

The Centres of Expertise in regional development work

The State Audit Office of Finland conducted an audit concerning the role of the Centres of Expertise in regional development work. The purpose of the audit was to evaluate the effectiveness of the Centres of Expertise as instruments of regional development. The Ministry of the Interior, the Ministry of Education, the Ministry of Agriculture and Forestry and the Ministry of Labour have worked together in the Centre of Expertise programme. The Ministry of Social Affairs and Health also became involved in spring 2001. The audit indicated that the Ministry of the Interior and participating organizations have taken care of administering and managing the Centres of Expertise quite well, but attention was drawn to problems in monitoring and measuring results as well as the effectiveness of the basic funding mechanism.

During the first programme period in 1994-1998, a total of FIM 83.1 million was appropriated to the Centres of Expertise in basic funding and FIM 874.7 million in project funding. During the first two years of the new programme period extending from 1999 to 2006, basic funding totalled FIM 107.9 million and project funding FIM 571.2 million.

Sources of funds have increased in the new programme period, and this has led to problems in the administration of basic funding. Officials at the ministries have generally been in favour of shifting basic funding to the Ministry of the Interior. The State Audit Office recommends that the basic funding mechanism should be simplified as soon as possible.

The Centres of Expertise are mainly responsible for coordinating activities, developing strategy, and building and maintaining networks. These roles do not provide a sufficient picture of effectiveness, however. The level of funds had a significance influence in this respect. The Centres of Expertise considered the long-term nature of basic funding a positive factor, allowing needs to be met with regard to coordination and the development of networking and other activities. Furthermore, increased basic funding has had a significant generating influence on project funding as well.

Since the Centres of Expertise have received different amounts of funding and there has been a clear correlation between funding and results, the results reported by the Centres of Expertise are not strictly comparable. The lack of harmonized indicators also makes it difficult to measure and compare the effectiveness of the Centres of Expertise. Comparison is also hampered by the fact that the Centres of Expertise operate in different fields, and analyses and comparisons based on a specific set of indicators will not necessarily give a true picture of effectiveness.

The State Audit Office stresses, however, that the competent authority is responsible for monitoring the effectiveness of activities with the help of appropriate indicators insofar as this is possible. As the

competent authority in this area, the Ministry of the Interior should immediately take steps to develop methods to evaluate the effectiveness of the Centres of Expertise.

Although the lack of harmonized indicators made it more difficult to analyse information and compare observations, the audit indicated that the Centres of Expertise programme has achieved regional development objectives well on the whole.

Regional and international cooperation has been expanded by the Centres of Expertise, but cooperation between centres is impeded by a sense of competition. The planned incentive system should encourage the Centres of Expertise to cooperate as well as compete with one another.

The most important results achieved in the Centres of Expertise programme include the creation and renewal of jobs, enterprises and clusters. The programme and some of its individual projects are presently on the cutting edge of regional policy.

The Centres of Expertise programme is complemented by urban and regional centre programmes to which the same model has been applied. Criticism has been voiced with regard to regional centre programmes, which some people fear will speed up migration and drain population from rural areas. On the basis of the observations in the audit, regional centre programmes when properly implemented offer an opportunity for regionally more balanced development by creating the preconditions for short-distance migration, rather than having migration focused exclusively on a few main growth centres.

The term Centre of Expertise should not be used loosely. This status has been granted only to the very best centres in the nation. The term will be watered down if it is also applied to organizations outside the national programme.