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Citation: Järvelä, J., Sorsa, V-P. & Spicer, A. (2025). Silent Steering: How Public Actors Indirectly Influence Private Stakeholder Engagement. *Business and Society*, 64(6), pp. 1229-1260. doi: 10.1177/00076503241274056

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Permanent repository link: <https://openaccess.city.ac.uk/id/eprint/33672/>

Link to published version: <https://doi.org/10.1177/00076503241274056>

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**Silent Steering: How Public Actors Indirectly Influence Private Stakeholder
Engagement**

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Silent Steering: How Public Actors Indirectly Influence Private Stakeholder Engagement

Abstract

Our understanding of how public actors directly influence stakeholder engagement through mechanisms such as regulation and licensing has been steadily improving. However, the indirect influence of public governance measures on stakeholder engagement remains less explored. This article seeks to bridge this gap by examining how public sector actors use participatory governance to influence private stakeholder engagement beyond public governance processes. We introduce the concept of silent steering to describe how indirect effects on stakeholder engagement occur. Through an in-depth case study of Finnish mining governance from 1995 to 2020, we uncover how silent steering of private engagement occurs through role-giving, example-giving, and expectations-giving. Through these processes, public actors can exert significant influence over industry- and firm-level private stakeholder engagement processes even when they are not present.

Keywords: stakeholder engagement, public participation, silent steering, mining, public–private interaction

The literature on stakeholder engagement has thoroughly investigated the politics of engagement through the lenses of deliberation and dialogue (Arenas et al., 2020; Brand et al., 2019; Castelló & Lopez-Berzosa, 2021; Dawkins, 2015; Scherer & Palazzo, 2011), the politicization of corporations through stakeholder democracy (Moriarty, 2014), and civil society activism (de Bakker et al., 2013). Given this focus on politics, it is surprising that the role and effects of the state, governments, and public actors in these engagement processes have been largely overlooked until recently (Esper et al., 2023). Recent scholarship has highlighted the importance of public actors' participation in stakeholder engagement. For example, stakeholders with formal public authority, such as regulators, possess greater status and power than other stakeholders (Nartey et al., 2022). Research is increasingly focusing on how public governance actors can influence stakeholder relations, for instance, by altering the legitimacy attributes of other stakeholders (Olsen, 2016).

Recent studies have predominantly focused on the *direct* influence of public actors on stakeholder engagement (Eberlein et al., 2019; Kujala et al., 2022; O'Connell et al., 2005; Olsen, 2016), while less attention has been paid to their *indirect* influence. By indirect influence, we refer to the mechanisms through which public sector governance influences private stakeholder engagement beyond the perimeters of episodic public-private interactions, and the impacts of using these mechanisms. Acknowledging indirect influence is important for understanding the different ways in which public actors may influence private stakeholder engagement, assessing the effectiveness of public governance, and developing engagement strategies.

Drawing on evolutionary governance theory in public governance scholarship, we conceptualize the mechanism and measures through which indirect influence occurs as steering,

understood in this context as path-creation for interactions. Our more specific purpose is to uncover the mechanisms of path-creation in the context of participatory public governance. We examine the emergence, evolution, and impacts of the participatory governance of Finnish mining from the 1990s to the 2020s. Since the mid-1990s, Finnish environmental impact assessment (EIA) regulations and permitting processes have mandated some forms of stakeholder inclusion and participation. Using archival data, legal and policy documents, interviews, and media materials, we conducted a historical case study to investigate changes in stakeholder engagement processes and the role of public actors in these changes.

We discovered that public actors indirectly influence private stakeholder engagement through what we call *silent steering*. Public actors have used participatory governance processes to create a path for firms and stakeholders to deal with limited issues such as land rights and compensations in connection with the granting of operating permits. The general matters of private stakeholder engagement are not a part of this path, and public actors remain silent on the shape and conduct of stakeholder engagement. Yet, public actors create a path for private stakeholder engagement indirectly through the design of public governance processes and with measures taken within the perimeters of these processes. We identify three mechanisms of this silent steering: *role-giving*, *example-giving*, and *expectation-giving*. Giving special rights in public governance processes empowers certain stakeholder groups. This influenced their perceived power and established priority orders in private stakeholder engagement. Public participatory processes serve as models for engaging stakeholders in decision-making and give expectations regarding stakeholder engagement by outlining relevant stakeholders and engagement agendas.

Our article has two contributions. First, we extend the previous literature on public actors in stakeholder engagement by theorizing how public actors influence stakeholder engagement

processes even when they are not present in interactions and do not seek to address these processes *per se*. This is what we have called silent steering. Second, we contribute to the evolutionary governance literature on the steering of business-society relations by identifying the indirect mechanisms through which steering of the actors, processes, and expectations of corporate stakeholder engagement occurs in governance arrangements with multiple interaction arenas.

Literature Review

The relational approach of stakeholder engagement literature has uncovered the political dynamics within these relations (Castelló et al., 2016; Levy et al., 2016), including for example activist strategies (de Bakker & den Hond, 2008; King, 2008) and political coalition building (Holzer, 2008; Levy et al., 2016). However, while stakeholder engagement is recognized as an inherently political process, the role of public actors in research has been limited. Typically, the state is seen as one of many stakeholders or as a co-target of stakeholder activism. Early research often referred to governments and/or courts as dominant stakeholders without detailing their engagement (Mitchell et al., 1997). More recent studies have highlighted the transactional relationships between companies and public actors, noting that stakeholders with formal public authority possess greater power than others (Nartey et al., 2022). The impacts of intergovernmental politics on corporate stakeholder engagement processes in conflicts have also been explored (Esper et al., 2023).

Recent scholarship has called for a more nuanced understanding of public sector actors' influence on corporate and stakeholder activities (Kourula et al., 2019). Thus far, research on stakeholder engagement has focused on the direct influence of public sector actors (see Johnson-Cramer et al., 2022; Kujala et al., 2022). This body of research has identified the mechanisms

through which public sector actors can influence stakeholder engagement as well as some key effects of using these mechanisms. Interactive public governance processes have been observed to allow public actors to influence stakeholder engagement directly. For example, Eberlein (2019) has shown that public actors can exert direct influence in stakeholder engagement processes through a range of actions such as agenda setting, facilitation, partnering, and orchestration. Public institutions are also known to critically shape expectations for the common good in stakeholder engagement (Kujala et al., 2022). For example, O'Connell et al. (2005) have emphasized legally mandated stakeholder participation and access to information as key to stakeholder activism, whilst Olsen (2016) has investigated how public actors directly affect the standing of stakeholder groups and enhance firm accountability through regulation, taxation, and supervision.

Less attention has been paid to the mechanisms through which public actors may shape engagement *indirectly*, that is, beyond direct transactional engagement and without presence in interactions. To shed light on the indirect influence of public governance on private stakeholder engagement, we draw on contemporary public governance scholarship on *steering*, which has extensively discussed the indirect influence of public governance measures on private-sector actors and activities.

The analysis of steering involves (1) a steering subject, typically a public authority, (2) steering instruments, (3) policy goals, and (4) the target group or object of steering (Mayntz, 2022). Our focus is on public sector actors as subjects of steering and private companies and their stakeholders as the objects of steering.

Early modernist work on steering focused on attempts by state actors to determine policy outcomes directly through the instruments of public bureaucracies, legislation, prohibitions, and

regulations (Beunen & Van Assche, 2021). A departure from the “classical” notion of public steering occurred as part of the shift from the notion of government to that of governance (Mayntz, 2022; Pierre and Peters, 2000). Steering became to be seen as ‘steering at distance’ in which public sector actors indirectly influence a complex network of many interrelated, more or less autonomous actors (Kickert, 1995). The state became to be understood as a facilitating helmsman or coordinator with limited instruments and capabilities to steer towards the common objective for which the various actors are co-operating (Pierre and Peters, 2000). At the core of this notion of steering is the hybrid character of power that combines guidance and autonomy, due to which “steering is always the steering of self-steering” (Åkerstrøm Andersen, 2012, 5).

We draw on contemporary evolutionary governance scholarship that understands steering as *path-creation* within specific policy areas (see Van Assche et al., 2021). Steering as path-creation relies on instruments that are in nature inclusive, interactive, and spatio-temporally bounded. It may involve ‘hard’ and transactional governance measures, such as regulation or provision of rights, as well as ‘soft’ and indirect measures, such as communication and provision of voluntary interaction spaces (Mayntz, 2022). These instruments are used to achieve longer-term impacts and orient the objects of steering towards a policy goal by enhancing or curtailing specific kinds of activities and focusing and modifying interactions (Howlett & Mukherjee, 2020). The notion of steering as path-creation suggests that governance measures are purposefully taken in spatio-temporally bounded arenas of interaction to guide activities to an intended direction, but whose success depends on their influence on activities that take place beyond (i.e., outside or/and after) these arenas. Thus, the effects and effectiveness of steering by public actors relies on the indirect influence of governance measures (Maher et al., 2019).

Our more specific focus is on participatory public governance. Participatory public governance as instrument of steering refers to processes that purposefully convene diverse stakeholders outside of or in addition to the traditional regulatory process to share information, deliberate, and produce a set of recommendations that are used as an input to administrative decisions (Baldwin, 2020). In such context, public actors may adopt instrumental (i.e., a manipulative approach with selected actors), interactive (i.e., an open, mutually engaged and inclusive process with no pre-set goals) or institutional (i.e., an organizational level approach which seeks to build greater variety into networks through incremental use of social capital) approaches to governance (Walker & Shannon, 2011).

Evolutionary governance sees steering as produced and introduced in dynamic contexts with multiple arenas, actors, and resources (Beunen & Van Assche, 2021). In this light, participatory governance arenas are only one of the multiple arenas that may influence stakeholder engagement. Public governance scholars have shown that agendas often spill over from one arena to another (e.g., Kooiman, 2002). Such spillovers typically occur when another arena is better resourced to deal with the agenda or coordinate activities more generally (van Popering-Verkerk et al., 2022). The steering capacities of individual actors are dependent on the governance capacities in a specific multi-actor setting (van Popering-Verkerk et al., 2022). However, recent research has shown that the actions of public actors in one arena may have systemic impacts in numerous arenas even when public actors are not at all present in these arenas (Vivier & Sanchez-Betancourt, 2023). The exact mechanisms through which such systemic influence may occur remain unclear. We address this research gap in the case of corporate stakeholder engagement.

Thus far, the indirect influence of participatory public governance on private stakeholder engagement has not been discussed extensively in public governance literature. Most studies in

this field have regarded firms as stakeholders of public governance (Braun et al., 2020; Rixon, 2010; Uddin et al., 2023) or as instruments in or of public governance that can either provide inputs or serve as resources for regulatory authority, respectively (Braun & Busuioc, 2020). Yet, little knowledge exists on how public participatory governance may influence the conduct of industry- and firm-level private stakeholder engagement outside direct transactional influence within the participatory governance process.

Case Study

In our case study, we examine the historical development of participatory governance in mining and its impact on industry- and firm-level stakeholder engagement in the Finnish metal mining industry. Case studies are particularly suitable for theory development and the illustration of theoretical contributions (Siggelkow, 2007). The evolution of mining governance in Finland and its influence on stakeholder engagement presents a revelatory case study (Yin, 1994). Mining often involves conflicts, driving the industry to seek local acceptance through various forms of stakeholder engagement (Prno & Slocombe, 2012) and positioning it as a pioneer in such activities. There is extensive literature on conflicts and dialogues within the mining industry (Banerjee et al., 2023; Maher et al., 2020), mining companies' stakeholder engagement practices (Yakovleva & Vazquez-Brust, 2012), the cooptation of local communities (Furnaro, 2019), and the limitations of stakeholder resistance (Järvelä, 2023; Maher, 2018). Recently, public consultations led or mandated by authorities have gained prominence in the industry (O'Faircheallaigh, 2010).

In the last 30 years, Finland has increasingly emphasized citizen participation in mining governance, notably during the so-called mining boom starting around 2005, which saw exploration investments triple from 2005 to 2012 (Liikamaa, 2015). Our study begins in the early 1990s, a pivotal time with the industry's privatization, major licensing reforms, and increasing

participatory elements in public governance. Previously, mining was dominated by two state-owned companies granted operating licenses directly by the Ministry of Industry without stakeholder consideration. These changes occurred as Finland opened its economy and joined the European Union in the mid-1990s, marking a shift to a predominantly privately owned industry post-1990s.

Data

Our research unfolded in three phases of data collection. The initial phase focused on regulatory changes, compiling mining permit documents for operating metal mines from the 1960s onward, primarily sourced from two official archives. The first author's archival visits were accompanied by agency officials, who provided preliminary interpretations and contextual insights. Recent permit decisions were sourced from the Finnish Chemicals and Safety Agency (FCSA) website. This phase was followed by separate interviews with the permitting officials to discuss legal and procedural changes, decision-making principles, and challenges in law implementation.

Preceding the archival visits, we reviewed legal documents concerning mining laws and collected data on environmental permits and EIA reports from relevant agency websites. To improve our understanding of legal changes in EIA decrees and the Environmental Protection Act, as well as specific natural conservation acts, we consulted governmental bills and interviewed ministry and agency representatives. Finally, the first author also interviewed the representatives responsible for the preparation of mining-related policies and FCSA supervision, focusing on law changes, participation, and crucial periods identified in the data. The analysis of the government bills, a governmental inspection report, and interviews helped pinpoint pivotal legal decisions by the Supreme Administrative Court (SAC) influencing permit-related procedures.

In the second data collection phase, we aimed to comprehend corporate stakeholder practices by gathering corporate self-reports from 2014 to 2020 on stakeholder engagement through the Sustainable Mining Standard (a voluntary initiative with engagement protocols established in 2014) and by conducting key informant interviews with corporate and stakeholder representatives from the Kevitsa mine and the Sakatti mining project, both operating in the same area. This dataset also includes secondary data from a project previously undertaken by the first author.

The third phase of data collection involved gathering media articles on mining from the 1990s to the 2020s, supporting the analysis of socio-political changes and private stakeholder engagement practices. We searched Helsingin Sanomat, a major newspaper, using the Finnish word for “mine” as a keyword. Out of over 250 articles found, 31 were selected for their relevance to legal and procedural changes in participatory processes and explicit discussions on stakeholders, covering legal, industrial, and socio-political changes or participatory practices (refer to Table 1 for a comprehensive data list).

Insert Table 1 about here

Analysis

We adopted a case study approach to investigate historical changes in participatory processes, why they were instituted, and how they may have impacted stakeholder engagement across different periods. Following Rowlinson et al. (2014), we employed an analytically structured historical approach, using “participatory governance” and “stakeholder engagement” as analytical

constructs. This method allowed us to sift through archival materials to delineate and elucidate pivotal shifts in participatory ideas and practices in mining governance. The analysis, primarily narrative, was “driven by concepts, events, and causation” (Rowlinson et al., 2014, p. 264).

The analysis began with organizing the data through temporal bracketing (Langley, 1999), constructing a timeline to identify historically significant socio-political events. These were mapped to alterations in the laws governing mining and, in particular, to legal changes and decisions regarding participatory rights. We distinguished three key periods: 1995–2006, 2006–2011, and 2011–2020. Using historical institutional analysis, we explored how governance regimes emerged from historical and political dynamics (Thelen, 1999). While some issues persisted over time (e.g., the 14-year negotiation on the new mining act, with public concern over exploration intensifying from 2005), other events had swift impacts, such as SAC rulings altering permitting processes or environmental violations damaging reputations.

In the second phase of our analysis, we examined each period for changes across four central dimensions: *socio-political changes*, *legal changes*, *changes in public participatory processes*, and *changes in private stakeholder engagement practices*. The first two of these dimensions describe the steering actors and policy objectives, and, hence, the drivers through which changes in steering instruments are introduced. The latter two dimensions outline the steering instruments and the actions and reactions of the objects of steering. The temporal changes within these dimensions are summarized in Table 2. After analyzing each dimension within a specific period and observing changes over time, we identified the connections and shifts among the different time periods and dimensions.

In the final phase of the analysis, we began theorizing the connections and interplay between the four dimensions. Based on the archival data, examination of the permit decisions and

the EIA statements, we were able to outline a model for public stakeholder engagement. By using the data from interviews, permit decisions, sustainability reports, and media materials, we had made a parallel model for private engagement practices. Then by concentrating on specific cases of Kevitsa and Sakatti, we were able to outline the empirical model of influence between the two, and unearth the three mechanisms of influence through which public actors and governance processes shape private stakeholder engagement.

Insert Table 2 about here

Findings: The Development of Mining Governance in Finland

The Finnish mining sector has radically transformed since 1990. Before this time, the state was steering the sector in a “classical” form by drafting legislation to govern state-owned mining companies. After 1990, we saw the state retreating from direct involvement in the sector and an influx of private companies that develop and operate mines. The state has not become absent. Rather, it continues to govern the sector directly through regulation and monitoring and indirectly through different types of participatory permitting processes. The purpose of participatory governance has been to make all stakeholders’ voices heard in mining regulation and push companies and stakeholders to deal with some issues such as land rights and compensations before the mining operations begin.

Public actors have neither voiced policy objectives nor adopted instruments to exert direct influence on how mining companies ought to engage with their stakeholders outside the public governance processes. Yet, as our analysis shows, the design of the public participatory governance

mechanisms and measures taken within these processes have indirectly influenced the patterns of private stakeholder engagement after and beyond the public governance processes. In other words, public actors have sought to create a narrow path for the interactions between mining companies and stakeholders to deal with specific issues, but the measures taken have opened a much wider path for all private stakeholder engagement, a topic on which public actors have remained silent. Hence, we call this phenomenon *silent steering*.

We observed the introduction and expansion of participatory governance and the consequent shaping of private stakeholder engagement in Finnish mining governance from the 1990s until the early 2020s, spanning three distinct periods. Table 2 outlines the main elements of the periods. The first period laid the groundwork for stakeholder participation in later periods by establishing initial stakeholder rights and examples of participatory governance, albeit only in principle. The second period saw the actual execution of participatory governance processes and gradually expanding participation in both public governance and stakeholder engagement. As companies and stakeholders became accustomed to increasingly open participatory governance, they formed expectations regarding private stakeholder engagement. The third period witnessed the rise of company–stakeholder conflicts and an increase in popular demands for more meaningful participation and stakeholder engagement. This period saw a tighter coupling of public participatory governance and private stakeholder engagement.

We observed silent steering manifesting through a complex governance model affecting stakeholder engagement both directly and indirectly (as illustrated in Figure 1). Several important features define this model. First, there is a clear distinction between the official public participatory governance (PPG) process of stakeholder engagement, which occurs upon granting a mining permit, and the voluntary stakeholder engagement that follows. The former has two interrelated

processes at work. The first is the formal engagement between public actors and various stakeholders, in which some stakeholders are given special rights. The second is the mandated private dialogue that happens directly between the firms seeking a permit and particular stakeholders who are interested in this permitting process. Notably, the rights afforded in the public process often translate into privileged roles within the private processes. This means that, for instance, stakeholders granted rights by public agencies are treated differently (and are often taken more seriously) in private dialogue. We call this the *role-giving* influence of public governance. Second, we noticed that the permit processes also provided templates for the processes initiated after receiving the permits, and that the expectations on agendas and participating actors transferred from the permit processes to private dialogues. We call the former the *example-giving* and the latter the *expectation-giving* influence of public governance.

Insert Figure 1 about here

Finally, we observed self-reinforcing tendencies between participatory public governance and private stakeholder engagement. Mining firms frequently apply for new exploration and mining permits, meaning that even after securing one permit and commencing a project, they must continue engaging with stakeholders to ensure that future permits do not encounter significant opposition. This produces a tight coupling between public and private engagement processes, and a conflation of the public and private domains in the mining company and stakeholder perceptions of stakeholder engagement. As previously observed by public governance scholarship (see Vivier

& Sanchez-Betancourt, 2023), the steering activities of public actors in one interaction arena has had systemic impacts to the entire system of interactions. The mechanisms through which the systemic impact occurs are the mimicking of public procedures in, and transfer of stakeholder status and expectations from public engagement to private engagement.

We will next explain how these three mechanisms of silent steering emerged in connection with the development of public participatory governance in our case study. Table 3 summarizes the main features of these three mechanisms.

Insert Table 3 about here

Role-giving

Role-giving occurs through rights-giving and rights-holding in the public participatory processes. Rights-giving is based on mining permit laws and Supreme Court decisions. These rights facilitate stakeholder participation in the permitting process and allow for the appeal of permit decisions. Special rights in public processes translate into privileged roles in private engagements due to the mining companies' perceived influence of these groups in future permitting processes. Violations of these rights often lead to legal challenges and permit reviews, highlighting the importance for companies of maintaining positive relations with these groups.

Role-giving emerged gradually between the mid-1990s and the introduction of the new mining law in 2006. For example, the rights of the Sámi people were strengthened by the Sámi Parliament Act of 1995, and reindeer herders' rights were safeguarded by an earlier act. However,

it was not until 1999, when the SAC ruling (KHO 1999:14) overturned exploration permits in Sámi and Skolt areas for failing to consult with the Sámi and reindeer herders, that practical measures to protect these rights were implemented. Following this ruling, the Ministry of Trade and Industry (MTI) revised its procedures to include restrictions on exploration permits.

Rights-holders, or stakeholders granted a special status by law, and key public authorities are typically invited to produce statements and can voice objections in permit processes. In contrast, the wider public may only submit opinions that lack appeal rights and seldom impact decision outcomes (see Table 4 for a breakdown of participatory features in permitting processes). One of the first private engagement processes was launched in Kittilä by Swedish Riddarhyttan Resources in the late 1990s. As part of its EIA process, the company organized events in the nearby village, and made a voluntary compensation agreement with the local reindeer herding collective to mitigate expected harm. After the overhaul of the mining governance processes in 2006, the FCSA began to organize negotiations between the mining companies and reindeer herders. First occurrence was at Kevitsa in 2010 as part of the permitting process. The negotiations embedded specific conditions and restrictions in the mining permits. Public participatory processes gradually allowed stakeholders with special rights a chance to negotiate pre-agreements directly with mining companies as an alternative to public consultations. Should voluntary agreements with these groups have failed, public authorities would have overseen hearings and negotiations and arbitrated them through the formal permit process. The subsequent Mining Act of 2011 strengthened these specific rights of certain stakeholders, notably Sámi and Skolt reindeer herders and municipalities, mandating authorities to balance different interests and prohibiting “causing significant harm to public or private interests” (MA 2011, §18).

Rights-giving has somewhat conflated public participation and stakeholder engagement for mining companies and rights-holders. These processes can differ in style or depth, but engagement in both contexts is seen to serve similar functions in the (ongoing and/or future) permit processes. The priority orders between stakeholder concerns in the permit process have been maintained in the post-permit private stakeholder engagements. For instance, the 2014 Kevitsa mine sustainability report details relations with reindeer herders, and identifies municipalities, villagers, landowners, fishermen, and environmental NGOs – that is, all the producers of statements for the mining permit five years earlier – as other stakeholder groups.

While the purpose of participatory governance has been to preemptively resolve conflicts and thus boost the legitimacy of mining, the application of the new mining act and permit procedures ultimately moved such disputes to *ex post* assessments in courts. A permitting official explained in an interview that, despite the permitting agency’s role in applying the mining law, all the final decisions have in effect been transferred to the courts. The 2010s saw numerous court cases in which the granted mining permits were contested at the highest judicial levels to define the limits between mining and other interests, particularly regarding land use, reindeer herding, and Indigenous rights. Court rulings affected corporate stakeholder engagement mostly by reinforcing or overriding certain special rights (see vignette in Figure 2).

Insert Table 4 about here

Insert Figure 2 about here

Example-giving

Example-giving is the process whereby the public participatory processes set examples for the private stakeholder engagement in whom to include in the private processes and how. This happened particularly through the introduction of the EIA process and participatory elements of mining permits.

This mechanism also originates in mid-1990s when the new participatory EIA process was introduced in Finland due to EU membership. The primary goal of the EIA decree was to holistically evaluate environmental impacts and pre-emptively protect the environment, and the secondary aim to incorporate a broad spectrum of stakeholders in the environmental permit process. These changes, however, were not practically applied until a decade later, as no mining projects were large enough to necessitate a permit process until the mid-2000s. The legal reforms and court decisions in the beginning of the 2000s broadened participatory governance. The reforms led to major changes in permit processes by 2006. The ministry's new guidelines introduced extensive requirements for public participation for both exploration and mining permits with the objective to ensure the inclusion of all relevant stakeholders in the permit processes. The process for granting permits shifted to a different unit, and incorporated hearings and statements from all concerned parties. In 2006, mining and environmental permits began to feature more comprehensive conditions and restrictions on operations, with permit documentation expanding from 3 to about 15 pages.

The principles of the revised permit procedures were adopted as part of the private voluntary industry-level sustainable mining protocol initiated in 2014 (see below). The protocol for stakeholder engagement states that the “appropriate level and type of engagement will depend on which stakeholders will primarily be affected by the potential impacts of the project and on stakeholders’ opportunities for influencing decision-making (e.g. permit authorities)” (Sustainable Mining Standard, section 4.2.1.). Mining companies have also categorized stakeholders in a similar way to the EIA process. For instance, the Sakatti project identifies five key groups—reindeer herders, landowners, local villagers, environmentalists, and municipal authorities—for engagement in both their EIA and broader stakeholder management strategies.

One reason for the similarity of the EIA and private engagement is that the EIA increasingly relied on the efforts of mining companies to process information. While the EIA Act outlined the participatory process for impact assessments, it lacked a formal mechanism to ensure that stakeholders’ views were genuinely considered and integrated into permits. Public participation in EIAs often depended on the mining companies’ voluntary efforts. The Canadian company Agnico Eagle exemplified this proactive approach; a municipal interviewee highlighted the success of the Kittilä mine project, where the Finnish project leader conducted “door-to-door” visits to discuss goals and address concerns. Other companies, such as the Talvivaara mining project, also actively engaged stakeholders, organizing local hearings and conducting comprehensive social impact evaluations that included personal interviews with residents and summer cottage owners (Kokkonen, 2006).

Expectation-giving

The increased ability of citizens to participate in public participatory processes began shaping expectations toward the mining companies. This was demonstrated by a growing number of statements, objections, and appeals as Sámi, Skolt, reindeer herders, environmental NGOs, and landowners began exercising their participatory rights. As open participation experiences grew, so did expectations for companies to involve stakeholders in planning and communication. The changes in EIA procedures in 2006 further broadened civil society's inclusion in mining permit-granting, making the EIA an interactive policy tool and emphasizing open discussions among diverse actors. These processes also created expectations towards the private sector.

Mining companies became more aware of the importance of communicating with local communities to manage expectations and reduce negative sentiments for future permit processes. Although the nature and extent of communication varied, many companies maintained the communicative relationships developed in earlier EIA processes even after receiving their permits. However, the communication strategy of many companies remained largely unidirectional, sharing plans without offering stakeholders the chance to contribute. Public pressure mounted on companies that failed to meet the increased expectations towards more interactive engagement. These companies also faced increasing pressure. For instance, despite being approved by officials, the Sokli mining project's EIA process faced extensive criticism from reindeer herders for the lack of negotiation (The Environmental Institute of Lapland, 2009). Thereafter, reindeer herders attempted to overturn the town plan for allowing mining and appealed the mine's environmental license all the way to the Supreme Court. Similarly, at Kevitsa, reindeer herders exerted pressure through national and international channels by threatening to make appeals that could disrupt the permit process (Yle, 2009).

The revised participatory governance framework had incentivized companies to secure acceptance from stakeholder groups in advance, as pre-licensing agreements can circumvent potential permit challenges. But the companies also started to use these agreements to protect them in subsequent legal disputes. The disappointment towards court decisions led to increasing social and political contestation of mining companies. The rise of anti-mining movements, especially from 2018 onward, spurred companies toward more proactive stakeholder engagement.

To address the increased stakeholder expectations, all mining companies in operation and some nascent mining projects broadened their reporting in connection with a new voluntary sustainable mining protocol initiated in 2014. Between 2014 and 2020, 12 companies produced 75 reports detailing their stakeholder engagement strategies, such as regular meetings with local officials and stakeholder groups, open-door events, collaborations with local or regional schools, financial support for local hobby groups, and feedback mechanisms. The Anglo American Sakatti project and the Terrafame (formerly Talvivaara) project stood out for their extensive and active stakeholder engagement, featuring numerous ongoing small-group meetings. Smaller mining operations typically limited their activities to local newspaper updates and annual informational meetings. In 2014–2015, some reports also highlighted stakeholder dissatisfaction with corporate engagement practices. Stakeholder meetings that were part of the EIA process were also reported in these voluntary reports. For example, the leader of the Anglo American project Sakatti also underscored the voluntary nature of the EIA process-related meetings. Thus, while fulfilling the mandates set by legal processes, the companies were also trying to meet the expectations of locals by stressing that they were doing “more than required”.

Discussion

We conceptualize the process whereby public participatory governance shapes the activities and processes of private stakeholder engagement without taking a position on these matters as *silent steering*. Our article expands the existing studies on the role of public actors in stakeholder engagement processes (O'Connell et al., 2005; Olsen, 2016) by showing that public actors can use participatory governance mechanisms to exert indirect influence on private stakeholder engagement. We contribute also to the public governance scholarship by identifying the mechanisms through which public actors influence multiple governance arenas in a systematic way.

Silent steering of stakeholder engagement

Business and society literature has previously discussed how governments can influence the way in which companies relate to the surrounding society through direct steering by using policies, agenda-setting, partnering, or micro-steering (Cashore et al., 2021; Giamporcaro et al., 2020; Gond et al., 2011; Knudsen & Moon, 2022; Steurer, 2013) or by orchestrating for desired results through use of intermediaries (Abbott & Snidal, 2009). In this scholarship, the state has been seen as both relational and agentic (Knudsen & Moon, 2022) in guiding and influencing business-society relations. However, as our analysis suggests, the paths created by public actors to address specific company-stakeholder relations may transform into much wider paths and have systemic impacts on the principles and practices of stakeholder engagement. This implies that we need a more systemic approach to the role of public actors in stakeholder engagement, which considers the direct as well as indirect influence of public governance.

Our conception on silent steering offers contingent and more dynamic view on the role of public actors in stakeholder engagement than the idea of institutional embeddedness (Matten &

Moon, 2020), and operationalizes the power of public actors both in a systemic and episodic manner (Fleming & Spicer, 2014; Lawrence et al., 2012). For example, role-giving is based on systemic legislative changes, while example-giving and expectation-giving emerge episodically in participatory processes. Yet, the outcomes of silent steering through each of these three mechanisms are systemic. Our case study shows that silent steering has coupled private stakeholder engagement tightly with public governance, created a self-reinforcing cycle for stakeholder engagement, and produced certain dynamics that are in part counterproductive and may be difficult to change.

In our case study, role-giving has stratified stakeholder engagement. Primary stakeholder groups come to be perceived as crucial for sustaining the mining operations and are given a role of equal negotiating parties, while secondary groups come to be perceived as ones who can potentially exert influence on mining permits and are treated as sources of legitimacy. Other groups have become decreasingly relevant and included in stakeholder engagement. Even though the purpose of introducing participatory governance was to increase equality – to make everyone’s voice heard – the outcome has been the increasing inequality of public and private consultations alike. Example-giving has tightly coupled the public and private procedures. When firms know they are regularly the objects of participatory public governance processes and need to gather information for these processes, they make their private engagements to serve the needs of these processes in form and substance. Expectations-giving has made stakeholders more vocal in their private engagement and they have learned to use the power resources brought by participatory public governance also outside these processes. But their use of voice is also constrained by these resources. As result of silent steering, firms are trying to show that they do ‘more than required’

but, in effect, are set on a path towards doing ‘more of what is required’ in terms of engagement agendas, procedures and stakeholder roles.

The systemic impacts of silent steering in Finnish mining governance are in part explained by the very instrument of steering: participatory governance in forms of reoccurring permit processes. Less reoccurring and episodic forms of participatory governance may not have equally strong systemic effects, which warrants further research on different forms of participatory governance. Nevertheless, the case study suggests that the steering of stakeholder engagement through participatory governance may be a double-edged sword for public actors. On the one hand, the self-reinforcing tendencies of participatory governance may make the instrument very useful and effective for public actors: one can achieve systemic impacts with small changes. On the other hand, these very tendencies may make private activities and interactions less governable or at least less susceptible to steering in a particular direction.

The more recent developments in the object of our case study suggest a particular reflexive dynamic of silent steering: steering may become less silent when its problems are acknowledged. During the time period studied here, public actors in Finnish mining governance did not actively seek to create a path for the conduct of private stakeholder engagement. The public actors focused more on addressing potential future conflicts with legal consequences than on laying paths for specific forms of engagement. But instead of preventing such problems, the participatory public governance processes have shaped private stakeholder engagement in ways that have magnified these problems. Recent reforms in Finnish mining governance have sought to address stakeholder engagement and thus make silent steering of stakeholder engagement “less silent”. The 2022 update of the Mining Act sought to strengthen the position of different stakeholders and local mining project acceptance by empowering municipal planning, considering various livelihoods

and industries, and reinforcing Sámi rights (HE 126/2022). It also included a stipulation for annual stakeholder communication. This marks a shift from reoccurring to continuous forms of stakeholder engagement. More overt path-creation and more continuous orchestration mirrors a broader trend of incorporating what were once voluntary corporate responsibilities into law (Schrempf-Stirling & Wettstein, 2023).

In research, these observations point towards an important research agenda for scholars of stakeholder engagement: we need a better understanding of the indirect influence of different types of steering instruments as well as their dynamics. First of all, a better understanding requires the addressing of specific mechanisms of indirect influence identified in this research. In our case study, role-giving is one of the most significant mechanisms through which public actors come to influence private stakeholder engagement. The attribution of legal power is known to impact stakeholder salience in corporate decision-making (Mitchell et al., 1997). The issue of granting rights to specific sets of stakeholders has been addressed broadly in recent literature (Shivji, 2023). Previous research has also shown how governments can influence CSR through empowerment of third parties (Schneider & Scherer, 2019). Our case study shows that participatory governance can have major influence on stakeholder hierarchies. However, participatory public governance can introduce considerable restrictions on participation, including the scope of involvement, negotiation spaces, stakeholder issues, outcome expectations, and participant behavior norms (Turnhout et al., 2010). Hence, it may lead to the creation of distinct categories of citizens, each possessing varying levels of power within governance processes (Grant et al., 2014). More research is needed on the role-giving aspects of other types of steering instruments than participatory governance.

The same can be said about example-giving and expectations-giving. Mimetic pressures often drive conformity and convergence within industry actors and practices (DiMaggio & Powell, 1983). Participatory governance may produce relatively strong pressures in this respect. It is known that participation unfolds within dynamic political environments that can significantly influence the enforcement and practical implementation of participatory outcomes (Adkin et al., 2017; O’Faircheallaigh, 2010). Public participatory governance aims to enlighten and involve citizens in decisions impacting their lives, prompting companies to anticipate potential issues and cultivate positive stakeholder relationships to preclude conflicts. A central goal of stakeholder engagement is to meet both stakeholder and organizational expectations to boost legitimacy and trust (Kujala et al., 2022). This is especially true of natural resource sectors, in which local acceptance and social licenses to operate are paramount and influenced by local expectations of the company (Järvelä, 2023). More research is needed on other types of steering instruments and participatory public governance outside the extractive industries to get a grasp on the influence of example-giving and expectations-giving on private stakeholder engagement.

Path-creation mechanisms and influence beyond public governance

Our second contribution is to the literature on public governance. Our focus on indirect influence departs from the participatory governance literature in which private companies are seen as a resource of public governance or focus is on direct influence on stakeholder engagement (Braun & Busuioc, 2020; Braun et al., 2020; Uddin et al., 2023). We have turned to evolutionary governance theory-based understanding of steering to conceptualize and assess indirect influence. This scholarship sees steering as produced and introduced in dynamic contexts with multiple arenas, actors, and resources (Beunen & Van Assche, 2021). Recent research has shown that the

actions of public actors in one arena may have systemic impacts in numerous arenas even when public actors are not at all present in these arenas, that is, when their influence is indirect (see Vivier & Sanchez-Betancourt, 2023). The mechanisms of such influence have thus far remained unclear.

Our analysis shows that in the case of public participatory governance and private stakeholder engagement, the mechanisms through which this multi-arena systemic impact occurs are transfer of engagement procedures and stakeholders' perceived status and expectations from one arena to other. This means that arena-level factors and participant-level factors are both important as determinants of path-formation. This shifts attention from the resourcing of arenas (van Popering-Verkerk et al., 2022) and intentional governance measures taken by public actors (Van Assche et al., 2021) as key drivers of path creation. The boundary condition of silent steering of stakeholder engagement is that public actors must be present at some arena of business-society interactions. Silent steering is most likely to have systemic impacts in industries with multiple dedicated interactive governance arenas such as participatory governance in connection with public operating permits or impact assessments, legally mandated interactions with unions, and other forms of mandated or facilitated stakeholder inclusion. Yet, our analysis suggests that the indirect influence on stakeholder engagement is in part based on the objects of steering and not only the arenas. This suggests that external legitimacy pressures might push companies to emulate public governance processes even in industries where there are no interactive governance arenas with public sector presence. Further research could explore this type of convergence in industries that are prone to stakeholder pressures.

As a historical case study of the development of the governance of participatory processes, our article has only been able to scratch the surface of the power dynamics at specific moments of

stakeholder engagement. Future research could delve into the micro-practices in both public and private participatory processes to understand how expectations and responsibilities are shifted between actors and how the powers of stakeholders are mobilized. This can shed light on the dynamics of silent steering in multi-arena settings. In particular, future research should delve deeper into rights-holders and the role of public actors in enabling systemic rights-mobilization.

Finally, as our study covers only Finland's historical development, its findings may best extend to Western liberal democracies and, in the case of the specific industry addressed in here, countries with similar mining governance arrangements. We expect the processes of silent steering to be found also in more authoritarian contexts, but they may have much more coercive effects from the outset due to the lack of alternatives for the procedures and roles adopted in public governance. Further comparative studies on the relationship between public participatory processes and corporate stakeholder engagement in other institutional settings might provide insights into the advanced boundary conditions for silent steering.

Acknowledgements

We would like to thank the Guest Editor of the Special Issue in Stakeholder Engagement and the three anonymous reviewers for their constructive feedback along the way. The previous versions of this paper have been presented at various conferences and we have benefitted from the kind and helpful comments by the communities at Bayes Business School, Copenhagen Business School and Academy of Management.

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Table 1. List of Data

Data type	Source
Laws	
Mining Act (503/1965)	Finlex
Reindeer Husbandry Act (848/1990)	
Act on Environmental Impact Assessment (468/1994)	
Act on the Sámi Parliament (974/1995)	
Conservation Act (1096/1996)	
Governmental Bill (HE 84/1999)	
Environmental Protection Act (113/2000)	
Administrative Act (434/2003)	
Degree on Environmental Impact Assessment Procedure (713/2006)	
Government Bill (HE 273/2009 vp)	
Mining Act (621/2011)	
Government Bill (HE 214/2013)	
Environmental Protection Act (527/2014)	
Environmental Protection Degree (713/2014)	
Government Bill (HE 259/2016)	
Permit papers	
Mining permit papers from 1950–1975	FCSA, Helsinki archive
Mining permit papers from 1975–2017	FCSA, Rovaniemi archive
Mining permit papers from 2011–2017	FCSA website
Includes all permit papers for the following mines (reg. number): Kevitsa (K7140), Suurkuusikko (K5965 and K7835), Talvivaara (K2819), Kylylahti (K3593), Pyhäsalmi (K1317), Pampalo (K4847), Hitura (K1517), Laiva (K7803), Pahtavaara (K3921), Jokisivu (K7244), Orivesi (K2676), Rämepuro (K3831), and Hannukainen (K8126).	
Kevitsa environmental permit (46/09/1) and extension permit (79/2014/1)	RSAA website
Suurkuusikko environmental permit and extension permit (69/02/1)	FCSA, Rovaniemi archive
Talvivaara environmental permit	RSAA website
EIA documents	

Kevitsa, Kevitsa extension, Kittilä, Kittilä extension, Talvivaara	MoE website
Court decisions	
SAC rulings: KHO1999:14, KHO 2005:42, KHO 2005:83, KHO 2013:79, KHO 2013:192, KHO 2014:111, KHO 2014:187, KHO 2019:67, KHO 2022:38	Finlex
Interviews	
Interview 1, FCSA	Data recording
Interview 2, FCSA	Data recording
Interview 3, Ministry of Trade and Employment	Data recording
Interview 4, Ministry of Trade and Employment	Data recording
Interview 5, Ministry of Environment	Data recording
Interview 6, CEDTE	Data recording
Interview 7, stakeholder group	Data recording
Interview 8, stakeholder group	Data recording
Interview 9, stakeholder group	Data recording
Interview 10, FCSA	Data recording
Media articles	
31 selected articles from Helsingin Sanomat (main newspaper in Finland) related to participation in mining, from 1994 to 2020	Helsingin Sanomat website
Sustainable mining network self-reports by companies	
The companies/mines who reported their stakeholder engagement practices during the years 2014–2020 are Boliden/Kevitsa, Agnico Eagle/Kittilä, Boliden/Kylylahti, Endomines, Dragon Mining, Terrafame, Outokumpu Chrome, FQM/Pyhäsalmi, Sotkamo Silver, Anglo American/Sakatti, Hannukainen, and Keliber (12 companies, 75 reports altogether).	Sustainable Mining Network website

Table 2: Summary of the Main Changes in Mining Governance (1995–2020)

	1995–2006	2006–2011	2011–2020
Number of operating mines/companies	7/3	9/7	11/9
Number of new mining permits	5	5	11
State agencies involved in mining permits	MTI, regional environmental agency	MTI, regional environmental agency, municipality	FCSA, CEDTE, RSAA, municipality
Length of mining permits	About 3-4 pages. Outlining rights, area, type of mine, and landowner compensation	About 10–14 pages. Giving some conditions and limitations for the applicant.	Over 70 pages. Details on conditions, limitations, and considerations of statements from other parties.
Environmental permits	The Kittilä mine’s environmental permit, at 75 pages, specified targets and requirements.	Subsequent permits, such as Kevitsa’s at 120 pages, included detailed emission outputs and other requirements.	Over time, environmental permits have become increasingly more comprehensive (e.g., Kevitsa’s extension permit at 255 pages).
Environmental impact assessments	The first one was performed in 2000 for Kittilä (20 pages)	Participation growth led to an increasing number of statements and objections, as well as appeals.	Modern EIA’s are two-stage, producing extensive final reports of hundreds of pages based on the company and deposit.
Socio-political changes	<p>Until 1995, Finland operated under a closed economy, with mining activities performed by two state-owned enterprises.</p> <p>Joining the EU in 1995 opened the economy and attached Finland to the global extractive world.</p> <p>Increased exploration by mining multinationals</p>	<p>Extraction activities increased more than three-fold.</p> <p>Uranium mining raised concerns (13 parliamentary questions in 2006 alone).</p> <p>Political leadership was enthusiastic about the economic growth possibilities offered by mining.</p>	<p>The 2012 downturn in global metal prices caused problems for Finland’s low-grade deposit mines.</p> <p>The Talvivaara mine frequently made headlines due to environmental issues.</p>

<p>Legal changes</p>	<p>The Reindeer Husbandry Act was enacted in 1990.</p> <p>The 1995 EU regulations (including the EIA processes) codified in laws and the Sámi Parliament Act securing Indigenous rights were approved.</p> <p>The 1999 decision (KHO1999:14) by the SAC overturned the exploration permits given by the Ministry for the Sámi and Skolt areas due to Indigenous rights violations and a lack of consultation with the Sámi and reindeer herders.</p> <p>Environmental law was updated with the Environmental Protection Act in 2000.</p> <p>A new constitution was adopted in 2000, and a new Administrative Act in 2003.</p> <p>The KHO 2005:42 ruling confirmed the role of environmental NGOs as “spokespersons” for nature and their right to appeal decisions.</p>	<p>The new mining act, finalized in 2011 after 12 years of preparation and significant lobbying, modernized the sector.</p> <p>The Århus Convention (122/2004), promoting wider participation of the public in environmental legislation, was reflected in the new EIA Decree (713/2006) and related amendments to the EIA Act (2006/458).</p> <p>The 2011 Mining Act and the 2010 institutional change in environmental governance introduced a new cadre of officials responsible for mining and environmental permits; participatory inclusion was also introduced.</p> <p>The rights of Sámi to be heard were fortified with the SAC ruling (2014:111).</p>	<p>The Environmental Protection Act & Decree were adopted in 2014.</p> <p>The SAC (2019) ruling decided against the municipality of Kuusamo, which had tried to forbid mining in certain areas through town planning.</p> <p>Reindeer herders took the municipality of Salla to court for allowing the town plan to include the Sokli mine in 2015, alleging violations of their livelihood rights.</p> <p>The environmental permit for the Sokli mining project was overturned in 2020 and sent back to the environmental agency to evaluate the severity of the impacts on both nature and reindeer herders.</p>
<p>Changes in governance</p>	<p>The Ministry of Trade and Economy exclusively handled mining permits. Environmental permitting and EIAs were introduced.</p>	<p>Following a critical inspection report highlighting a lack of oversight in mining, new guidelines for permitting were adopted.</p>	<p>Updates introduced new legal requirements for both mining and environmental permits, emphasizing citizen participation and a voluntary standard to improve industry stakeholder relations.</p>

Public participatory processes	Legal changes that took processual effect later	Multiple new forms of public participation (including hearings, statements, and appeals) were introduced in the mining licensing processes.	Legalization of public participatory processes and creation of priority orders for participants.
Private stakeholder engagement (SE) processes	Riddarhyttan initiated the first SE process in 1999 at Kittilä.	The importance of local stakeholders is recognized. Engagement included many one-way communication activities, first as part of the EIA and then as part of voluntary SE.	SE processes were enhanced, and systematic reporting was introduced via a new voluntary standard.
Development of silent steering	The foundations were laid through role-giving (special laws) and example-giving (EIA processes).	Role-giving and example-giving were enforced, and expectation-giving gradually emerged through increased participation.	The impacts of silent steering become visible through conflict cases and popular demands for improved participation.

Table 3: Outline of the Three Mechanisms of Silent Steering

	Role-giving	Example-giving	Expectation-giving
How it works	Special rights in public processes transfer into role-assumptions in private processes.	Public participatory processes set an example of who should be included and how.	People’s experiences in public processes set up expectations toward private processes.
Actors involved	Courts, the parliament, companies, and stakeholders	Regional oversight agencies, companies, and stakeholders	Permitting officials, companies, and stakeholders
Visible in	In legal processes (law-making and appeal cases)	During the EIA and licensing processes	During the EIA and licensing processes
Outcomes	Groups whose rights are protected by law are included in SE processes with the ability to impact outcomes.	Licensing and SE processes converge to include the same stakeholder groups.	It enhances early and broad participation practices (however, it does not guarantee the ability to impact outcomes).
Example	Reindeer herders’ position is protected by laws and SAC rulings, position them as key stakeholders for companies engage in extensive negotiations.	Companies must confirm with the oversight agency that SE is sufficiently inclusive. Companies use the same SE events for both official and voluntary purposes.	Locals’ expectations of SE shape company-organized meetings post-project announcement.
Limitations	Outcomes vary, particularly around definitions of “significant harm.”	Meaningful inclusion and participation in both the EIA and SE processes rely on company goodwill.	While early information-giving has increased, most companies still favor one-way over two-way engagement with stakeholders.
The emergence and development of the mechanisms	It emerged in 1995 with the Sámi Parliament Act and the previous reindeer herding act and was solidified by the 1999 SAC rulings, giving these groups a special position in permitting. The 2011 act further strengthened the rights of third parties, including the Sámi, reindeer herders, and municipalities.	Example-giving began taking form with EU EIA directives fortifying participatory principles. Significant development occurred around 2006, with the overhaul of public processes and participatory features.	Expectation-giving grew from 2006 onward, as the public’s experience in the participatory processes increased (more statements, opinions, and appeals left for permits). The 2011 law incentivized companies to seek local acceptance early, changing potential obstacles into permit conditions.

Table 4: Summary of Inclusion of Stakeholders in Mining Permit Decision-making

Stakeholder group	Position based on law	Empowered inclusion	Mechanism of participation	Included in the permit decision
PUBLIC OFFICIALS: Municipalities, Regional and State agencies	Particular position as public official/agency	Yes, through official processes	Evaluative statements on the applications	Yes, mostly through permit orders
RIGHTS HOLDERS: Landowners, Water rights owners, Reindeer herders, Sámi and Skolt	Particular position based on law	Yes, through official and voluntary processes	Hearings, statements, and appeals	Yes, most of the time through permit orders
CIVIL SOCIETY: Environmental NGOs, Local CSOs, National associations	No clear position based on law (only ENGOs have a right to appeal)	Partial, through official and voluntary processes	Statements, opinions, and appeals	No inclusion in the permit decisions but some mentions in the reasoning of the decision
LOCALS: Local people, local groups and associations	No particular position based on law (except for those who own land or water rights, see above)	Superficial inclusion	Can leave opinions, at times asked for statements	No inclusion in permit decision but some mentions in the reasoning of the decision

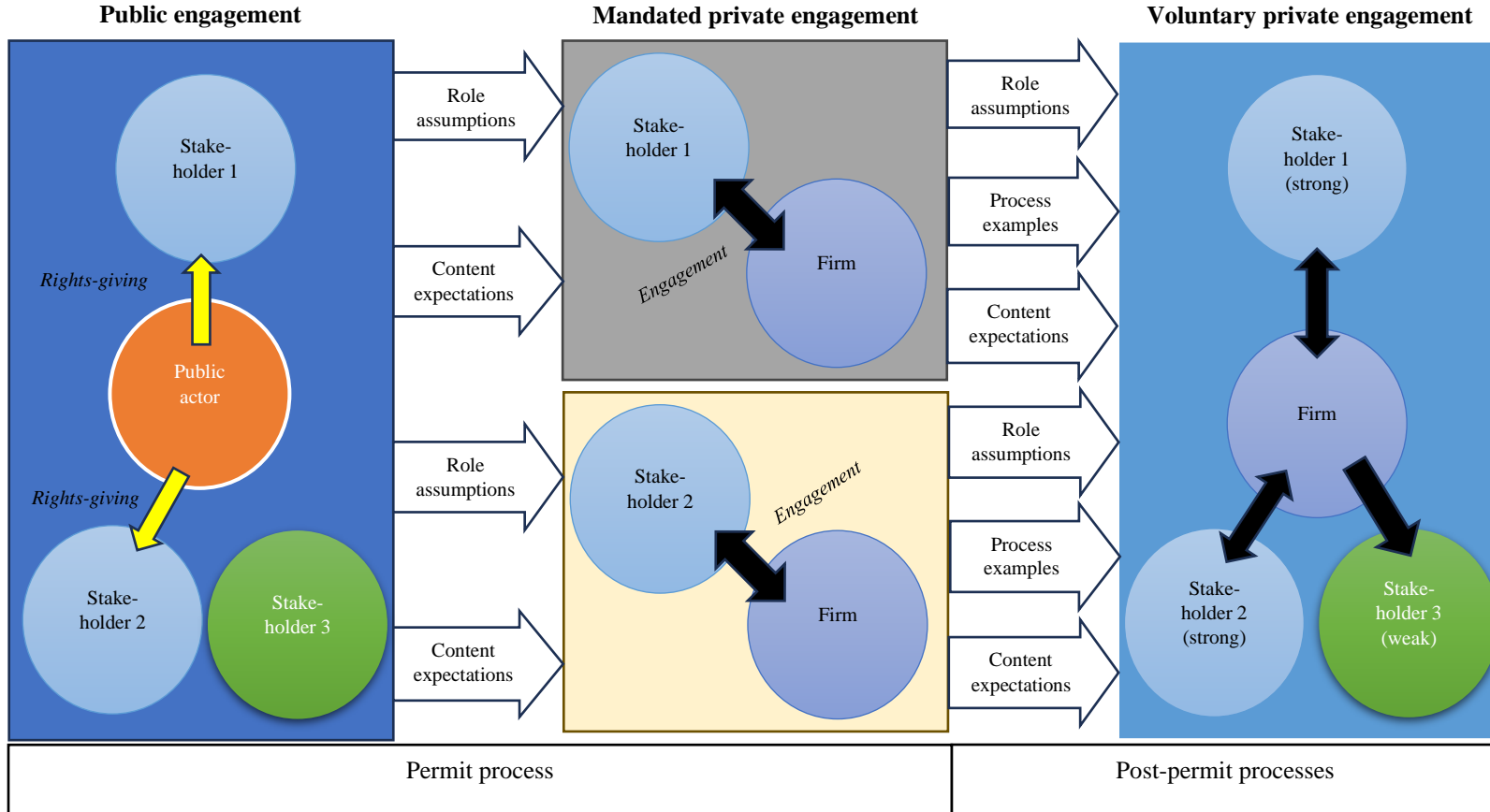


Figure 1: The Process of Silent Steering in our Case Study

The Hannukainen mining project is situated in the municipality of Kolari, in northwestern Finland. The iron ore deposit is old and was extracted in the 1970s and 1980s by state-owned companies Rautaruukki and Outokumpu (most Finnish mineral deposits were owned by either one prior to the 1990s). In 2005, the project was bought by a Swedish company, Northland, which started developing the project and applied for a mining permit on December 22, 2010 (to be treated under the old 1965 Mining Act). According to the then project leader, the EIA process intended to include all possible stakeholder views; however, the tourism industry—which was heavily against the mine—chose not to participate in the dialogues, submitting multiple statements, complaints, and appeals against the project instead. The FCSA organized three meetings with the reindeer herders and Northland, as mandated by the Reindeer Husbandry Act 848/1990 and the new Mining Act 2011. These negotiations led to specific conditions being included in the permit. Altogether, 26 organizations were invited to leave statements, with 8 groups of people providing opinions. After Northland's bankruptcy, a local business owner founded Hannukainen Mining and bought the project. They received a mining permit in 2017. Opposition to the mine coalesced into the "Save Ylläs" movement, which gathered names for public appeals and launched campaigns. They also submitted statements and opinions through the official permit process. Despite their efforts, their contributions were not reflected in the permit decision, citing no proof of harm and the company's mitigation responses. The northern Finland Administrative Court overruled this permit based on an appeal from local people and sent it back to the FCSA for renewed processing because not all relevant stakeholders were included in the process. For example, some property owners were not adequately consulted. The decision also stated that some of the wording in permit orders was too vague and that the FCSA had not provided proper protection of rights or solid groundings for their decision (i.e., references to the company's responses were deemed insufficient). Consequently, the environmental permit process is still ongoing due to an inadequate application.

Figure 2: Vignette of Licensing Process for the Hannukainen Mine