meetings highlighted positively how this new co-operative forum summons a diverse group of rural actors around the same table. In that sense, the ELY-Centre of North Karelia, as a responsible administrator at the regional level, has achieved its goal in order to gather as diverse a group of rural actors as possible into the same forum of co-operation. The rural researcher from the Karelian Institute

(10) specified for instance how the process of designing the regional programme was unique from the point of view that it assembled for the very first time such a diverse and broad group of rural actors at the provincial level.

Both the ELY-Centre informants (1, 11) also expressed their satisfaction wiht the process of establishing the RDP of the North Karelia with the assistance of the steering group's participatory work. The informant (11.1) mentioned that: "*I was the person responsible for the programme, in other words we formed a guiding 'steering group' body with approximately 30 different participants whose purpose, so to speak, was to steer the new developmental needs of the programme and to have as wide spectrum of opinions as possible in the designing phase of the regional programme*. The regional MTK interviewee also evaluated that "*The regional programme succeeded very well: the 'steering group' meetings made us all – rural actors – familiar with each other and it well engaged us around the implementation RDP of the North Karelia* (MTK: interviewee 4.2)".

However, each of the interviewees in North Karelia (3,4,5,6 and 10) participating in the 'steering group' meetings pointed out that these gatherings organised two to three times annually served primarily as an information channel from the ELY-Centre towards its participants in order to report about the process of the programme. In the 'steering group' meeting, held on 9thJuly, 2010 in 2010, which I personally attended, the participants mainly listed the advancements of the programme, which comprised the official part of the day's trip to Ilomantsi. From the opinions of the informants and upon my experience, I got an impression that many of the regional informants took it for granted or were satisfied that the 'steering group' meeting served primarily as a one-way information channel.

The informant from the Rural Network Unit of Finland (8) pointed out however that "(...) *the functions of these Regional Rural Sections or suchlike should be made more efficient and actually I am afraid that they only serve as information channels to let everyone know about the progress of the programme and, to my mind, these bodies should be at least advice-giving and should be utilized better as advisory bodies, but of course there is always the risk that everyone*

only looks after the interests of their own organisations, which is what happened during the last programme period and this should not be the purpose of these gatherings: they should deal with the development of broader programme issues not concentrating on the design of small details" (Rural Network Unit of Finland: interviewee 8.3).

On the other hand, these 'steering group' meetings in North Karelia were also challenged in a more concrete manner. The Leader-informant (6) criticized the nature of these meetings: "*There should be fewer people in the 'steering group' which could arrange kind of 'shop-floor meetings' being sensitive to new arising developmental needs and which would perhaps evoke and define new developmental ideas as well so that we would engender and initiate them. The current steering group is not responsive and reciprocal enough in its activities – the group is too big and it meets too infrequently (...)* (Leader-association of the Joensuu region: interviewee 6.4)".

In line with the latter criticism, the rural researcher describes the meetings as follows "*It's little interactive, at first it felt as a municipal board since the minutes were taken similarly – in such a rigid form (...). But perhaps, the administrative side has a way of its own with the compulsory comments from the slightly different interest parties – as well as reactions that can be predicted beforehand, it's a peaceful co-existence in a way that particular groups know well who they are representing and many of these decisions are made beforehand or elsewhere (...). Sometimes, of course, some ideological views may come up and the different parities remind the other participants that they still exist. The group meets so seldom that the people always tend to restate the same issues of interest* (Karelian Research Institute: interviewee 10.5)".

It seems after all, that the ELY-Centre authorities and the informants from the agricultural interest groups describe in the most positive light the establishment process of the programme and the 'steering group' gatherings, whereas few of the rural actors criticised the non-participatory nature of this forum. One might ask here whether the agricultural interest groups were in the first place more satisfied with the outcome of the programme so that they do not require changes in the RDP of North Karelia in its implementation phase. According to the interviews, it seems, however, that the 'steering group' meetings serve more as an opportunity

for a better reconnaissance of North Karelian rural and agricultural actors than as a real advisory forum for an active involvement of the regional actors.

At the same time, the regional ELY-Centre authorities (1, 11), claimed that the 'steering group meetings had stimulated very few new ideas or innovations for the programme work. On one hand, it was (1) noted that the 'steering group' meetings "*(...) they stimulate discussion but unfortunately it tends to culminate in conventional issues and honestly speaking they have inspired few new innovations and that has been one of the key objectives of our regional Rural Development Programme – to look for the new developmental needs (...)* (ELY-Centre interviewee 11.6)". On the other hand, interviewee (1) announced that in the meetings there are often the same organisations promoting their own interests in order to safeguard the existence of their organisations' routine activities via perpetual development projects.

To a certain extent the latter argumentation goes hand in hand with the often-pronounced statement in the interviews about the strong position of agricultural interest groups in the overall programme work. It was, for instance, emphasised in such a manner that "*MTK and ProAgria are well-established lobbies and their status as lobbies is very powerful and we regard ourselves as rural developers – not lobbyists – we act at a more general level* (Leader-association: interviewee 6.7)".

In this respect, it seemed that the rural developers (3, 6, 10) interviewed do not such powerfully try to intervene in the financial debate related to the financial outcomes of the RDP on the North Karelian level in comparison to the regional agricultural organisations. Yet, the informant (8) from the Rural Network Unit of Finland, emphasised that the Leader-associations are generally extremely visibly and active in the national and international forums of rural development.

The *KeTut Morning Coffees* (*Kettujen Aamukahvit*) could be mirrored as an emerging example of the new forms of rural governance in North Karelia. The Leader-association of Joensuu has initiated so called 'KeTut' gatherings (Kehittäjät & Tutkijat) inviting both North Karelian rural developers and researchers to enjoy informally a cup of coffee together and discuss topical rural

issues in weekly basis. Yet, the rural researcher (10) who have participated a few times in these *KeTut morning coffees* described how these meetings are still on the lookout for more established forms of collaboration. My experience of the *KeTut morning coffees* on July the 2nd, 2010 is that it was an easy-going event for sharing knowledge about the ongoing development projects together with participants from the regional *ProAgria* and N*orth Karelian Village* and *Leader Associations of the Joensuu Region*.

In contrast with the interviewees' opinions about the essential nature of region-based policy making, the requirement for the regional delivery also received counter-arguments. The national informant from the Agency of Rural Affairs (7) questioned the strong regional focus on rural development as such. Instead of a regional delivery of the RDPs, this informant spoke for the strengthening of the rural networking as follows: "*There is a need for a national rural network; currently at the regional level a lot of overlapping work has been done and instead it could be centralised (...) A better network model could be developed since the current programme is too region-based territorially as well as administratively – neither do companies today solely are co-operate within the territorial boundaries. The world of networks is no more geographically static.* (Agency of Rural Affairs: interviewee 7.8)". This argumentation provided quite different perception about the delivery of the EU's RDP in comparison with the other informants' opinions. In contrast, with this exceptional statement, the other interviewees talked in a positive light about the regional delivery of the EU's RDPs.

Reform of the RDPs for the period of 2007-2013

The Rural Development Programme of EU was reformed for the programme period 2007-2013. The RDP was consolidated into the same framework with the CAP and its primary agricultural instruments. This regulative and administrative integration of rural programme under the Common Agricultural Policy evoked diverse opinions among my informants.

All of the interviewees at national and regional levels seemed to agree on the issue of increasing programme bureaucracy. The bureaucracy is characterised to complicate the work of rural project workers in particular. The Leader interviewee, for instance, commented as follows: "*The biggest change has been this attitudinal change: the EAFRD has brought an attitude of faultlessness and surveillance because the agricultural aids can be controlled quite unequivocally, but development work cannot be regulated as such (...). That has been poisonous and probably the biggest and most disadvantageous change that has taken place* (Leader-association of the Joensuu Region: interviewee 6.9)".

At the national level (interviewee 8) it is also acknowledged that these bureaucratic problems receive increasing attention and criticism and are felt to be restrictive by the implementers of the programme throughout Finland. However, the ELY-Centre interviewee addressed the current situation as follows: "*It has been all the time the same Fund, earlier there were these different sections – Guarantee and Guidance (...) the only thing that has changed is the name of the Fund. The difference is that now the rural measures, so to say, are more strictly situated inside the Guidance Section, it's under the same guiding principles. Therefore its nature has changed; during the last programme period the financing regulations in use were not as rigid in comparison with the regulations under the agricultural policy. (...). The regulations of control and surveillance are stricter under the Common Agricultural Policy* (ELY-Centre NK: interviewee 11.10)".

Despite the bureaucratic obstacles in the delivery of the RDP, most of the interviewees prefer the current financing model under the CAP instead of the previous model where the rural measures were integrated with the EU's Regional Funds. This preference is explained mainly by referring to the uncertainty of future financial aids allocated via Regional Funds for Finland. For instance, the ministerial interviewee pointed out that: "*It has been discussed whether the rural policy of EU should be under the Structural Funds. But the EU's enlargement process has brought new poor member states to the EU and thus Finland is not going to get aids via those funds. In my opinion, it is therefore better to be under the European Agricultural Fund for Rural Development (...).* (MAF: interviewee 9.11)".

In this respect, the ELY-Centre interviewee (11) stands by the ministerial reasoning by arguing that the current model of financing under the CAP safeguards the rural development resources for the subsequent programme periods. In other words despite the bureaucratic constraints the financial model within the CAP is generally more accepted. It seems that the interviewees had their doubts about the continuation of Regional Structural Funding for Finland and therefore it is argued that resources for rural development would be more secured alongside with the agricultural budgets.

Role of the regional RDPs – North Karelian example

One of my central research questions concerned the opportunities for the regional delivery of the EU's RDP in the province of North Karelia. Therefore, I examined what is the role of the regional rural programming in alongside the national RDP for the Mainland Finland (RDPMF) from the perspective of national administrators and the regional implementers of the RDP of the North Karelia. Firstly, I will describe the opinions of the interviewees about the regional delivery of the RDPs. Secondly, the purpose is to more analytically reveal the perceptions of the interviewees regarding regional programming in general.

Interestingly, the arguments among the national administrators were quite different. On one hand, the interviewee from the MAF underlines the importance of regional programmes as follows "*Certainly, the regional programmes have an essential role, because in Finland particularly the national Rural Development Programme for the Mainland Finland was constructed on the grounds of the regional and local programming documents and therefore it was established as a bottom-up process* (MAF: interviewee 9.12)". Quite oppositely on the other hand, the informant from the Agency of Rural Affairs (7) expresses quite the opposite view by questioning the necessity of the regional programming in the context of current Finnish provinces.

This interviewee considered the issue of regional RDPs from the angle of European regionalisation process: "*At the time when we joined the EU there was a lot of talk about the 'Europe of the Regions' and Finnish provinces; but personally I think that what happened was a 'illusion of territorial scales' – because a German province may encompass 1 ½ million inhabitants with a self-government, but our provinces are such small jurisdictions that this thinking in Finland leads to the fragmentation. In addition, many of the rural development issues are inter-regional and therefore many issues would be worth solving together and then combining through a network – of course local and regional scales are important but a national network is needed above these scales".* (Agency of Rural Affairs: interviewee 7.13)".

Referring to the demographically small Finnish provinces, the same interviewee (7) re-stated that in Finland the rural programming should function more from the national basis in order to integrate our rural development needs. Therefore, a national network and financial model for the RDP was seen hence as a solution where the national rural network would be connected with the regional and local scales of rural networking. This argumentation goes hand in hand with the previous comments by this informant who pointed out that the rural development issues and more concrete development projects should not be restricted to a regional level of implementation. Instead it was recommended that larger forums of interaction should be reconstructed which would be managed through a model of open networking when greater number of people could share knowledge and practices. In this sense, it would not be necessary to realize similar rural development projects simultaneously in each of the Finnish regions, the same interviewee (7) accentuated.

Would the larger provinces and more intensive cross-regional co-operation be a response to the constant need for new rural projects and project workers as many of the interviewees argued? The interviewees (1, 7, 8, 10, and 11), for instance, highlighted what an important issue the constant need for new innovative ideas is implementation of Finnish RDP as well as for the new coordinators of the new projects. Would larger territorial and demographic jurisdictions function better in the implementation of the EU's RDPs? Or, should there be a totally new system of rural networking, which would encompass and invite all territorial levels into a more intensive co-

operation? On the other hand, region-based planning does not necessarily exclude simultaneous networking at other cross-regional levels. The Leader-associations were at least described as active 'networkers' among other rural developers nationally and internationally.

In practice however, the ELY-Centre interviewees from North Karelia brought up a counter-argument for increasing the number of cross-provincial projects. They (1, 11) argued that municipalities as co-founders for certain business and development aids are generally not so willing to co-finance initiatives which might not directly contribute to the development within the borders of their municipal economies. In other words, it was pointed out that the municipalities want to ensure that the funded measures materialise within their municipal territory.

In contrast however, the interviewee (7) from the Agency of Rural Affairs foresees that the 'network model' could be realized by increasing the share of nationally distributed programme aids within the Axis 3 encompassing the measures for the diversification of rural economies. These national resources of the RDP could be further then allocated for the cross-regional projects by discretional decision making of the national rural administrators, the same interviewee (7) proposed. Quite interestingly, this reasoning also questions the strong theoretical perception of delivering policies regionally in order to take into account the variety of rural development circumstances. The empowerment of sub-national jurisdictions has been an objective in the regionalisation process of the EU's common policies.

In contrast to the proposal to increase the share of nationally distributed rural development aids (within the 'Axis three' of RDP), the regional ELY-informants signal that the national programme already has a central role in parallel with the regional programmes. In reference to the regional RDPs it was remarked that: "*This is how it goes now – from the national level – however, in the building-up phase of the North Karelian programme we were perhaps more optimistic that the distribution of aids would have been more at the discretion of the region* (ELY-Centre of NK: interviewee 1.14)". Alternatively, there were comments like, "*Because the rural Development Programme of Mainland Finland is nationwide – it has its logic comprising*

certain horizontal measures; but then there is this regionalised section also in which we have freedom of action. (...) Within the Axis 3 we receive annually this regionalised quota of aids, of which one-third is allocated according to the measures within Axis 1 and two-thirds within Axis 3." (ELY-Centre: interviewee 11.15).

As discussed above, this signifies that the majority of RDP aids within Axis 1 and 2 are structural measures for agriculture allocated according to the same mechanisms to agricultural producers throughout the whole Finland. This is acknowledged in the national administration as follows "*Only 10-15 % of the programme volume may be considered to have 'a developing effect'. In other words, the Axis 3 is 'developing' and the Axis 2 is 'maintaining' and in that way the livelihoods of our agricultural producers are dependent on the agri-environment and on the LFA-support. And, the Axis 1 comprises the basic investment support close to the primary sector including, however, certain measures with a slight of 'developing' impact."* (Agency of Rural Affairs: interviewee 7.16)".

In contrast, the measures in the Axis 3 (including Axis 4 for Leader measures) in contrast are realized through 'business aids' or 'aids for development projects' which can be discretionarily funded according to decisions of regional ELY-Centres and Leader-associations. Therefore, the measures within the Axis 3 comprise the developmental part of the RDPM where the region-specific circumstances of the rural areas can be taken into account.

In practice, the ELY-Centres may decide on the allocation of the Axis 3 resources by selecting key development sectors for the programme period through which the rural development projects are approved for the co-financing. However, the ELY-Centre of North Karelia has not named any strictly defined development fields or prioritisations in their regional RDP according to which the aids are to be channelled for the development of North Karelian rural areas. The civil servant from the ELY-Centre explains (11) this choice as follows: "*We wanted to keep the programme of North Karelia open for all sorts of developing needs and not to exclude any measures, but as in the national programme, also in our regional programme the resources are concentrated on the business aids"* (ELY-Centre of NK: interviewee 11.17).

The unlimited nature of the regional RDPs throughout the Finnish regions was also recognised in the national administration. In the national institutions it was considered desirable that the regions would rather have included more strategic solutions in their programmes. Therefore, the flexibility of the programme was, for example, justified as follows: "*In one sense, the national programme of Mainland Finland is not a strategic programme but a menu of possible measures; that's why at the regional level it enables to make more strategic work and choices. Admittedly, the regional programmes remained a little too unambitious* (Agency of Rural Affairs: interviewee 7.18).

On the other hand, it was also argued that actually there was no need to specify any strict strategic fields of development in the regional RDPs. More specifically, the informant from the Rural Network Unit of Finland (interviewee 8.19) comments that "*I personally think that the role of this sort of regional programmes is not so significant because in general the programme is so a well-resourced, but if and when the resources are cut down, the significance of these regional programmes will grow. In that case there will be little money available and stricter definitions of policies have to be produced."*

Would the scarcity of the EAFRD resources drive the regions then to provide more strategic objectives in their programmes? On the other hand, why would the ELY-Centres disqualify some of the project applications in a situation where they have an abundance of available resources? This might not come into a question in a situation where the regional programme of the North Karelia already lacks of new innovative ideas and implementers for the development projects, as explained above.

The regional interest groups were, however, inquired after their satisfaction with the content and priorities set in the RDP of North Karelia. It seems that even without any special prioritisations, all of the informants in the interest groups were quite satisfied with the outcome of the North Karelian RDP. Since the regional programme authorities do not generally disqualify any competent project applications on the basis of strategic prioritisations, perhaps the rural

developers, as project applicants, therefore do not express their disappointment towards the management of the programme. In effect, I doubt that there would be more dissatisfaction wiht the project applicants if project proposals would had been extensively disqualified via programme prioritisations.

The diversity and large number of participants in the 'steering group' meetings may also have contributed to the unrestricted and somewhat vague nature of the programme management. Would the need to reach consensual decisions drive programme work into the broad compromises instead of defining specific development objectives? Yet, one might as well assume that the diversity of participants leads to a better engagement in the implementation of the programme. According to the interviews, it seemed, however, that the participants have so far had little to say about the programme formulations. The content of the programme seemed to be prescribed by the ELY-Centre administrators and the role of the 'steering group' participants was marginalised to that of observers.

Legitimating rural policy in the multilevel governance

The last theme for the analysis was chosen from my interview data. Without actively pronouncing the power dispersal and struggle of the EU's multilevel governance, debating argumentation was often expressed in terms of the most legitimate territorial scale of policy implementation. Additionally, the conceptions about the content of the EU's rural policy received diverging justifications among the different interviewees. Generally, the often pronounced connotation in informant opinion reflected a mindset that the EU's Rural Development Programme have been set up in accordance with the interests of the most important agricultural countries in the EU and therefore Finland has no other choice than to adjust to these norms directed from above.

Both of the regional authorities from North Karelia (1, 11) emphasised this top-down logic of EU's RDP. This was articulated in the following manner: "*It's obvious that the majority of aids*

are allocated to farmers since these agricultural policy systems are being built on the interests of the biggest agricultural countries in the EU. (...) It is no use thinking whether we could use LFA- and Agri-environment payments in another manner: these subsidies are connected with a bigger structure of mechanisms and therefore it's almost impossible for us and thus we should first change the whole CAP before speculating more, and of course it has to be remembered that this is part of the agricultural policy (ELY-Centre of the NK: interviewee 11.20).

Additionally it was concretised that: "*In southern Europe the CAP Pillar 1 aids constitute the main income aid for European farmers and here in Finland it's the aids within the Axis 2. Therefore the rural development programme is so a crucial for the Finnish farms (...)* (ELY-Centre of the NK: interviewee 1.21)".The latter comment reveals well how the aids within the RDP form an important secondary source of income for the Finnish agricultural producers.

This reasoning was visible in the Finnish research evidence (Linden et al. 2008:30). It has been underlined that the CAP Pillar division into rural and agricultural policies represents only a cosmetic difference in practice. In other words, as Finland is not significant beneficiary of the Pillar 1 agricultural aids, Pillar 2 functions as a compensatory policy mechanism for the competence and maintenance of Finnish agricultural production.

Consequently, the interviewees argued that there is no other choice for Finland than to utilise Pillar 2 as an indirect instrument to guarantee sufficient income support for Finnish agricultural producers competing in the European free market. To maintain the Finnish agricultural competitiveness, Finland is thus dependent on LFA- and Agri-environment aids within the 'Axis 2', which account for more than 70 % of the total RDP aids for Finland.

Despite the claims concerning the centralisation of power at the supranational policy level of the EU, the financial proportions within the thematic 'Axis' in the RDP of Mainland Finland are ultimately agreed on the national – ministerial level of decision making. In this respect, the explanations that the political pressure for the Finnish division of resources derives from the EU level are not entirely valid. As pointed above, the European Commission only sets the minimum

percentages for each of the thematic priorities and within these minimum limits of co-financing it is at the discretion of the Member States to define more detailed prioritisations. The Member States could therefore decide to finance more rural development instruments from the 'Axis 3' instead of distributing aids for the structural agricultural measures.

The informant from the Ministry of Agriculture and Forestry explained the Finnish budgetary decisions for the RDPMF on the grounds of a conceptual difference. The ministerial interviewee elaborated as follows: "*According to the Finnish conceptualisation, rural policy aims at improving the rural welfare and services and supporting rural entrepreneurship. But after Finnish adhesion in the EU, the notion of rural policy also included the agri-environment and LFA supports which are important elements but, to my mind, these two concepts should be carefully differentiated from each other. In my opinion, Agri- and LFA- payments are agricultural measures and therefore must be considered as a part of the agricultural policy. And, rural policy must be understood as a policy which began in Finland in the 1980's. But our European colleagues do not necessarily understand this difference of concepts: rural policy as we understand it is only just emerging in most of the other EU member states* (MAF: interviewee 9.22)".

This MAF interviewee sees that generally across the EU Member States, rural policy is still understood as synonymous with agricultural policy. But on the other hand, this parlance of the RDP as a 'rural policy' of the EU might simultaneously legitimate its existence better intead of being described as a purely agricultural policy. In my opinion, the MAF interviewee hits the nail of the head when arguing that currently the RDP is being veiled by the rhetoric of a 'broader' rural development policy.

In Finland at least, it seems that the regulative frameworks of the EC guiding the implementation of RDPs differ from the final delivery of the RDP for the Mainland Finland. The following comments mirror well the ambiance of the Finnish policymaking: "*I don't believe that there will be any major changes in the allocation of recourses: these are such huge political questions. But of course, nothing will change if the regions do not express their opinions. But the basic dilemma*

is that the agricultural lobbyists are such a strong interest parties and at the EU level with the strong agricultural countries – I don't believe that these priorities will easily change (MAF: interviewee 9.23).

It appears that the agricultural interest parties are generally perceived as being deeply involved in the political struggle of the policy formulation. At least several administrative and rural interest group interviewees (1, 3, 6, 7, 9, 10, and 11) from the national and regional levels confirmed the active involvement of the agricultural interest parties in the programme work. They also described how agricultural lobbies are well-organised groups of actors actively defending interests of the agricultural producers.

The interviewee (7) from the national administration explained the distribution of aids into the 'Axes' as follows "*It of course reflects that the position of agriculture in Finland is what it is; it is in a way terrible because we would really need a change because we have enrolled in a totally wrong competition in the agricultural sector. This also seems to reflect the mindset that agriculture is still often seen as a synonym with rural development. (...) In the national discussions it is still emphasised how agriculture is the basis of everything. (...). Agricultural interest groups are so well organised and this impacts in our Ministry as well – our Ministry is a ministry for agriculture and forestry.* (Agency of Rural Affairs: interviewee 7.24)."

In the light of these opinions and with reference to the antecedent literature, it seems that the rural interest groups constitute a more heterogeneous group of actors in comparison with the agricultural groups. The agricultural interest parties interviewed at the regional level of North Karelia seemed to have at least quite unanimous opinions about the objectives regarding the final outcomes of the RDP of the North Karelia. On the other hand, the non-agricultural actors in rural interest groups do not in the first place identify themselves primarily as 'lobbyists' but rather as active developers.

In addition, two of the interviewees (7, 2) remarked that this sectoral emphasis of the programme on agriculture can also be explained by the fact that its responsible ministry is the Ministry of

Agriculture and Forestry. In this respect, the informant from the Regional Council of North Karelia commented several times in the following manner that "*We should plan and develop our region as a single entity without any sectoral boundaries and at least in our Regional Strategic Programme I have managed to incorporate this approach* (Regional Council NK: interviewee 2.25)." The rural researcher from Karelian Institute shares this opinion by saying that "*One of the significant dimensions in rural policy making is to overcome the sectoral limits and boundaries at each territorial level of action* (Karelian Institute: interviewee 10.26)".

Subsequent to my empirical evidence, which had to be condensed in dozen of pages, I will next discuss these comments and perceptions in conjunction with the previous theoretical knowledge in the context of governance and EU's rural policy-making.

6. Discussion and Conclusion

The key objectives of this human geographic study in the field of political geography were to illustrate the delivery of the EU's Rural Development Programme as multi-level construction of governance. More specifically and via the empirical evidence: the aim was to better understand the role of the Finnish regions in this multi-level game of rural policy in the European Union. As a contextual example, the province of North Karelia was in the territorial focus of this policy examination.

To begin my conclusion chapter, I reiterate my two research questions:

- How flexible is the EU´s nationally designed Rural Development Programme for the regional delivery?
- How is the rural governance system constructed in North Karelia?

First of all, the position of the RDP of the North Karelia remains relatively marginal alongside with the national RDP for the Mainland Finland (RDPMF). In the North Karelian context, the process of designing the regional RDP might have empowered the regional interest parties, but in the implementation phase of the programme the North Karelian region predominantly follows the centralised politics of the national RDPMF.

Based on the national and regional experiences, I could determine that the NUTS-3 region of North Karelia has not gained a remarkable importance in policy-making by greater autonomy or by participation in centralised politics as the governance literature foresees (Gualini 2004a:34). In this thesis on the EU's rural policy-making, I can therefore come to the same conclusion with the evidence shown by Dwyer et al. (2007) indicating that "*the national administration of Finland tends to favour Rural Development Programmes based on historic experiences and priorities reflecting national co-financing decisions*".

In the informant opinion it was accentuated, for example, that the RDP for the Mainland Finland is not a development policy with strategic objectives but rather 'a menu of available instruments' for the maintenance of the current paths of rural development in Finland. In the Finnish context, this means that structural agricultural measures have assumed a central role in the EU's rural programme and, consequently, in the Finnish 'narrow policy' approach. Instead of a territorially sensitive approach taking into account the specificities of distinct rural areas of Finland – the RDPMF for the period of 2007-2013 is predominantly sectored in the maintenance of agricultural production across Finnish rural areas.

Thus, this national logic of programming is to a major extent carried over horizontally throughout the Finnish NUTS-3 regions. From the perspective of multi-level governance, it therefore seems that the central government continues to control the policy field with respect to the Finnish rural development programming. The government institutions at the higher spatial levels therefore tend keep their powerful positions in the EU multilevel game of governance. My empirical evidence supports the previous theoretical knowledge which reminds us that the

discourse of changing focus from government to governance tends to neglect impacts on directly legitimised institutions (Kull 2009b: 3).

Nonetheless, the interviewees from the Finnish national and regional administrations seem to offload the agriculture-centred emphasis onto the responsibility of the biggest and agriculturally most intensive member states in the EU. This being the case, the logics for the RDP is claimed to derive from 'above' i.e. from the supranational scale of rural governance. It seems therefore that there exists a conceptual misfit between the regulative frameworks for rural programming and the political decisions made at the Finnish national level concerning the RDPMF. The ministerial interviewee suggested therefore that we should speak explicitly about the agricultural policy when the majority of measures are agricultural-centred in the Finnish RDP instead of treating it as a rural policy.

From the Finnish perspective it is rather controversial that the final outcome of the RDPMF is centred on agricultural measures at the same time as Finland is highlighted by the OECD's (2008) analysis as a pioneering country in a cross-sectoral, rural policy-making. This ambiguity of defining rural policy may be better understood in the light of the long tradition of Finnish rural 'broad' policy-making dating back to the 1980s. According to the Finnish conceptualisation of 'broad' and 'narrow' rural policy approaches, agricultural and forestry sectors are distinguished under the narrow policy approach. Yet, in EU's parlance on rural policy and despite the its financial prioritisations on agricultural instruments, the Rural Development Programme is rather characterised as cross-sectoral policy field close to the notion of the Finnish 'broad approach'.

It has to be pointed out, however, that my national sample of informants in the national institutions of rural policymaking were responsive to the rural development issues in general. In my empirical enquiry, the national informant opinion does not therefore reflect a consensual conception on rural development issues. As stressed in the interviews, the positions as well as the given meanings of rural development in Finland are more debatable issues among the personnel in the national institutions.

On the other hand, it is a good question whether the RDP currently receives better financial and political acceptance among the Finnish or even European public seen as a rural development policy? One senior informant from the agricultural interest groups of North Karelia touched upon this particular issue. Interestingly, he pointed out how after the Finnish adhesion to the EU in 1995 there had been less political debate about the governmental budgets of agricultural aids. The informant stressed how the agricultural aids have been better legitimised publicly in Finland after the agricultural budgets have been decided on the EU level of decision making. This is quite an interesting comment because in contrast with latter argumentation, the rising trend of the CAP/RDP is to empower the Member States' autonomy in policymaking. Therefore, the national strategy plans and rural development programmes are predominantly at the discretion of the Member States.

From the comments of the regional interviewees, however, I got a similar impression that Finland, instead of realising the increasing national autonomy, has no other choice than to adjust to the top-down decision-making dictated by the European Commission's and the big member states. It might be thus reasonable to question to what extent the system of agricultural or rural aids has moved further away from the public audiences as well as from the public awareness. Or, what would be the general opinion in Finland about the policymaking related to the EU's rural policy, because in this inquiry the informants were already preoccupied with the EU's RDP on a daily basis.

Does the RDP of the Mainland Finland, veiled in the complicated national and EU bureaucracy, evoke less national debate because it might be considered to be part of the rigid EU development regulations? As a researcher, I at least admit how challenging it to approach and comprehend the regulative frameworks built around the EU's rural development programming.

As a one of the key themes in this thesis, the rural literature stresses the need for territorial, area-based planning of diverse rural areas. The rural researchers seem to agree that the diversity among rural areas and their circumstances makes it very difficult and inappropriate to design policies at the central levels (supra-national or national) which would take into account the

specificity of rural areas. Theoretically at least, the regulative frameworks of EU do not make this territorially based delivery impossible. For instance, rural regulations allow the Member States to design their own strategic plans and RDPs at the national and regional levels.

As signalled previously, the European Commission sets only the minimum percentages for the thematic prioritisations on the RDPs. In this respect, the EC, as the supra-national level of governance, enables the diffusion of power and responsibility to the national and sub-national levels of governance. It seems, however, that there is a mismatch between the regulative discourses of the EU and the outcomes of the Finnish political debate in conjunction with rural development mirroring the financial distribution of Programme resources.

The national and therefore the regional RDPs are predominantly sectored around the measures distributed horizontally for the agricultural producers across Finland. But in parallel with the sectoral emphasis of the policy design, few of the national and regional informants stressed the sectoral delivery of the programme administration. The national administrative responsibility of the programme is clustered at the Ministry of Agriculture and Forestry and the regional one at the ELY-Centres representing regional central state offices. Also the *Regional Rural Section* entitled the rural 'steering group' in North Karelia is exceptional insofar as it is administered by the regional ELY-Centre in North Karelia. With regard to the criticism related to the multilevel governance theory (Kull 2009), it can be pointed out how the institutionalised levels and institutions of governance predominantly continue to shape, construct and reconstruct the rural development programming.

Contrastingly, in the last programme period 2000-06, it was claimed to have been more collaboration between the regional development agencies (Regional Councils) and regional central state offices (ELY-Centres). At that time, rural development measures in conjunction with measures of the Regional Funds were brought into the same meetings of the Regional Management Committee (MYR) under the responsibility of Regional Councils. Today, the secretary of the Regional Management Committee is only informed about the projects co-financed by the EAFRD. It seems therefore that the latest CAP reforms concerning RDP

reformulations might have even strengthened the sectoral emphasis on the Finnish regional administration.

However, the measures within the Axis 3 aimed at 'diversification of rural economies' comprise the single opportunity for the Finnish NUTS-3 regions to deliver regional programmes 'territorially' and to take into account the specificity of rural areas. In the total figures however, this regionalised part of the programme represents only a minor share in the total account of the programme resources. More specifically the region-based delivery would according to the interviewees mean that the regional ELY-Centres could approve the co-finance development projects in line with the set programme prioritisations.

In the province of North Karelia the programme administrators did not seen the need to specify any strict strategic criteria for the co-financing of selected development projects. From the perspective of the programme administrators, the major challenge seems, on the contrary, to be the need for new innovative ideas and innovative project implementers in North Karelia. Therefore a rigorous selection of project proposals is out of the question according to the strategic prioritisations. On the other hand, the North Karelian authorities suspected that the well-established and conventional development agencies maintain and safeguard the continuation of their organisational activity by launching new development projects regularly.

In North Karelia, the rural governance system around the RDP is built upon the official 'steering group' meetings established by the corresponding ELY-Centre of North Karelia. The 'steering group' work is predominantly perceived a new opportunity for meeting a diverse group of rural actors for the very first time at the provincial level. From the theoretical point of view, this could be differentiated as falling under the 'classical' conceptualisation of multilevel governance where the EU and sub-national multi-level structures are directly legitimated institutions situated at the sub-national level (Kull 2009:2).

Along with the positive comments in relation to the 'steering group' meetings, this official forum of co-operation also received criticism in terms of its un-participatory and marginally advisory

nature. On the other hand, the regional authorities of the programme claim that the well-established – and always the same – interest groups participating in the 'steering group' meetings tend to introduce very few new innovations for the delivery of the regional programme. Does this official forum of rural co-operation serve only as a reinforcement of the attained benefits for the participants? These official meetings are also claimed to provide too few opportunities for influencing decision-making. In this respect, for a better collaboration of this 'steering group', it was suggested that the number of participants should be reduced and the remaining actors should be better empowered to promote new topical ideas for the North Karelian rural development.

In parallel with the 'steering group' meetings, the 'KeTut- morning coffees' reflected a new feature in the North Karelian rural governance system. The Leader-association of Joensuu organises this forum of collaboration for rural developers and researchers in particular. These informal 'KeTut -morning coffee' meetings were, however, claimed still searching its established forms of co-operation. Yet, these gatherings might reflect diffusing power contexts in relation to the 'new forms of governance' moving away from the state-centred emphasis in the implementation of the regional RDP, as emphasised in the governance theory.

From my sample of interviews in North Karelia, it was finally quite complicated to differentiate non-agricultural interest parties. Apart from the Leader Associations self-identifying themselves as 'rural developers' – rural actors constitute a heterogeneous group of diverse actors with distinct development objectives explicitly or implicitly connected with the development of rural areas. As noted in the literature (Csite & Granberg 2003), the rural actors in Finland comprise a loosely structured network of various interest parties including; governmental bodies, regional and local authorities, academic experts, NGOs, entrepreneurs, rural developers and other active rural inhabitants.

It seems that this rural network, particularly the rural developers in the Leader-Offices, is present not only on the provincial scale of rural governance but on various vertical scales of policymaking simultaneously. From this perspective, my territorial scope of study, delimited in the provincial scale, might have constituted too static an approach for the examination of

networking rural interest groups. In this respect, the studies of European integration connected with the changing dynamics of governance emphasise the role of policy networks which are organised across policy arenas and governmental levels (Kersbergen & Waarden 2004:150). The agricultural interest groups, in contrast, seem to follow more hierarchically the territorial jurisdictions of policy-making.

On the other hand, the complexity of rural actors as well as development objectives might also be the reason why I could regionally identify hardly any interest groups looking only after rural interests in the implementation of the RDP. In effect, the cross-sectoral nature of the rural development issues is a challenge for the identification of common objectives for the RDPs. In contrast, the agricultural organisations seem to have more unanimous and unionised voice in lobbying for the common agricultural objectives in the delivery of the RDP.

To conclude this master's thesis, I will express three remarks in reference to my empirical and theoretical inquiry of human geography. Firstly, despite the increased parlance of rural development as a territorially delivered field of policy making in the EU, the Rural Development Programmes on Finnish and North Karelian scales are still focused on the maintenance of the primary sector in rural areas.

Secondly, the RDP of Mainland Finland has been marginally affected by the 'regionalisation process' of the EU's common policies. The 'regionalised' part of the Programme concerning 'Axis 3' accounts for only a minor share of the total distribution of policy aids. Therefore, the regional RDP of the North Karelia predominantly follows the national logic of programme prioritisations. According to the empirical experiences, however, there exists a binary opposition between expert opinions on different spatial scales of implementing RDP. In terms of national policy parlance, it seems that the Finnish NUTS-3 regions insufficiently utilise their opportunities for region-based strategic planning whereas regionally the authorities emphasise the lack of regional autonomy in the delivery of the EU's Rural Development Programme.

Thirdly, the rural governance system around the implementation of the EU's RDP seems to be an institutionalised policy field built on close co-operation between governmental institutions and well-established agricultural interest parties. In contrast, the non-agricultural, rural actors seem to constitute a looser network of governance attached to various territorial scales of rural development simultaneously. Therefore, from the point of view of rural actors the current territorial jurisdictions of policy-making might constitute too stagnant units for the implementation of the EU's rural programmes.

Finally, I would like to add that the Rural Development Programme of the EU can be explicitly defined as a policy for the development of rural areas, but the EU's policies under the Regional Funds also contribute to rural development. In order to provide a more holistic synthesis of rural development in terms of common EU policies, the data on rural policymaking could combine both the Rural and Regional Funds of the EU.

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APPENDIX 1.

HAASTATTELURUNKO

I TEEMA: Pohjois-Karjalan alueellisen maaseutuohjelman valmistelu ja sen koordinointi

1.1 Ketkä ovat vastuussa ohjelman toimeenpanosta ja seurannasta? Kenellä oli ohjelman valmisteluprosessissa päävastuu?
1.2 Minkälainen rooli as. organisaatiolla oli ohjelman valmistelussa?
1.3 Mikä on as. organisaation toimivalta maaseuturahastoa koskevassa päätöksenteossa?
1.4 Miksi MYR:iin ei perustettu maaseutujaostoa?
- Ketkä MYR:in sihteeristöstä vastaavat maaseuturahastoon liittyvistä asioista?

1.5 Miten paikalliset ja seutukunnalliset maaseutuohjelmat huomioidaan alueohjelmassa?
- Mikä vaikutus ylipäätänsä seutukunta/paikallisohjelmilla on?

1.6 Miten eri aluetasojen ohjelmat tukevat toisiaan?
1.7 Miten muut rakennerahasto-ohjelmat (ESR; EAKER) yhteen sovitetaan maaseutuohjelman kanssa?

Maaseuturahasto ja kansallinen ohjelma

II TEEMA: Maaseuturahasto (EAFRD) yleiset kysymykset:

2.1 Miten EU:n yhteinen ohjelmakaudelle 2007–13 perustettu CAP: in alainen maaseuturahasto sekä Pilari 2 tukevat maaseudun kehittämistä? Kansallisella tasolla? Pohjois-Karjalassa?
2.2 Minkälainen painoarvo alueellisella ohjelmalla ja sen painotuksilla on kansalliseen ohjelma-asiakirjaan verrattuna?
2.3 Valtaosa EU:n maaseutukehittämisen tuista jaetaan maatalousyrittäjille (LFA- ja ympäristötuet): minkälaisessa asemassa ovat muut maaseudun toimijat kehittämistukien jaossa?
2.4 Tällä ohjelmakaudella maaseuturahaston ohjelmat eivät ole enää nk. Rakennerahasto-ohjelmia: Miten rakennerahastokytköksen lakkaaminen on vaikuttanut maaseutukehittämisen luonteeseen?

Kansallinen ohjelma ja Pohjois-Karjalan alueellinen maaseutuohjelma

III. TEEMA: Maaseuturahasto ja Pohjois-Karjala (toimintalinjat/toimenpiteet):

3.1 Tukevatko kansallisen ohjelman toimintalinjapainotukset Pohjois-Karjalan alueellista maaseutukehittämistä? (Manner-Suomen maaseutuohjelma)
3.2 Missä määrin Manner-Suomen kansallista maaseutuohjelmaa on pystytty sopeuttamaan maakunnan alueellisiin kehittämistarpeisiin? Maakunnallisiin erityistarpeisiin?
3.4 Miten Pohjois-Karjalan maaseutuohjelmassa valitsemat painopisteet korostuvat e.g. ohjelmarahoitusta kohdistettaessa?

3.5 Mitkä toimintalinjoista (1-4) tukevat parhaiten Pohjois-Karjalan maaseutualueiden tarpeita? Mitkä vähiten?

3.6 Miten muut EU-rahastot (ESR; EAKER) tukevat maaseuturahaston (EAFRD) kehittämistoimia?

- Mikä on kokemuksenne siitä, että missä määrin muista EU:n aluekehittämisrahastoista tuetaan juuri maaseutuhankkeita/yrityksiä?
- Minkälaiset toimenpiteet tukisivat tulevaisuudessa parhaiten Pohjois-Karjalan harvaan asutettujen maaseutualueiden kehittämistä?

IV. TEEMA: maaseutuverkoston yhteistyö

- Minkälaisia kokemuksia yhteistyöstä maaseudun ohjausryhmässä?
- Pohjoiskarjalaisessa maaseutuverkostossa?

APPENDIX 2.

Thematic Axis within the RDP 2007-13 Codification	
Axis 1	
111	Vocational training, information actions, including diffusion of scientific knowledge and innovative practices for persons engaged in the agriculture, forestry, food sectors
112	Setting up young farmers
113	Early retirement of farmers and farm workers
114	Use by farmers and forest holders of advisory services
115	Setting up farm management, farm relief and farm advisory services, as well as forestry advisory services
121	Farm modernization
122	Improving the economic value of the forest
123	Adding value to agricultural and forestry products
124	Cooperation for development of new products, processes and technologies in the agricultural and food sector
125	Improving and developing infrastructure related to the development and adaptation of agriculture and forestry
126	Restoring agricultural production potential damaged by natural disasters and introducing appropriate prevention actions
131	Helping farmers to adapt to demanding standards based on Community legislation
132	Supporting farmers who participate in food quality schemes
133	Supporting producer groups for information and promotion activities for products under food quality schemes
141	Supporting semi-subsistence farms undergoing restructuring
142	Setting up of producer groups
143	Provision of farm advisory and extension services in Bulgaria and Romania
Axis 2	
211	Natural handicap payments to farmers in mountain areas
212	Payments to farmers in areas with handicaps, other than mountain areas
213	Natura 2000 payments and payments linked to Directive 2000/60/EC
214	Agri-environmental payments
215	Animal welfare payments

216	Support for non-productive investments
221	First afforestration of agricultural land
222	First establishment of agroforestry systems on agricultural land
223	First afforestration of non-agricultural land
224	Natura 2000 payments
225	Forest environment payments
226	Restoring forestry potential and introducing prevention actions
227	Support for non-productive investments
Axis 3	
311	Diversification into non-agricultural activities
312	Support for the creation and development of micro-enterprises
313	Encouragement of tourism activities
321	Basic services for the economy and rural population
322	Village renewal and development
323	Conservation and upgrading of the rural heritage
331	Training and information for economic actors operating in the field covered by Axis 3
341	Skills acquisition and animation with a view to preparing and implementing a local development strategy
Axis 4	
411	Local development strategies. Competitiveness.
412	Local development strategies. Environment/land management.
413	Local development strategies. Quality of life/diversification.
421	Transnational and inter-regional cooperation
431	Running the local action group, skills acquisition, animation
Additional measures	
511	Technical assistance
611	Complements to direct payments for Bulgaria and Romania

Source: DG AGRI (2009)

APPENDIX 3.
Alueellisen maaseutuohjelmatyön organisointi Pohjois-karjalan ELY-keskus
Ohjausryhmä:

Osallistujatahot:

1. Koordinaatioryhmä

Eira Varis, Kimmo Niiranen	- P-K liitto
Juhani Rouvinen	- Jyty
Tapani Mikkonen	- Kiteen kaupunki
Jukka Nevalainen	- Pielisen-Karjala
Sirpa Maijanen	- Jetina
Antero Lehikoinen	- Joensuun Seudun Leader
Jouni Korhonen	- Vaara-Karjalan Leader
Ville Elonheimo	- Pohjois-Karjalan kylät

+ TE-keskuksen työryhmä

2. Maakunnalliset viranomaiset ja järjestöt:

P-K ympäristökeskus
MSL P-K aluejärjestö
Pro Agria Pohjois-Karjala
Maa- ja Kotitalousnaiset
MTK Pohjois-Karjala
PKKY/AIKO
AMK/Kitee maaseutuelinkeinojen koulutusohjelma
Yliopisto ja Karjalan tutkimuslaitos
Pohjois-Karjalan Uusyrityskeskus
P-K 4H
Metsäkeskus
P-K yrittäjät
Itä-Suomen lääninhallitus Joensuu

2. Kunnat:

Maaseutusihteeri
kunnanjohtajat seutukunnittain (1/seutukunta)
Muut:
Karellikeskus/naisyrittäjät
Elo-Food
Nelistys

APPENDIX 4.
Quotations in Finnish

THEME 1: Horizontal structures of rural governance

ELY-Centre, Interviewee 11.1: ”*Eli mä oli sen ohjelmaprosessin vastaava eli me saatiin sinne sellainen ohjaava ohjauselin, taisi olla jopa 30 jäsentä, joka vähän niin kuin katsoi, että mihinkä suuntaan sitä ohjelmaa pitäisi rakentaa ja että se olisi mahdollisimman laaja se näkemys siinä rakentamistyössä*”

MTK, Interviewee 4.2: ”*Maaseutuohjelma on meidän näkökulmasta onnistunut erittäin hyvin, ohjausryhmätyöllä sitoutettiin nämä alueelliset toimijat tähän alueellisen ohjelman sisään ja se teki kyllä meidät kaikki toimijat niin kuin tutuiksi keskenämme*”.

Rural Network Unit of Finland: Interviewee 8.3: ”*(…) minun mielestäni maaseutujaostojen tai vastaavien työtä täytyisi tehostaa ja mä just pelkään, että ne ovat sellaisia, että informoidaan, että mitä on tapahtunut, että mä olen sitä mieltä, että niiden pitäisi olla ainakin neuvoa-antavia ja niitä pitäisi käyttää jo nyt tällaisessa neuvoa-antavassa roolissa, siinä on tietysti se riski, että siitä tulee – että kaikki valvoo omia etujaan niin kuin edellisellä ohjelmakaudella (…) ja minusta sellainen etujen valvominen ei ole hyvä asia, että pitäisi puhua – ei yksityiskohdista – vaan laajemmista kokonaisuuksista (…)”.*

Leader-association of Joensuu region: Interviewee 6.4: ”*Ohjausryhmässä pitäisi olla pienempi porukka, joka sitten pitäisi ikään kuin työmaakokouksia, joka katsoisi, että onko nyt joku sellainen ala, jota ei ole huomattu, joka olisi nousemassa ja johon pitäisi panostaa ja, että voisi niin kun linjata sitä ja ehkä myöskin herättää asioita, että ei vaan aina otettaisi vastaan hakemuksia, mitä tulee vaan voitaisiin herättää asioita ja käynnistää niitä. Ohjausryhmä ei pysty vastavuoroisuuteen – se on liian iso ryhmä ja kokoontuu liian harvoin (…).”.*

Karelian Research Institute: Interviewee 10.5: “*Ei se kovin vuorovaikutteinen ole: se tuntui alussa vähän tällaiselta kunnallislautakunnalta, että pöytäkirjat tehdään samalla lailla, että se on määrämuotoista (…) Mutta ehkä se hallintopuoli pyörii omanaan ja siellä on tietystä tällaiset, sanotaan vaikka pakolliset puheenvuorot vähän eri intressitahoilta ja pakolliset reaktiot, sen niin kun ennustaa, mitä kukin puhuu. (…) se on tällaista rauhanomaista rinnakkaiseloa sillä tavalla, että on tietyt porukat, jotka tietää mitä edustaa ja monet näistä päätöksistä on tehty jo aikaisemmin tai muualla (…). Kyllä siellä joskus on tällaista ideologisia purskahduksia ja eri tahot muistuttavat olemassaolostaan. Kun niin harvaan kokoonnutaan, että ihmiset ikään kuin puhuvat aina uudestaan ne samat jutut.”.*

ELY-Centre Interviewee 11.6: ”*Kyllähän siellä keskustelua syntyy, mutta se tuppaa jäämään aika, se pyörii aika tavalla perinteisissä, että ei sieltä, jos rehellisesti sanotaan niin hirveän paljon uusia innovaatioita tullut, koska se oli tämän alueellisen ohjelman tarkoitus eli nimenomaan niitä tarpeita kartoittaa (…)”.*

Leader-association of Joensuu Region: Interviewee 6.7: *“MTK ja ProAgria ovat aika vakiintuneita lobbareita, että heillä edunvalvojan asema on hirveän voimakas, että me katsotaan*

että me ollaan maaseudun kehittäjiä – ei edunvalvojia, että me mennään niin kuin yleisemmällä tasolla."

Agency of Rural Affairs: Interviewee 7.8: *"Tarvittaisiin valtakunnallinen maaseutuverkosto, tällä hetkellä alueilla tehdään paljon päällekkäistä työtä, kun sitä voitaisiin keskittää (...) Parempaa verkostomallia voitaisiin kehittää, nyt kun tämä ohjelma toimii likaa alueperustaisesti – hallinnollisestikin, ei nykyään yritystenkään yhteistyö ole laisinkaan alueisiin sitoutunutta. Tämä verkottuva maailma ei ole enää niin maantieteeseen sidottua.".*

THEME 2: Reform of the RDP for period of 2007–13

Leader-association of Joensuu: interviewee 6.9: "*Suurimman muutoksen maaseuturahasto on tuonut asenneilmastoon. Sieltä on tullut nyt se valvonta ja virheettömyys -asenne, että kun maataloustukia voidaan valvoa aika yksiselitteisesti niin, että pitää olla jotain tiettyä, jota voidaan etukäteen säädellä, mutta kehittämistoimintaa ei voida (...). Se on kyllä kauheata myrkkyä, että se on ehkä se kaikista suurin ja pahin muutos, joka on tapahtunut*.".

ELY-Centre NK: interviewee 11.10: *"Se oli ennenkin sama rahasto, siellä oli ennenkin tämä Guarantee ja Guidance (...) että varsinainen rahaston nimi on vain muuttunut. Se ero on siinä, että se on nyt tiukemmin täällä niin kuin Guidance Sectionin sisällä, se on niin kuin samojen ohjaussääntöjen alla. Sen luonne on muuttunut, että edellisellä ohjelmakaudella käytettiin rahastosäännöksiä, jotka eivät olleet niin tiukkoja kuin nämä maatalouspolitiikan säännökset. (...). Maatalouspolitiikan alla on tiukemmat nämä kontrolli- ja valvontasäännökset.".*

MAF: interviewee 9.11*: "Keskustelua on käyty, että pitäisikö maaseutupolitiikka olla rakennerahastojen puolella. Mutta sitten taas tämän laajentumisen myötä on tullut mukaan EU:hun köyhiä maita, että Suomi ei kyllä tule saamaan varoja sen kautta, että sen takia mun mielestä tämä, että me ollaan maaseuturahaston yhteydessä (...).".*

Agency of Rural Affairs; interviewee 7.: "Tässä irrallisuudessa on puolensa ja puolensa, että on tavallaan sellainen autonomia, mutta oikeastaan kaikkien ohjelmien pitäisi pystyä kehittämään koko aluetta, että nyt on tavallaan, se riski, että heitetään maaseutumaaseutuohjelmalle, esimerkiksi maakuntaohjelmassa ei tarvitse olla maaseutuosiota vaan sen pitää huomioida tasaisesti koko maakunta".

THEME 3: Role of the regional RDPs – North Karelian example

MAF: interviewee 9.12: *"Tietysti alueellisilla ohjelmilla on oleellinen merkitys, koska Suomessahan on ryhdytty rakentamaan tätä Manner-Suomen maaseutuohjelmaa, että nimenomaan kokonaisohjelma perustuu alueellisten ELY-keskusten ja paikallisten toimintaryhmien suunnitelmiin, että se on alhaalta ylöspäin tehty."*

Agency of Rural Affairs: interviewee 7.13: *"Kun EU:hun mentiin puhuttiin alueiden Euroopasta ja puhuttiin maakunnista, mutta musta tuntuu, että tapahtui sellainen mittakaavaharha, koska saksalainen maakunta on 1 ½ miljoonaa asukasta niin sillä voi olla itsehallinto, meidän maakunnat ovat pieniä yksiköitä, että tämä johtaa sellaiseen pirstaleisuuteen ja sitten myös se, että meillä on monet asiat yhteisiä niin monta asiaa kannattaisi tehdä yhdessä ja sitten yhdistää sellainen verkko, verkottaa näitä asioita sillä tavalla, että toki tarvitaan alueellinen ja paikallinen, mutta sitten tarvitaan verkosto siihen päälle.".*

ELY-Centre of NK: interviewee 1.14: *"Näin se nyt kuitenkin menee, silloin ohjelman valmisteluvaiheessa oltiin ehkä vähän toiveikkaampia, että se rahojen jako olisi enemmän niin kuin alueen päätettävissä."*

ELY-Centre: interviewee 11.15: *"Tämä M-S ohjelma kun on valtakunnallinen niin siinä on sen logiikka, että on tiettyjä horisontaalisia toimenpiteitä, mutta sitten on nämä alueosiot, mutta tietysti se on vain yksi osio se alueosio, mutta sen puitteissa meillä on liikkumavaraa. (...). Mutta 3. toimintalinjan kohdalla meille tulee vuosittain alueellistettava kiintiö, elikkä se alueellistettava potti on 1/3 tuolla ykkösessä ja 2/3 kolmosella.".*

Agency of Rural Affairs: interviewee 7.16: *"Manner-Suomen ohjelmassa ei tätä kehittävää osuutta ole kuin se 10–15% volyymistä. Elikkä lähinnä tuo 3. toimintalinja on kehittävä, 2. linja on säilyttävä, elikkä meidän viljelijöiden toimeentulo on kiinni LFA- ja ympäristötuesta". Ja 1. toimintalinjassa on perusmaatalouden investoinnit ja se on kuitenkin alkutuotantoa lähellä, jossa on vähän haparointia kehittämiseen päin.".*

ELY-Centre of NK: interviewee 11.17: *"Ohjelma haluttiin pitää tällaisena mahdollistavana, siksi ei haluttu sulkea pois mitään toimenpiteitä, että kyllähän se painottuu yritysrahoitukseen niin kuin valtakunnan ohjelmakin".*

Agency of Rural Affairs: interviewee 7.18: *"Tavallaan Manner-Suomen ohjelma ei ole oikeastaan mikään ohjelma vaan se on mahdollisuuksien valikko ja alueellisilla ohjelmilla sitä pystytän skarppaamaan, tarkentamaan ja tekemään niin sanotusti strategisempaa työtä tai valintoja. Alueelliset ohjelmat olivat kyllä vähän turhan vaatimattomia (...).".*

Rural Network Unit of Finland: interviewee 8.19: *"(...) mä olen henkilökohtaisesti sitä mieltä, että tällaiset alueelliset ohjelmat niin niiden merkitys ei niin kovin suuri ole, koska aika hyvät rahalliset resurssit tälle ohjelmalle on annettu, mutta jos ja kun ne resurssit pienenevät niin sitten tällaisten alueellisten ohjelmien merkittävyys kasvaa, koska jos rahaa on vähän niin täytyy tehdä kovempia linjauksia."*

THEME 4: Legitimating rural policy in the multilevel governance

ELY-Centre of the NK: interviewee 11.20: "*Sehän on selvää, että suurin osa tuista menee maatalousyrittäjille, koska kun nämä maatalouspoliittiset järjestelmät on rakennettu niiden suurten eurooppalaisten maatalousmaiden mukaan (...). Se ei auta oikein meitä pohtia sitä, että voitaisiinko me käyttää LFA ja ympäristötukia eri tavalla, koska se liittyy niin paljon isompaan*

kuvioon, että ei me oikeastaan voida, että se turha meidän sitä keskustelua käydä, että sitä pitäisi ensin muuttaa koko EU:n maatalouspolitiikkaa ja sitten arvioida uudelleen ja tietysti pitää muistaa, että tämä on osa maatalouspolitiikkaa".

ELY-Centre of the NK: interviewee 1.21: *"Tuolla Etelä-Euroopassa se tilatuki on se päätuki ja meillä Suomessa ne ovat ne nämä toimintalinja 2. tuet. Eli sillä tavalla 2 Pilariin rakentuva maaseutuohjelma on niin tärkeä Suomen maatiloille (...)."*

MAF: interviewee 9.22: "*Maaseutupolitiikka tarkoittaa suomalaisessa käsitteistössä sitä, että se tähtää ihmisten hyvinvointiin, rakennetaan palveluita ja tuetaan yrittäjyyttä ja näin sitten kun me liityttiin EU:hun, niin sitten yhtäkkiä se käsite maaseutupolitiikka pitikin sisällään ympäristötuen ja LFA:n, mitkä ovat mielestäni tärkeitä asioita ja ei missään tapauksessa vastakkainasettelua, mutta mielestäni ne käsitteet täytyisi erottaa. Että mielestäni ympäristötuki ja LFA on maatalouspolitiikkaa ja puhuttakoon niistä maatalouspolitiikkana ja puhuttakoon maaseudun kehittämispolitiikalla tätä mitä on Suomessa 80-luvulta lähtien rakennettu, mutta myönnän sen, tietysti, että monissa EU:n jäsenmaissa, se mitä äsken kuvasin, mitä mielestäni tarkoitetaan maaseutupolitiikalla niin se on niin nuorta että tavallaan se on vasta niin kuin pienenä osana vasta lähtenyt kehittymään, että eivät ne keskieurooppalaiset kollegat ymmärrä tätä käsitteiden eroa.".*

MAF: interviewee 9.23: "*En, en usko, ett tulevaisuudessa tulee mitään radikaalia muutosta rahaston resurssijakoon. Ne ovat niin suuria poliittisia kysymyksiä, mutta tietysti alueiden on hyvä tuoda julki ne näkemyksensä sitten kanssa, koska eihän mikään politiikka milloinkaan muutu, jos ei kukaan ilmaise mielipiteitään. Mutta perusdilemma on se, että maataloustoimijat ovat voimakkaita edunvalvojia, enkä mä usko, että se EU:n mittakaavassa – siellä on voimakkaita maatalousmaita, en usko, että hevin muuttuu nämä painotukset."*

Agency of Rural Affairs: interviewee 7.24: *"Se kuvastaa tietysti sitä, että meillä maatalouden asema on sellainen kuin se on, onhan se sillä lailla hurjaa koska me tarvittaisiin ihan oikeasti muutosta, koska me ollaan ilmoittauduttu ihan väärään kilpailuun tossa maataloudessa. Se kuvastaa varmaan myöskin hyvin pitkälle sitä, että maatalous ja maaseutu mielletään vieläkin hyvin pitkälti yksi yhteen. (...). Kyllä se keskusteluissa nousee vieläkin se hokema, että maatalous on se runko. Maatalousjärjestöt ovat niin vahvasti järjestäytyneet, että se vaikuttaa meilläkin, että ministeriö on maatalousministeriö ja sen lisäksi metsänkasvatusministeriö."*

Regional Council NK: interviewee 2.25: *"Eli maaseudun kehittäminen pitäisi nähdä kokonaisuutena, ilman sektorikohtaisia rajoja ja maakuntaohjelmaan olen ainakin ajanut sen näkökulman läpi."*

Karelian Institute: interviewee 10.26: *"Maaseutupolitiikan tärkeä elementti on, että mennään yli sektoreiden ja rajojen jokaisella aluetasolla."*

APPENDIX 5.

a) Horizontal Governance

The programme was prepared in particularly good and active co-operation (ELY-Centre of NK: interviewee 1).	I was the person responsible of the programme, in other words we formed a guiding 'steering group' body with approximately 30 different participants whose purpose, so to speak, was to steer the new developmental needs of the programme and to have as richest opinion as possible in the phase of designing the regional programme." (ELY-Centre: interviewee 11). "They stimulate discussion but unfortunately it tends to culminate in	The programme process was marked by sectoral division in administration (Regional Council of NK interviewee 2)	There should be a fewer people in the 'steering group' which could organize such as 'fieldwork meetings' being sensitive for new arising developmental needs and which would perhaps evoke and define new developmental ideas as well – that we would not only accept the new project applications but actually we would awake and initiate them. The current steering group is not enough responsive and reciprocal in its activity – the group is too big and it gathers too seldom (...) (Leader-association of Joensuu region: interviewee 6.). MTK and ProAgria are well-established lobbyers and their status as lobbyers is very powerful and we consider ourselves as rural developers – not lobbyers – we act in a	Personally I think that the process of setting up the regional programme was organized in a broad participatory manner and the initial goal was to set up a steering group as diverse rural actors as possible (ProAgria: interviewee 5). The active development of the North Karelian dairy industry is important for the income formation of North Karelian rural areas and it was well noticed from our point of view at the rural development programme (ProAgria: interviewee 5). It is good to have such meetings with the steering group: this forum is firs of all a channel of information and a place to assess whether the objectives which have being set are achieved (ProAgria: interviewee 5)	The regional programme has succeeded very well from our point of view: the steering group meetings made us all, rural actors, familiar with each other and it engaged us around the implementation regional programme (MTK: interviewee 4). From the MTK's point of view, our goal in the 'steering group' is to guarantee that the resources are available for the agricultural measures and that' s why we have extremely good co-operation with different interest groups such as ProAgria and ELY-centre. The role of the 'steering group' is more informative than advisory. (MTK: interviewee 4) There were not any conflict between agricultural and rural interest groups the co-operation with the steering group members was close and intense. We have only positive things to say about the work of Leader-associations, of course we would hope more resources for them but it should not be away from the aids directed for agricultural producers (MTK: interviewee 4).

	conventional issues and honestly speaking they have little evoked new innovations and that has been one of the key objectives of our regional Rural Development Programme – to look for the new developmental needs (...) (ELY-Centre interviewee 11)".		more general level (Leader-association: interviewee 6)". We don't have any more such confrontations with the producer organizations – perhaps we have together noticed that as a matter of fact we are all in the same boat, dealing with the same rural futures. (Leader-association Joensuu: interviewee 6)	The most positive thing in the regional programme is that we work together in a very diverse group of rural actors and try to find a common understanding about its objectives (ProAgria: interviewee 5).	
National	There is a need for a national rural network; currently at the regional level a lot of overlapping work has been done and instead it could be centralised (...) A better network model could be developed since the current programme is too region-based territorially as well as administratively – neither the enterprises today solely are co-operating within the territorial boundaries. The world of networks is not anymore geographically static. (Agency of Rural Affairs: interviewee 7). In development projects one of the challenges is that there are not enough actors and for instance in the new call for international development projects only agriculture related development organization applied (Agency of Rural Affairs: interviewee 7).		This programme period the rural network was lunched top-down since the Commission presumed it (Rural Network Unit for Finland: interviewee 8). I have an impression that this rural co-operation works well within the sectors but the links between non-agricultural and rural organizations seem to be confusingly week – the challenge for rural interaction is the cross-sectoral co-operation. But basically any actor without sectoral limits may benefit from the programme but we need constantly more actors into our programme. Luckily, despite of scarce resources Leader action groups are strong regional actors for the development of broader rural interests. (Rural Network Unit for Finland: interviewee 8) (...) the functions of these Regional Rural Sections or suchlike should be crystallized and in effect I am afraid that they are only for the information channels to let everyone know about the progressions of the programme and, to my mind these bodies should be at least advice-giving and should be		

				utilized better as advisory bodies, but of course there is always the risk that everyone oversees only the interests of their own organizations what happened during the last programme period and this should not be the purpose of these gatherings: it should take part in the development of broader programme issues not concentrating on the design of small details" (Rural Network Unit of Finland: interviewee 8)				
The shift of RDP in to the same framework with the CAP								
Nation al	This change of funds is being constantly criticized: it has brought more obligations to this project work which are felt as constricting (Rural Network Unit of Finland: interviewee 8).			It has its pros and cons: on one hand permits certain autonomy but on the other hand each of the development programmes should develop the whole area and currently there is a risk that rural areas are only developed through Rural Development Programme of Mainland Finland. There should not be a separate programme for rural areas but always development policies which gathers all development sectors within a single programme as in the Regional Strategic Programmes (Agency of Rural Affairs: interviewee 7).		In this period, these EU programmes seem to be so disconnected into their own sectors that perhaps in the last period when all of the funds were integrated under regional funds the dialogue was easier. "It has been discussed weather rural policy of EU should be under the Structural Funds. But due to the EU's enlargement process it has joined poor Member States in the EU and thus Finland is not going to get aids via those Fund, to my mind it therefore is better to be under the European Agricultural Fund for Rural Development (...). (MAF: interviewee 9)".	
Regio nal	This way is better for the reason that the resources for rural development might be more secured as a part of agricultural policy since North Karelia may be at risk to not to have structural funding for pursuing periods of programming due to the criteria for the GDP	Pros and Cons but during last Objective-1 programme period there was more collaboration between other provinces because the programme presumed it	It turned out to be clearly worse: in the previous Objective-1 period regardless of the specific fund all the development matters were discussed	"The biggest change has been this attitudinal change: the EAFRD has brought an attitude of faultlessness and surveillance because the agricultural aids can be	The problem is the new way of thinking when also rural measures are considered as agricultural subjective aids but they cannot be	It is better that they are under the CAP – the structural funds are under constant threat for their continuity (ProAgria:	Perhaps, during the Objective-1 period it development actions took into account wider contexts of regional development and now it's kind of transferred	It is better to have rural development measures under the CAP because I doubt whether we will be included in the ERDF next programme period (MTK: interviewee 4).

	for instance (ELY-Centre NK interviewee 11). It has been all the time the same Fund, earlier there were these different sections – Guarantee and Guidance (...) the only thing that has changed is the name of the Fund. The difference is that now the EAFRD is, so to say, more strictly situated inside the Guidance Section, it's under the same guiding principles. Therefore its nature has changed; during the last programme period the financing regulations in use were not as rigid in comparison to the regulation under the agricultural policy. (...). The regulations of control and surveillance are stricter under the Common Agricultural Policy (ELY-Centre NK: interviewee 11).	(ELY-Centre: interviewee 1).	around the same table. But luckily we tend to co-operate so well together between the different developmental agencies that this does not bother us. (Regional Council NK: interviewee 2)	controlled quite unequivocally, but development work cannot be regulated as such (...). That has been poisonous and probably the biggest and most disadvantageous change that has happened (Leader-association Joensuu: interviewee 6.9)".	evaluated similarly – they are discretionary (MSL: interviewee 3).	interviewee 5).	under agricultural policy. I strongly agree that sectoral policy is one of the disadvantages of local rural development. But the problems is not a question of funds but rather were to find the relevant actors for implementing rural development projects. (Karelian Research Institute: interviewee 10)	

The role of regional Rural Development Programme			
National	Of course the regional programmes had a substantial role: because in Finland the national programme was set up on the grounds of regional and local programming documents (MMM: interviewee 9). The Rural Development Programme for Finland counts 7 million/€ and therefore even after LFA-, and agri-environment payments it remains quite a remarkable remainder for the development of the regions (MMM: interviewee 9).	Perhaps, at the regional level the process of collaboration and gathering all rural actors together came before the outcome of the programming document: therefore finally the regional programmes took minor role. Instead of worrying about the responsiveness of regional programming, I am concerned about the redundant number of different regional development programmes and how these various works are consolidated. (Rural Network Unit of Finland: interviewee 8). I personally think that the role of these sorts of regional programmes is not so significant because in general the programme is such a well-resourced, but if and when the resources will be cut down – the significance of these regional programmes will become more important, in that case there will be little money available and stricter definitions of policies has to be done." (Rural Network Unit of Finland: interviewee 8).	They were rather similar in comparison to previous periods – nothing was changed in regional definition of policies (Agency for Rural Affairs: interviewee 7). In a one sense, the national programme of Mainland Finland is not a strategic programme but a menu of possible measures, that's way at the regional level it enables to make more strategic work and choices – no matter what the regional programmes remained kind of unambitious (Agency of Rural Affairs: interviewee 7). Only 10-15 % of the programme volume may be considered to have 'developing effect'. In other words, the Axis 3 is 'developing' and the Axis 2 is 'maintaining' and in that way the livelihoods of our agricultural producers are dependent on the agri-environment and on the LFA-support. And, the Axis 1 comprises the basic investment subvention close to the primary sector including anyway certain measures with a slight of 'developing' impact. (Agency of Rural Affairs: interviewee 7). I am little sceptic about how much these programmes should be delivered region-based. In effect, we have built too much obstacles and distributed all recourses for the regions. The time when we joined EU it was lot of talk about the 'Europe of Regions' and Finnish provinces; but personally I think that what happened was a 'illusion of territorial scale' – because a German province may encompass 1 ½ million inhabitants

			with a self-government, but our provinces are such small jurisdictions that this thinking in Finland leads to the fragmentation. In addition, many of the rural development issues are cross regional and therefore many matters would be worth of solving together and then combining trough a network – of course local and regional scales are important but a national network is needed above these scales. (Agency of Rural Affairs: interviewee 7).
Regional	At the end however: the implementation of rural development initiatives was founded on the national rural programme of Mainland Finland, but perhaps in the preparation of regional programmes, the process of thinking and gathering together was more important (ELY-Centre of NK: interviewee 1). This is how it goes now – from the national basis – however in the building-up moment of NK programme we were more optimistic about the distribution of resources from the regional perspective (ELY-Centre of NK: interviewee 1).	In practice however the programme and even the measures were set up from top to down giving bigger role to the national programming (ELY-Centre of NK: interviewee 11). Due to the fact that the rural development programme of Mainland Finland is national it follows national horizontal logic: but at the 'Axis three' that consists the 'regionalized part' we have the freedom of action. (...). Within the Axis 3 we receive annually this regionalised quota of aids; of which 1/3 is allocated according to the measures within Axis 1 and 2/3 within Axis 3." (ELY-Centre: interviewee 11). We wanted to keep the programme of North Karelia open for all sort of developing needs and not to include out any measures: but as in the national programme - also in our regional programme the recourses are concentrated on the business aids (ELY-Centre of NK: interviewee 11).	
Convergence or divergence of rural and agricultural policies?			
National	At the EU level, this parlance of rural development in concretized as an agricultural policy and at least for rural Finland it is inappropriate (interviewee 7). The development part of the	According to Finnish conceptualization, rural policy aims at diverse development of rural livelihoods and economies but after Finnish adhesion in EU the rural policy contained also agri-environment and LFA-supports which belong to the agricultural policy. On my opinion, these two concepts should be differentiated –	It is not easy to decide about the allocation of aids but on my opinion all of the measures support the rural well-being (Rural Network Unit of Finland: interviewee 8).

		whole rural development programme comes from the 'Axis 3' the 'Axis 1 and 2' belong to the Common Agricultural Policy (Agency of Rural Affairs: interviewee 7). This distribution of aids into the 'Axis' mirrors the position of Finnish agriculture: it is terrible because we would really need a change, we are signed in a totally wrong competition in agriculture with the more productive EU member states – this may still reflect the mindset that agriculture is often seen as a synonym with rural development. In the discussions it still emphasized how agriculture is the ground for everything – agricultural interest groups are such well unionized. This has an impact also in our ministry - as a ministry of agriculture and forestry. But the nevertheless the resources that remain for the 'Axis 3' are still quite remarkable excluding other agricultural measures. (Agency of Rural Affairs: interviewee 7)	agri-, and LFA payments are agricultural measures and they must be therefore discussed as a part of the agricultural policy and rural policy must be understood as policy which begun in Finland from the 1980's. But our European colleagues do not necessarily understand this difference of concepts and rural policy as we understand it only emerging in most of the other EU member states. (MMM: interviewee 9). I don't believe that there will be big changes into the allocation of recourses: these are such huge political questions. But of course, nothing will change if the regions do not express their opinion. But the basic dilemma is that the agricultural lobbyers are such a strong interest parties and at the EU level with the strong agricultural countries – I don't believe that these priorities will easily change (MMM: interviewee 9).			
Regional	In southern Europe the CAP Pillar 1 aids constitute the main income aid for	It's obvious that majority of aids are directed for farmers since these	From the point of view of Finnish countryside this Pillar division is	Agricultural and rural policies are in close connection with each other: if	Absolutely, the conception of agriculture being considered as a	The most significant dimension in rural policy making is to pass the cross-sectoral limits

	European farmers and here in Finland it is the aids within the Axis 2. Therefore the rural development programme is such a crucial for the Finnish farms. But simultaneously it is away from the development of broad rural issues. (ELY-Centre of NK: interviewee 1)	agricultural policy systems are being built from the basis of the big European agricultural countries. It is not worth of thinking weather we could use LFA-, and agri-environment payments in another way: these subsidies are connected into a bigger structure of mechanisms that we should change first the whole CAP before speculating more. We need to remember that these rural development measures are in addition part of the agricultural policy (ELY-Centre of NK: interviewee 11).	not suitable, but most likely it is being planned for the agriculture intensive European countries. We should plan and develop our region as a single entity without any sectoral boundaries and at least in our Regional Strategic Programme I have pushed through this approach (Regional Council NK: interviewee 2).	there is not agriculture the rural areas neither exists. In other words, unless we would not have this programme there would not be agriculture in North Karelia, nor fields – nor rural areas as such. (MTK: interviewee 4)	synonym with rural development is still common, in other words people think that in developing agriculture – rural areas are developed as well (Leader-association Joensuu: interviewee 6).	and boundaries in all territorial levels of implementation (Karelian Institute: interviewee 10).