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The Finnish Municipal CEO: A Strong Professional Leader in a Changing Political Environment

Siv Sandberg 

5.1 INTRODUCTION: THE FUNDAMENTS OF THE FINNISH COUNCIL MANAGER MODEL

It is difficult to imagine what modern Finnish local government would look like without the municipal chief executive officer (MCEO). Deviating from the other Nordic countries, Finland institutionalized the position of the professional MCEO by law since the 1920s, decades before the major expansion of the local welfare state took place (see Sellers & Lidström, 2007), which means that MCEOs in Finnish municipalities have played a key role in the emergence of present-day local government.

This chapter answers three questions: (1) What characterizes the institutional context (formal and informal) of the Finnish MCEO? (2) What characterizes the biographical profile of the Finnish MCEO? (3) What characterizes the role perceptions of the Finnish MCEO? Furthermore,

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the analysis addresses the connections between the institutional context, the collective profile, and the role perceptions of the Finnish MCEO.

The chapter utilizes data from two surveys of Finnish MCEOs, the UDiTE Leadership Study from 1996 (see Klausen & Magnier, 1998) and the Nordic MCEO survey conducted in 2019.¹ Given that the response rate for the 2019 survey was considerably lower (39%) than for the 1996 survey (70%), it is necessary to exercise caution when interpreting longitudinal comparisons based on the survey data. For demographic data concerning the gender, age, and education of MCEOs, we relied on official sources such as the Local Government and County Employers in Finland (KT) and the public sector pension authority (Keva) to provide a comprehensive picture of the profession (Kuntaliitto et al., 2022). Furthermore, the chapter draws on a corpus of expert knowledge on the role of the Finnish MCEO.

5.1.1 *Early Institutionalization*

According to Mouritzen and Svava (2002), the executive power organization of Finnish local government exemplifies the council–manager form. Overall authority rests with the council as a collective, but considerable autonomy is delegated to the MCEO. The core value of the model is professionalism. Advanced management and knowledge skills are seen as valuable prerequisites to successfully running a city or municipality. On the negative side, council–manager models may create a leadership gap between the professional MCEO and elected politicians (Howard & Sweeting, 2007; Mouritzen & Svava, 2002). This tension between a strong appointed MCEO and a weaker political leadership has been a recurring theme in the Finnish debate since the 1990s and is gradually, but slowly, transforming the Finnish council–manager model.

The fundamentals of the present council–manager model—the council and manager—date back to legislation from the years following Finland’s independence in 1917. These institutional choices placed Finland on a somewhat different trajectory from that of the other Nordic countries with regard to the division of labour between politics and administration in local government. While no one questions the supremacy of politics in local leadership in Sweden, Denmark, or Norway, Finland chose a model with a stronger emphasis on administrative and professional

¹ See Appendix for the Nordic MCEO survey.

leadership (Haimi, 1987). As far back as 1918, Finland established a unitary model of representative democracy based on equal suffrage in all local authorities, with directly elected councils as the base of political decision-making at the local level.

The manager, that is, the MCEO, appeared on the scene 10 years later when the Finnish parliament made a formative choice concerning the management organization of towns and boroughs. Facing two alternatives, either a leadership model with a political mayor at the apex or a model with a professional chief executive office as the figurehead, a narrow majority of parliament chose the latter. An ambition to rationalize and professionalize local administration guided the majority's preference for administration over politics. With the 1927 Local Government Act for Towns and Boroughs, it became mandatory for all towns to employ an MCEO. Initially, this obligation affected only about 10% of all local authorities, but gradually, the manager model diffused to rural municipalities and eventually became mandatory in all local authorities by 1977 (Haimi, 1987; Sandberg, 2015).

Disregarding the numerous and important changes that Finnish local government has undergone in the last 100 years, the formative choices in the early days of the republic provide a useful shortcut to understanding the dynamics between politics and administration at the local level. Politics is mainly a collective phenomenon, with the council and executive board as the main arenas. The MCEO as an institution is stronger than in many similar countries, thanks to its long history and legally mandated position (Mouritzen & Svava, 2002). It is also necessary to understand the vacuum of political leadership that occasionally emerges at the intersection between an anonymous collective of political decision-makers and a strong administrative leader (Howard & Sweeting, 2007).

5.2 CONTEXT

5.2.1 *External Environment: Local Government in Finland*

The Finnish territory comprises mainland Finland (5.5 million inhabitants) and the autonomous Åland Islands (30,000 inhabitants). Finland is a decentralized unitary state with a single-tier subnational government. Local government in the Finnish mainland consists of 293 municipalities (2023). The autonomy of the Åland Islands is instantiated through legislative powers over matters related to local government, including local and

regional elections, involving the region's 16 municipalities. The features of Finnish local government described in this text generally refer to the situation in mainland Finland.

The 293 municipalities range in size from 650 to 650,000 inhabitants. The median size of a Finnish local authority is approximately 6500 inhabitants, which means that the number of small municipalities is relatively high. Even though all municipalities are subject to the same legislation, the broad range in the number of inhabitants and population density means that the preconditions of local government vary considerably between different parts of the country. The growing differentiation between municipalities is one of the paramount challenges currently facing the Finnish local government sector. Urban regions in Southern Finland face policy challenges related to population growth, immigration, housing, and public transport, while a majority of the municipalities deal with situations where the population, economic activities, and financial resources are characterized by shrinkage (Ministry of Finance, 2022). It is self-evident that these variations in external working conditions have consequences for local leadership and the MCEO.

Finnish local government is composed of the typical characteristics of the Northern or Scandinavian model of local government (Sellers & Lidström, 2007; Heinelt & Hlepas, 2006). Municipalities are responsible for a wide range of statutory services related to both welfare state services and local infrastructure, and they enjoy a considerable degree of discretion in organizing these services. In 2021, subnational expenditure accounted for 22% of Finland's GDP and 41% of total public expenditure (OECD, 2021). According to comparative rankings, the formal preconditions for local autonomy in Finland are good, placing it among the countries with the highest scores on both of the two overall dimensions: financial autonomy and political discretion (Ladner et al., 2019, pp. 266–267). Income from taxes (46%) and fees (22%) forms the basis of municipal finances. In 2021, state grants accounted for around 29% of municipal revenue (OECD, 2021).

From World War II until 2020, Finnish local government expanded in terms of staff, budget, and statutory duties (Sellers & Lidström, 2007). The number of employees in municipalities and joint municipal authorities grew from 193,000 in 1970 to 441,000 in 2011, when the number of staff reached its highest level (Local Government and County Employers, 2023). In 2020, municipal employees constituted 19% of the total workforce and 77% of all employees within the public sector (Tilastokeskus,

2023). The growth in statutory duties was most intense during the period 1965–1985 when municipal responsibilities expanded in the areas of education, health care, social services, culture, and environmental policy. This expansion in terms of new policy sectors coming under the purview of municipalities was followed by new legislation set to raise the quality and scope of the same services. For example, providing day care for children became mandatory for municipalities in the early 1970s, and new legislation 30 years later substantially expanded the subjective rights of children and families to get access to these services. The bulk of the legislation pertaining to municipal activities is extensive: in 2012, Finnish municipalities were obliged to observe 535 pieces of legislation (Hiironniemi, 2013), and by 2021, the number of binding laws had increased to around 700 (Ministry of Finance, 2022).

Until 2023, the Finnish single-tier system, with only one subnational level of government, formed an exception among unitary countries of the same size (Loughlin et al., 2011). As the only subnational level with directly elected decision-makers and financial autonomy, municipalities were assigned extensive obligations in the provision of services in education, health care, and social services. Municipal responsibilities within the healthcare sector also included specialized health care, provided through mandatory inter-municipal hospital districts.

Around 2005, the capacity for the smaller municipalities to provide healthcare services based on equal standards became a matter of public debate and subsequent reform attempts. A major reform that came into effect on 1 January 2023 transferred all responsibilities for social services and health care from municipalities to 21 newly established regional authorities, that is, the well-being services counties. These counties are semi-autonomous authorities with directly elected politicians, albeit without the rights of taxation or to take on new duties (Government of Finland, 2020; Sandberg, 2022).

The reform reduced the budgets and workforces of municipalities by half, with fundamental consequences for the role of local government in the Finnish political-administrative system. The reform also meant that municipalities had a less pronounced role as service providers, with functions related to community planning and economic policies being more prominent (Vakkala et al., 2021). A reform of public employment services in 2025 will further emphasize the latter role, as responsibilities will shift from the national to local government.

Although the political focus in recent decades has been on reforms related to local government responsibilities, structures, and finances, numerous reforms relating to the internal organization and operational procedures of local government have taken place. Reforms of the Local Government Act in 1995 and 2015 incorporated mechanisms inspired by new public management (NPM), such as de-regulation of the municipal administration, a stronger focus on accountability, and new institutional frames for municipal corporations (Sletnes et al., 2013). Later reforms in the context of community planning and service provision emphasized the importance of governance networks, hybrid forms, and ecosystems, features often related to new public sector governance (NPGS) (Lähteenmäki-Smith et al., 2021). Comparative studies classify reforms in Finland as moderate and pragmatic, with a focus on cost cutting and contract steering (Greve et al., 2016). Global trends, such as NPM and NPGS, inspire reforms, but their implementation is strongly rooted in the national institutional environment (Sandberg & Sjöblom, 2022; Sjöblom, 2020; Vento & Sjöblom, 2018; Virtanen, 2016).

5.2.2 *Internal Environment: The Political–Administrative Structure*

The political–administrative structure of Finnish municipalities emanates from the council (see Fig. 5.1). The political management structure consists of the council, the executive board, and a number of sector boards and/or standing committees. According to the Local Government Act (410/2015), only the executive board and the control committee are mandatory parts of the political management structure. The number, task scope, and position of boards and committees other than those mentioned above vary among municipalities.

The regular members of the council, the executive board, and the committees are nonprofessional politicians who run their elective offices alongside their ordinary jobs. This is also the case for the majority of chairpersons. The total number of full-time or part-time politicians in all Finnish municipalities is as low as 50–70 (Kyösti & Paananen, 2020). Full-time politicians are usually chairpersons or members of the executive board in large cities. This makes Finland a deviant case compared to Denmark, Norway, and Sweden, where almost every municipality has at least one full-time politician.

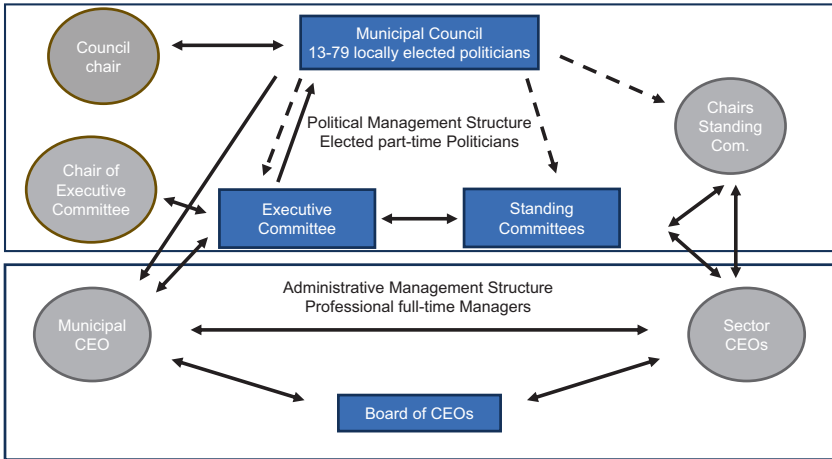


Fig. 5.1 The Finnish local government political-administrative system. *Note:* *Dotted arrows* from the municipal council indicate that the mayor, the executive committee, the standing committees, and their chairs are all elected by the majority of the municipal council after the election. *The two-way arrows* indicate triangles of frequent interaction related to decision-making and coordination. *One-way arrows* indicate the typical decision-making process

The council consists of 13–79 elected local politicians. The number of members in the local council depends on the number of inhabitants in the municipalities. The role of the council chair is cohesive and ceremonial and resembles the position of the speaker in parliament. The council and board chairs are not the same person.

The decision-making authority of the council includes ultimate responsibility for the budget and municipal strategy as well as for deciding on the principles of the political and administrative organization of the municipality. The council appoints the members and chairpersons of the executive boards and other boards and committees. The council can recall the mandates of the members of boards and committees before the end of their term if they no longer enjoy the confidence of the council.

The council hires the MCEO and defines the competencies required in the recruitment of a replacement. The council may dismiss the MCEO if the latter no longer enjoys the confidence of the council. A proposal to dismiss the MCEO may be put forward by the executive board or at least one-fourth of the councillors. The dismissal must be prepared by a

temporary committee of councillors and must gain support from two-thirds of the councillors in order to take effect.

Although overall formal power rests with the council, the executive board is the core of political activity in Finnish municipalities (Henriksson, 2019). The chairperson of the executive board is usually the most influential politician in the municipality. The executive board has a coordinating role in relation to the other boards and committees and the municipal administration and finances. The executive board, together with the MCEO, represents the municipality as an employer and oversees the municipality's interests in relation to external actors.

The executive board is responsible for formal employer responsibilities relating to the MCEO. Since 2015, a management contract between the MCEO has been mandatory in all municipalities. In the management contract, the MCEO and executive board agree to the division of labour between the MCEO and politicians as well as the salary and other material details of the job of the MCEO.

The administrative management structure varies immensely among municipalities, which affects the role and span of control of the MCEO. Usually, municipalities have a board of directors composed of the MCEO and sector CEOs, but the profile and position of the board depend on the size of the municipal organization and how municipal services and activities are organized (corporations, inter-municipal authorities, foundations, etc.).

In cities with more than 50,000 inhabitants, the municipal organization is corporation-like, with large and relatively independent service sectors (education, social, and health services) and autonomous and semi-autonomous agencies, such as government-owned companies, foundations, and joint municipal authorities. The more complex the municipal organization, the more prominent the role of the MCEO as the person keeping everything together (Parkkinen et al., 2017).

The organizations of smaller municipalities are simpler, but the role of the MCEO as a broker between sector interests and politics and administration is crucial. The smaller the municipality, the more the MCEO is likely to be involved in day-to-day activities, for example, finances and human resource issues.

5.3 WHO ARE THE FINNISH MCEOs?

In the comparative UDiTE survey of 1996, Finnish MCEOs stood out as a considerably homogenous group: male, highly educated, a high share with a degree in social sciences from Tampere University, and a lengthy background in the local government sector (Mouritzen & Svava, 2002; Sandberg, 1998). Twenty-five years later, the collective profile of Finnish MCEOs has become somewhat more diverse, but in comparison with other countries, the group of MCEOs is still rather homogenous.

Although the number of female MCEOs has increased considerably since the 1990s, the vast majority (72%) of MCEOs are still men. The increase in the share of women MCEOs has been slower than the growth in the share of women in parliament and the national government, and the share of women MCEOs (28%) is lower than the proportion of women in local councils (40% in the 2021 local elections). Likewise, the share of women MCEOs is considerably lower than in Norway, Sweden, and Iceland (Table 5.1).

According to comprehensive statistics from the Local and County Government Employers (2023), the median age of Finnish MCEOs is approximately 53 years; 41% of the MCEOs in office in 2020 were born between 1961 and 1970. Only 15% of MCEOs were younger than 40 years old. The median MCEO age has remained relatively constant since 1996, despite the retirement of the generation of baby boomers, who dominated the profession (Sandberg, 1998).

Data for the whole group of Finnish MCEOs show that the share of MCEOs with a master's or doctoral degree increased from 71% in 2005 to 88% in 2018 (Tilastokeskus, 2023). The law does not include specifics concerning the educational requirements of MCEOs, but most municipalities require a master's degree from applicants. According to the 2019 survey, social sciences (47%) and law (17%) were the most common educational fields among MCEOs. In comparison with the 1996 survey, the

Table 5.1 Male and female MCEOs 2005–2021

	1996	2005	2010	2015	2018	2021
Male CEOs (%)	94.1	87.1	83.4	80.4	74.7	72.1
Female CEOs (%)	5.9	12.9	16.6	19.2	25.3	27.9
N (municipalities)	439	416	326	301	294	293

Source: Sandberg (1998); Statistics Finland, 2005–2021

share of MCEOs with a master's degree has increased, reflecting the general societal trend. The variety of disciplines represented among the master's degree holders was somewhat broader in 2019 than in 1996, although social sciences remained predominant. Furthermore, a general trend seems to be that the career of an MCEO within one municipality has become shorter compared with the situation in the 1990s. Among the respondents to the 2019 survey, 61% had worked less than five years in the municipality at the time. Other surveys of Finnish MCEOs support this observation (Kuntaliitto et al., 2022).

5.4 THE SLOW TRANSITION OF THE FINNISH COUNCIL-MANAGER MODEL

It is possible to identify four distinct phases in the development of the relationship between politics and the top level of administration in Finnish local government over the last 100 years (Haimi, 1987; Haveri et al., 2013; Leinonen, 2012; Sandberg, 1998, 2015; Sinisalmi, 1999; Ursin & Heuru, 1990). Given the path-dependent nature of political institutions, each of the evolutionary phases has contributed formal features to the present-day role of the MCEO and the behavioural norms connected to the position (Pierson, 2004).

5.4.1 *The Formative Phase (1927–1976)*

The formative phase (1927–1976) established a quasi-presidential role for the Finnish MCEO. At the beginning, the MCEO position was mandatory only in towns and boroughs and was introduced as an option for rural municipalities in the Local Government Act of 1948 (Local Government Act, 1948). Most local authorities had hired an MCEO before the position became mandatory in 1977 (Local Government Act, 1976).

The early Finnish local government MCEO was not only the head of the municipal administration but also the chair of the executive board (Haimi, 1987; Sinisalmi, 1999). This combination of professional leadership and direct influence over political decision-making—in fact, a mayoral role but without direct connection to the electoral outcome—had its upsides in terms of efficiency and co-ordination, since the MCEO had the keys to both decision-making and implementation.

Lacking strong institutions of political leadership equivalent to the mayor in other countries, the strong MCEO filled a leadership vacuum. Therefore, party politics eventually began assuming a more important role when the council recruited a new MCEO. Although never a formal criterion for appointment, party membership, or at least a sympathetic attitude towards the local political majority, sometimes played a crucial role as an informal requirement in the recruitment process (Sandberg, 1998). From time to time, this informal norm from the formative phase still casts a shadow over local processes, and it is necessary to acknowledge the history to understand the present dynamics between politics and administration.

During the latter part of the formative phase (1950–1976), the activities of Finnish local government expanded both qualitatively and quantitatively. On one hand, this precipitated the process of professionalizing the municipal administration. Even the smaller rural municipalities found it necessary to hire MCEOs. On the other hand, the need to acquire resources from the central government to build new schools and health-care settings established the norm of the MCEO as a negotiator between the central government and neighbouring municipalities.

5.4.2 *The Uniformity Phase (1977–1994)*

The new Local Government Act of 1976 erased the remaining differences regarding tasks and organization between urban and rural municipalities. The position of MCEO became mandatory in all local authorities, regardless of size, and the act introduced a uniform role for the MCEO throughout the country. The only local variation allowed was the possibility of hiring a deputy MCEO in larger cities (Haimi, 1987; Sandberg, 2015; Sinisalmi, 1999). The act also assigned the MCEO a distinct role as a professional leader of the administration. However, while the law abolished the former function of the MCEO as the chairperson of the executive board, in practice, nothing important changed concerning the MCEO as the figurehead and spokesperson of the municipality, for example, in the promotion of local business interests (Haveri et al., 2013). The act instituted a system with separate chairpersons for the council and board—with the chairperson of the council being more ceremonial and the chair of the executive board more involved in day-to-day affairs—but the reform did not strengthen the formal and practical preconditions of political leadership. The formal position of the MCEO remained very strong, and, in

practice, the council lacked the power to discharge an MCEO on grounds other than the commission of a crime.

The act left local authorities with considerable discretion in setting up the criteria for hiring new MCEOs. In practice, the uniformity phase institutionalized a strong norm of higher education as one of the most fundamental qualifications for becoming an MCEO. In the 1960s, universities established bachelor's degree programmes in public administration in order to serve the growing need for educated civil servants in the expanding municipal sector. As late as the beginning of the 1990s, a strikingly high share of the MCEOs in office had been educated in one of these programmes at Tampere University (Sandberg, 1998).

5.4.3 *The Reinvention Phase (1995–2014)*

Following the free commune experiment (1988–1992), the leading idea in the reform of the Local Government Act of 1995 was to re-establish the authority and discretion of the local council in relation to both the national government and the administration (Government of Finland, 1992, 1999; Local Government Act, (1995). By abolishing detailed national regulations concerning the organization of local government, the parliament devolved considerable authority in organizational matters to the municipalities themselves. As part of this broader devolution process, local councils acquired increased discretion in laying down the conditions for the job of MCEO. This reform followed growing dissatisfaction with the rigidity of the MCEO institution, as described in the 1976 Local Government Act. The reinvention of the Finnish MCEO institution reflects managerial ideas inspired by NPM, stressing the need to create a system that enables better possibilities to reward good performance and punish bad performance (Sandberg, 2015).

While the MCEO position remained mandatory in all local authorities, the new Local Government Act strengthened the position of the council in relation to the MCEO. First, the new act gave municipalities the choice of hiring an MCEO for either an indefinite or fixed period. Second, councils could now dismiss MCEOs if the latter no longer enjoyed the confidence of the council. The number of formal dismissal processes against MCEOs has stabilized at a level of approximately three to five processes annually, which means that they affect no more than around 1% of the municipalities, although massive media coverage of the processes suggests that they are more common (Piipponen, 2019). Furthermore, the

possibility of fixed-term contracts, together with the new rules around MCEO dismissal, established a norm of performance and responsibility: the MCEO has to demonstrate their capability to political decision-makers. As the reform took away some of the given, almost presidential authority of the Finnish MCEO, relational skills towards staff, politicians, media, and citizens grew increasingly important during this period (Haveri et al., 2015; Pruikkonen, 2021).

5.4.4 *Towards Parallel Leadership Models (2015–)*

One of the core aims of the new Local Government Act of 2015 was to strengthen citizen participation; another was to codify and strengthen the position of political leadership at the local level. As noted earlier, Finland has a long history of collective political leadership at the local level, combined with weak material preconditions for those functioning as chairpersons of the council and executive board. The Local Government Act of 2015 marked a turning point in codifying the possibility of full-time or part-time remuneration for politicians (Kyösti & Paananen, 2020). Compared with Sweden, for example, where the total number of full-time politicians is approximately 1300 (Statistics Sweden, 2020), the roughly 50–70 full-time remunerated politicians in Finnish municipalities are still marginal.

Another novelty challenging the solid position of the council–manager model was the codification of the committee–leader model as an alternative (Jäntti et al., 2021; Mouritzen & Svava, 2002). In the committee–leader model, the council appoints a mayor, sometimes also deputy mayors, for its four-year term in office. In this leadership model, the mayor is the chair of the executive board. Unlike the early Finnish MCEO, the modern mayor is always an elected politician. Each local authority lays down the exact preconditions for its mayoral model. The appointment of the mayor is indirect and in the hands of the newly elected council; however, the nature of local elections as an informal race for the position of mayor is seemingly becoming increasingly important, especially after the capital city, Helsinki, replaced the council–manager model with the mayoral model in 2017 (Government of Finland, 2006, 2014; Parliament of Finland, 2006).

A new regulation made management contracts between the council and the MCEO mandatory in all municipalities (Local Government Act, 2015). The contract usually includes an exit clause for situations in which

the council no longer has confidence in the MCEO. One important function of the contract is to mitigate the need for formal dismissal procedures, which can be very taxing for the local political system. The introduction of the management contract reinforces a norm of mutual trust between politicians and the administration. Furthermore, the strong focus on citizen participation in the 2015 Local Government Act established an even stronger norm of direct communication with the public.

Despite the new regulations, the majority (98%) of Finnish local authorities retained the traditional council–manager model with an appointed MCEO. Only seven local authorities, including the major cities (Helsinki, Tampere, and Turku), have implemented the committee–leader model, where a political mayor replaces the MCEO. The council appoints the political mayor for a four-year term (Jäntti et al., 2021), and the mayor usually represents the largest party in the council. Although the absolute number of municipalities that have chosen to replace the council–manager model is low, the total population of these cities is 1.2 million, which is more than one-fifth of all citizens of Finland. The share of MCEOs appointed for an indefinite period (around 90%) has remained stable over time (Table 5.2).

As the description of the four evolutionary phases of the Finnish council–manager model demonstrates, each reform of the Local Government Act has provided the position of MCEO with new institutional features and informal behavioural norms and values (Pierson, 2004). In some cases, one institutional feature has replaced another, while the norms and values surrounding the role of MCEO have tended to layer and exist

Table 5.2 Governance models in Finnish local authorities in 2005, 2010, 2015, and 2021

<i>Governance models</i>	<i>2005</i>	<i>2010</i>	<i>2015</i>	<i>2021</i>
Council–manager model (MCEO)	416	324	299	286
Committee–leader model	0	2	2	7
<i>N</i> (municipalities)	416	326	301	293
Type of contract (%)				
Indefinite period	90.3	90.9	91.9	89.7
Fixed-term	9.6	9.1	8.9	10.3
Total (%)	100	100	100	100

Source: Statistics Finland; Finnish Local Government Association

alongside each other, sometimes in conflicting ways (Leinonen, 2012; Parkkinen et al., 2017).

Instances where the council has dismissed an MCEO often reveal conflicting views concerning the proper role of the MCEO. A decree by the Supreme Administrative Court of Finland (2019) concerning one of these instances revealed how divergent views relating to the importance of maintaining good relations with local business interests resulted in a crisis of confidence between the council and the MCEO. Further, different generations of MCEOs and politicians tend to emphasize different norms. Interview studies with MCEOs suggest that older generations of MCEOs tended to be more issue-oriented and focused on relations with business and upper-level government, while younger generations of MCEOs were more oriented towards staff and citizens (Haveri et al., 2013, 2015).

5.5 STABILITY AND CHANGE IN ROLE PERCEPTIONS BETWEEN 1996 AND 2019

According to Howard and Sweeting (2007), a potential drawback of the council–manager model is that it creates a leadership gap between the professional and autonomous MCEO and the collective of political decision-makers. This tension between a strong appointed MCEO and a weaker political leadership has been a recurring theme in the Finnish debate since the 1990s, and as the previous sections show, one key objective of the 1995 and 2015 reforms of the Local Government Act has been to strengthen the role of political leadership vis-à-vis the MCEO.

A comparison of data from surveys of Finnish MCEOs in 1996 and 2019 (Tables 5.3, 5.4, and 5.5) suggests that the aim of impacting the power balance between politics and administration seemed to have at least some impact on how MCEOs perceived their relationship with the political leadership. In 1996, only a small number of changes affecting the position of MCEO had taken effect (e.g. more liberal rules for dismissal, the possibility of fixed-term contracts). In 2019, the Local Government Act reflected numerous attempts to strengthen the role of local politicians.

Table 5.3 Perception of actor influence among Finnish MCEOs in 1996 and 2019

<i>Actor</i>	<i>1996 (STD)</i>	<i>2019 (STD)</i>
Mayor/leader of the council	70.9 (22.7) H	93.5 (15.1) H
Council chair	–	76.6 (20.1) H
Committee chairs	52.0 (21.0) M	64.8 (14.8) H
Majority in the municipal council	73.5 (22.7) H	
The municipal council (collective)	–	78.7 (19.5) H
The executive board (collective)	–	95.8 (11.8) H
The MCEO	90.2 (15.0) H	91.2 (17.0) H
Private business interests	41.6 (21.4) L	66.7 (17.6) M
The media	27.1 (22.3) L	53.7 (23.0) M
Trade union leaders	29.0 (21.5) L	43.0 (22.6) L
Upper-level government	77.8 (23.7) H	75.5 (22.3) H
Voluntary associations	23.9 (19.2) L	51.8 (20.9) M
<i>N</i>	324	114

Source: U.Di.T.E Survey Finland 1996; TopNordic survey Finland 2019

Note: 5-point scale from 0 (of very little or no importance), 50 (of moderate importance) to 100 (of utmost importance); Low = less than 50, Medium = 50–70, High = More than 70. SD in parenthesis

5.5.1 Perception of Actor Influence

First, the Finnish MCEOs' perception of their own influence over local decision-making has remained strong and stable. Over 90% of the respondents in 1996 and 2019 considered themselves influential (Table 5.3).

The MCEOs valued the influence of the chairperson of the executive board more in 2019 than in 1996. The influence of the executive board as a collective (item included only in 2019) was valued even more highly. These results are in line with an earlier observation concerning the strengthened role of the executive board as the power centre of local decision-making in Finland (Henriksson, 2019). The assessment of the influence of the council as a collective was on the same level in both years, and the assessment of the influence of the committee chair was somewhat higher in 2019 than in 1996 (Table 5.3).

Second, regarding the questions on how MCEOs perceived the ideal politician, a change seems to have taken place between 1996 and 2019, especially concerning the roles of politicians as governors and ambassadors (Klausen & Magnier, 1998). The governor's role includes two items reflecting the perception that politicians should decide major policy principles and have a vision of how the municipality should develop in the long

Table 5.4 Ideal politician according to Finnish MCEOs in 1996 and 2019

<i>Governmental roles</i>	1996 (SD)	2019 (SD)
<i>Governor</i>		
Decide on major policy principles	67.9 (23.2) M	92.1 (13.2) H
Have a vision of the way in which the municipality should develop in the long run	84.2 (17.5) H	94.4 (11.1) H
<i>Stabilizer</i>		
Create stability for the administration	66.5 (21.0) M	78.8 (22.5) H
Formulate exact and unambiguous goals for the administration	51.6 (25.3) M	60.0 (25.1) M
<i>Administrator</i>		
Lay down rules and routines for the administration	21.1 (19.4) L	36.7 (25.2) L
Taking decisions concerning specific cases	59.9 (27.5) M	54.2 (25.2) M
<i>Ambassador</i>		
Represent the municipality to the outside world	59.7 (20.7) M	70.4 (19.4) H
Defend decisions and policies externally	66.8 (21.9) M	78.1 (17.3) H
Be a spokesperson vis-à-vis the press	44.8 (22.0) L	60.4 (21.4) M
Procure resources for upper-level government	44.6 (24.6) L	69.6 (25.9) M
<i>Representative</i>		
Be informed about citizens views	75.1 (18.5) H	79.3 (11.1) H
Implement the programme on which s/he has been elected	25.4 (19.0) L	29.9 (22.0) L
Be a spokesperson for a local groups or individuals who have issues pending decision by the authority	32.9 (20.4) L	46.7 (25.2) L
Be a spokesperson for their political party	33.2 (22.0) L	31.3 (22.8) L
<i>N</i>	324	114

'Politicians must give priority to different tasks in their daily work. As a local government official, to which tasks do you think the leading politicians ought to attach particular importance?' Source: U.Di.T.E Survey Finland 1996, TopNordic survey Finland 2019

Note: 5-point scale from 0 (of very little or no importance), 50 (of moderate importance) to 100 (of utmost importance); Low = less than 50, Medium = 50–70, High=More than 70. SD in parenthesis

Table 5.5 Leadership priorities of Finnish MCEOs in 1996 and 2019

	1996 (SD)	2019 (SD)
Administration		
Guide subordinates	33.2 (20.0) L	54.3 (22.4) M
Fiscal management	71.6 (22.3) H	86.7 (17.7) H
Enforce rules	38.1 (19.6) L	51.2 (20.7) M
Establish new routines	48.4 (22.1) L	63.5 (19.4) M
Advice to politicians		
Technical advice to chair of the executive board	38.4 (23.0) L	60.5 (20.9) M
Political advice to chair of the executive board	17.1 (17.9) L	30.7 (25.1) L
Norms of relationships	65.8 (19.5) M	69.9 (20.3) M
Influence decision-making	80.8 (16.9) H	79.9 (19.3) H
Integration and cooperation		
Solve problems and conflicts of human relationships	56.5 (19.1) M	66.3 (20.3) M
Stimulate cooperation between departments	75.8 (15.6) H	84.4 (17.4) H
Be informed about the viewpoints of the employees	63.2 (17.4) M	70.9 (16.7) H
Innovation		
Formulate visions	84.5 (15.4) H	83.7 (15.3) H
Informed about citizens' views	70.9 (16.9) H	72.2 (18.3) H
Attract external resources	77.6 (18.4) H	74.2 (23.9) H
Improve efficiency	76.5 (76.7) H	82.9 (16.3) H
<i>N</i>	324	114

‘Chief executives must necessarily decide the priority of various tasks. Please indicate how much emphasis you put on each of the tasks listed below in your daily work’. Source: U.Di.T.E Survey Finland 1996, TopNordic survey Finland 2019

Note: 5-point scale from 0 (of very little or no importance), 50 (of moderate importance) to 100 (of utmost importance); Low = less than 50, Medium = 50–70, High = More than 70. SD in parenthesis

run. This perception was strong in 1996 and was even more stable and coherent in 2019. The change reflects substantial changes in how local politics in Finland works. The strategic role of the council has grown stronger, which is reflected, for example, in mandatory four-year strategies.

From 1996 to 2019, the perception among MCEOs that the ideal politician should be an ambassador to the outside world grew stronger. The index includes four items: represent the municipality, defend decisions in public, be a spokesperson vis-à-vis the media, and procure resources from upper-level government. Altogether, this change reflects both the strengthened role of political leaders and the increasingly interdependent and transparent nature of local politics and government.

One specific feature of how Finnish MCEOs perceive ideal politicians has remained the same over 25 years. Finnish MCEOs do not consider the

party political role of leading politicians to be especially important (items ‘be a spokesperson for their party’, ‘implement the programme on which they have been elected’); instead, they would prefer politicians to act in the strategic interest of the municipality as a whole.

Third, the overall leadership priorities of Finnish MCEOs remained relatively stable between 1996 and 2019, but the survey data revealed at least two interesting changes. On one hand, the items concerning technical and political advice to the chairperson of the executive board grew in importance, potentially reflecting the evolution towards a more pronounced and visible position regarding local political leadership. On the other hand, the scores for the items describing integration and cooperation were higher in 2019 than in 1996, corroborating a development described by other observers of the Finnish MCEO (Parkkinen et al., 2017). According to Parkkinen and colleagues, the ability to integrate different perspectives and function as a coordinating link between various actors is one of the primary leadership qualities of a modern Finnish MCEO.

Altogether, the survey data indicate that the Finnish MCEO position has remained strong over the last 25 years and that the role of individual politicians as leaders and representatives of the local community has grown in importance.

5.6 CONCLUDING DISCUSSION

The formative choice to institutionalize a professional manager as a mandatory element of the political–administrative organization of Finnish local government nearly a century ago has had important repercussions for the power balance between politics and administration in Finnish local government. In the early decades, the MCEO role gained some presidential traits, establishing it not only as the professional leader of the municipal administration but also as the undisputed leader of the community who filled the vacuum of political leadership in a fairly fragmented organization. The shadows of the strong and autonomous Finnish MCEO have vanished over the last two decades to give room for new role interpretations and patterns of action.

The biographical traits of the MCEO have remained largely stable since the 1990s. The typical Finnish MCEO is still a middle-aged man with a university degree in the social sciences. Although the number of female MCEOs has increased, the growth rate has been slow in comparison with Norway, Sweden, and Iceland.

The deliberate effort to strengthen the role of political leadership in Finnish municipalities has, until now, had relatively modest effects when measured in terms of the eagerness to implement new models of leadership. Nevertheless, it has affected the power relations between the MCEO and politicians. Survey data from 1996 and 2019 reveal signs of new patterns of interaction between MCEOs and leading politicians. New roles for local politicians have also resulted in other problems in the interaction between politics and administration in Finnish municipalities (Kyösti & Paananen, 2020).

The history of the Finnish MCEO began in the cities in the 1920s. In the 2010s, the large cities were the early adopters of a new leadership model with a political mayor as the figurehead—the committee–leader model according to Mouritzen and Svava’s (2002) typology. The further diffusion of the new model to other local authorities has been slower than expected. The council–manager model still stands strong. It remains to be seen the ways in which the major 2023 reform, which cut municipal budgets and staff numbers in half, will affect the leadership structures of Finnish local government.

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