

FOCAL ASPECTS OF CO-OPERATION BETWEEN THE PRIVATE, PUBLIC AND THIRD SECTORS IN A SPARSELY POPULATED AREA IN NORTHERN FINLAND

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ABSTRACT

Objectives. The purpose of this study was to describe and analyze the focal aspects of co-operation between the private, public and third sectors in a sparsely populated area of northern Finland. The study is part of a larger research and development project, which produced a model of co-operation between the sectors in a sparsely populated area of northern Finland.

Study Design. The study was qualitative. An expert group (n = 12), consisting of representatives from the private (n = 4), public (n = 4) and third sectors (n = 4), was recruited.

Methods. The data were collected using the focus groups method. The focus group method was feasible here because the development of co-operation between the different sectors was new, and the aim was to find novel operating models.

Results. The focal aspects of co-operation between the different sectors consisted of the objectives of operation, the client's perspective, the structures, the contents of operation and the operating culture.

Conclusions. An expert group of representatives from the different sectors was a functional starting-point for the development of co-operation. The group also made it possible to reach representatives of the sectors more widely by means of the questionnaire survey. The operation of the expert group clearly involved elements of network management, because the group aimed to take into account the interests of all network actors. Network management at this stage of the project can be considered successful. To maintain co-operation at the concrete level, shared self-guided activities between the sectors will be needed.

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Key words: private, public, third sector, focal aspects, co-operation, sparsely populated area, Finland

INTRODUCTION

The production of public care services, i.e. services that enable elderly people to live at home, has recently been widely debated in Finland. The problems of sparsely populated areas and the rapid ageing of the population have been among the topics brought up. Public services are becoming less and less well able to meet the demands for low costs, efficiency and high quality. The Finnish national health care strategies outline the development of co-operation between the private, public and third sectors. At the level of concrete action, however, co-operation has been minimal. The division of tasks between the different sectors has remained ill-defined. The key question is: can the production of care services be re-allocated from the public sector to the private and third sectors? It is also possible to pose the question from a wider perspective: could care services be produced co-operatively by the three sectors? Co-operation between the private, public and third sectors aims to provide better efficiency, attain cost savings and serve the clients' interests (1).

In this paper, "private sector" refers to entrepreneurial (i.e. profit-making) activity, while "third sector" refers to non-governmental, non-profit, voluntary activity coordinated by the participating people. The third sector's operating practices range from charity and voluntary work, to civic activity, interest groups and mutual support (2). The concepts applied to these sectors are different in different countries (3). For example, the third sector in Finland is structurally and culturally quite different from the international third sector development. International analyses of the third sector have been published by Etzioni

1973 (4), Salamon & Anheier 1992 (5), Lane 1993 (6), Salamon & Anheier 1994 (7) and in the Nordic countries by Habermann 1987 (8), Kuhnle & Selle 1990 (9) and Lorentzen 1994 (10). Due to cultural differences, this paper focuses on the development of co-operation between the different sectors in a sparsely populated area of Finland.

In Finland, the co-operation between the different sectors has been primarily co-ordinated by municipalities. In the 1960s, there were some signs of co-operation between the sectors, but they remained operatively distinct. During the 1970s, the municipalities undertook to provide most of the services previously catered for by organizations. In the 1980s, a new era began, and municipalities began to seriously consider co-operation with the third sector and, gradually, also with the private sector. This development continued when, during the economic recession of the 1990s, the regulation of service production changed and new management doctrines were introduced (3). The course of development was also affected by the change in service structure in the 1990s, which resulted in a decrease of institutional care and an increase of community care. At present, the relationships between the public, private and third sectors in Finland are consistent with the Nordic model. Typically, organizations work in close co-operation with the government authorities to produce especially care services. In the European model, on the other hand, various non-profit organizations of the third sector provide the majority of care services (11). Finland thus lacks a tradition of co-operation between the different sectors.

The purpose of this study was to describe and analyze the focal aspects of co-operation

between the private, public and third sectors in a sparsely populated area of northern Finland. The study is part of a larger research and development project, which produced a model of co-operation between the sectors in a sparsely populated area of northern Finland. The research question was: what are the focal aspects of co-operation between the private, public and third sectors? The aim is to make the focal aspects even more concrete in the future.

The theory underlying the development of co-operation in this study is related to network management. The key issue in network management is that a network connects a number of individuals and organizations as actors involved in the network (12). Networking underlines the co-operation, reciprocity and power of the actors, the significance of interested parties, as well as partnership and equality (13). The actors of a network are mutually interdependent, and the network enables beneficial dialogue and negotiation (14). In this project, these elements were present in the expert group.

MATERIAL AND METHODS

The development of the co-operative model took place in 2004, in the province of Kainuu in northern Finland. In Kainuu, an experimental project of provincial self-government was recently started, which is a completely new concept in continental Finland. This administrative experiment involves nine municipalities and will last from the beginning of 2005 until the end of 2012 (15). For that period, the province will undertake to provide most of the social, health-care and

educational services currently produced at the municipal level, as well as to be responsible for regional development, provincial planning and overall economic policies. This administrative experiment will encourage experimentation with novel ways of producing the basic services.

It is especially important to introduce new solutions in Kainuu, where the population is dramatically diminishing and ageing, jobs are decreasing, municipal economies are declining, and business life is slowing down. Most of the population lives in municipal centres and in the town of Kajaani, which means that long distances pose notable challenges to service production. The purpose of the new co-operative strategies is to ensure the availability of services even in sparsely populated areas. Furthermore, Kainuu lacks a tradition of co-operation between the different sectors.

The data were collected using the focus groups method. In line with this methodology, an expert group (n = 12), consisting of representatives from the private (n = 4), public (n = 4) and third sectors (n = 4), was recruited. The representatives of the different groups were key managers of their respective sectors in the Kainuu region. The expert group met three times a year. The focus group method was feasible here, because the development of co-operation between the different sectors was new, and the aim was to find novel operating models (16). The expert group discussions were moderated by the researchers. This helped to elicit the views, attitudes and expectations related to the development of co-operation (17). The expert group also committed the representatives from all sectors to co-operation.

In the spring of 2004, a more extensive qualitative survey was carried out among the actors of the different sectors. The survey aimed to find out the type of co-operation that is hoped for, which services would benefit from co-operation, and what the focal aspects of co-operation are. This paper deals with the focal aspects. The questionnaire was distributed with the snowball technique: a person from each expert organ was requested to hand out questionnaires to representatives of his, or her, sector. Altogether, 33 questionnaires were returned with responses by 50 persons. It was possible to respond either individually, or as a group. The responses were subjected to qualitative content analysis in such a way that the responses from each sector were at first analyzed separately in detail. Finally, the results from the different sectors were summarized.

RESULTS

The focal aspects of co-operation between the different sectors consisted of the objectives of operation, the client's perspective, the structures, the contents of operation and the operating culture (figure 1).

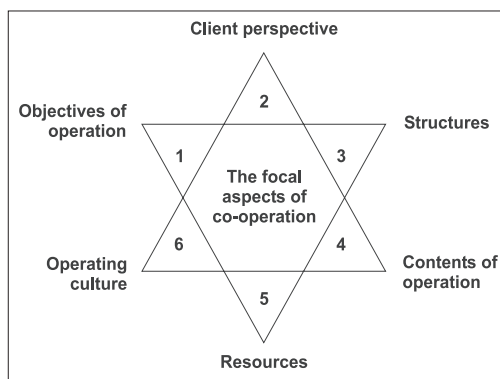


Figure 1. The focal aspects of co-operation.

Objectives of operation

Co-operation between the sectors was deemed extremely important. The views concerning the objectives of operation were roughly parallel. Currently, co-operation between the sectors was minimal, and significant expectations were applied to it, because the sectors knew very little about each other. The key objective was the need to initiate co-operation between the actors of the different sectors.

"At present, the sectors do not meet. There is a lot of ignorance and misinformation about, for instance, payment practices. Hardly anyone perceives the totality of service production, and no thought has been given to a rational division of tasks between the actors." (private sector 6)

Co-operation aimed to combine the resources of the different sectors, instead of fostering the traditional competitive practices. The need for care services is increasing, and the time was therefore considered ripe for the promotion of co-operation. The representatives of the different sectors concluded that such extensive co-operation could result in unforeseen benefits by combining the service production practices of the public sector, the non-profit organizations and the marketing sector. The precondition for co-operation is that the different sectors can outline and agree on the basic principles and guidelines of care service production.

"More co-operation, shared rules, goal orientation." (private sector 4)

Client perspective

All sectors unanimously underlined the need to develop client-oriented services and the

importance of aiming at client satisfaction. 'Client perspective' meant that the clients' needs should be taken into account even more so than previously. Increased availability of choices was considered the most important factor contributing to client satisfaction. Open communication of information to clients, both between sectors and within sectors, was deemed crucially important. For example, it would be important to propagate information about the new co-operative strategies and services. The representatives of the different sectors set themselves the goal of establishing a shared sale and marketing channel for provincial services. The use of service vouchers was considered a concrete method of increasing the clients' range of choices.

"Client-oriented co-operation in such a way that the client gets the right service at the right place. This is extremely significant for co-operation." (public sector 9)

"We should have (service) vouchers, so that the clients can choose." (third sector 9)

Structures

Co-operation was divided into power hierarchy, division of tasks and development of communication channels. The key goal in developing functional structures was to set up a preparatory and exploratory co-operative committee and to ensure its stability and turnover. It was also considered important to agree about the representation of the different sectors.

"A co-operative committee of some kind would be useful for everybody." (private sector 9)

According to the sector representatives, a functional structure requires a clearly defined divi-

sion of tasks between the sectors. The sectors also agreed on the need for communication channels within and between the sectors. Multilateral and regular communication was regarded as a key condition for successful co-operation. Especially the representatives of the public sector emphasized the importance of transferring information relevant to the clients' care across the sector boundaries based on the clients' permission.

"Mutual discussion about the development of services and the significance of the constraints imposed by the current laws, statutes and other regulations... a joint campaign to influence the government authorities." (public sector 5)

Contents of operation

The different sectors largely agreed on the contents of co-operation. It was considered important to develop shared, client-oriented service packages. This means that the different sectors respond to the clients' needs for services by providing their specialized services, which complementarily make up a full range of services. It was also considered important to ensure the quality of care services by agreeing on shared quality goals and criteria and to develop an evaluation and follow-up system. Education available to all parties and collaborative projects were considered to be ways for developing the contents of operation.

"We will need general quality criteria to guarantee services – especially in the public sector. The same quality monitoring should be applied to all service producers." (public sector 6)

Resources

From the viewpoint of financial resources, it was considered necessary to agree on the basic principles of product creation and pricing in care service production. The aim was not to establish a price cartel, but to enhance the clients' cost awareness. It was unanimously concluded that a single price list for services would enable the comparison of prices.

"All care services should be made into products and priced, to enable the clients to compare and to consider the whole range of services available." (private sector 6)

Operating culture

Promotion of change in the operating culture was listed as an important, but challenging task. Efforts to establish a novel operating model and an innovative operating culture inevitably come up against attitudinal obstacles, such as a lack of mutual trust and a tendency to underestimate each other's expertise. The modification of attitudes towards being more favourable towards co-operation was deemed the biggest challenge. The representatives of the different sectors pointed out the need to develop partnerships. Joint seminars and educational events, for example, promote the development of partnerships.

"By experimenting and inviting representatives of the different sectors to a round-table meeting. Discussion to find possible shared interests." (third sector 3)

DISCUSSION

The purpose of this research project was to respond to the national challenge to develop co-operation between the private, public and third sectors in Finland. Concrete development of co-operation is new in Finland.

Societal policies have served as signals for the actors of the different sectors on how to develop co-operation, but there has been no analytical discussion. Concrete co-operation has also been rare. This is manifested in the small number of projects and research activities. The development of co-operation between the different sectors is currently based on voluntary participation. Societal incentives are not sufficient to promote co-operation. In other words, there are no "carrots" offered by society through public control. It is therefore natural that the sectors focus on developing their own activities. Should society offer, in addition to signals, straightforward control and concrete incentives?

This paper describes a development project that aimed to outline the focal aspects of this co-operation in a way that would be acceptable to all sectors. The theoretical starting-points for the development of co-operation in this project bear some resemblance to network management. The key aspect of network management is that the network connects a number of people and networked actors. The network highlights the actors' co-operation, reciprocity and power, and the significance of interest groups, partnership and equality. The interdependence of the networked actors, and the ability of the network to enable functional dialogue and negotiation, are crucial (14). In the present project, these elements were present in the expert group, which aimed

to recognize the interests of all networked actors. The main challenge was to pin-point the concepts shared by the different sectors and to explicate the multidimensional field of co-operation. Genuine co-operation begins by identifying the need for co-operation and outlining the common aims.

For co-operation to take place, it is necessary to acknowledge and admit that the different sectors are mutually interdependent in terms of power and otherwise. The public sector has the statutory responsibility to produce services. The roles of the private and third sectors should be clarified and highlighted in relation to the public sector. So far, however, there has been no analytical discussion as to what services and tasks could be re-allocated from the public sector to the other sectors. The current question of interest is: is co-operation an advantage, or a disadvantage to the different sectors? The big challenge is to bring representatives of the three sectors together to openly discuss the rules of the game and to critically evaluate the initiation of co-operation. The mutually accepted rules should be based on an optimal compromise, i.e. they should benefit all sectors and be accepted by all of them. The change of operating culture cannot be sudden, however (18). Innovative projects like this are needed to develop co-operation.

The salient focal aspects of co-operation between the different sectors comprising the objectives of operation were the client perspective, the structures, the contents of operation and the operating culture. Those will enable further development of co-operation between the sectors. The next stage will be to identify concrete ways to change the traditional, constrained and sectorized operating culture and to promote novel co-operative practices.

An expert group of representatives from the different sectors was a functional starting-point for the development of co-operation. The reliability of the study was enhanced by the composition of the expert group, which had equal representation from all sectors. The group also made it possible to reach representatives of the sectors more widely by means of the questionnaire survey.

The operation of the expert group clearly involved elements of network management, because the group aimed to take into account the interests of all network actors. The experts' knowledge of the expectations, needs, opportunities and obstacles of the sectors also helped the researchers to identify the focal aspects of co-operation. Network management at this stage of the project can be considered successful, because all parties were content with the outcome attained by means of the expert group (19). One sign of a successful first step toward co-operation is the fact that the group signed their collective recommendations to the Kainuu Provincial Council. It will be challenging to maintain network management after the project. To maintain co-operation at the concrete level, shared self-guided activities between the sectors will be needed. The representatives of the sectors got to know each other during the project and established an open atmosphere in which to develop co-operation. This will also make them committed to the development efforts.

Within this project, co-operation was developed in a sparsely populated area of northern Finland. The problems of sparsely populated areas posed unique challenges to the development of co-operation (20). Although the aim was to establish a co-operative model to meet the local needs of Kainuu, this geographical

area may serve as an interesting "laboratory" from the national and, possibly, even international viewpoint. For example, the more rapid ageing of the population in Kainuu compared to the rest of Finland is a challenge to the production of care services, but the same challenge will be encountered elsewhere in Finland within the next ten years. Similar challenges will also be encountered in the sparsely populated areas of the other Nordic countries, North America and Russia.

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