

Introduction

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Why is municipal self-government important at the present moment?

The tension between the normative basis and reality of municipal self-government has grown more and more in Finland in the 2010s. According to the Constitution of Finland, section 121, the country is divided into municipalities whose administration is based on the self-government of their residents. But what do we have left of the municipal self-government and what does it actually mean? What could a strong self-government mean to the Finnish society, citizens and communities and to which direction should it be developed?

There are many perspectives to self-government. An economics expert likes to emphasize the perspective of economics and amount of available resources. The more money available, the greater self-government there is. Jurisprudents connect self-government with the position of municipalities in the judicial system, as well as legal latitude that the statutes allow for them. Self-government means independence from the statutes that minutely govern the activities. Political scientists might think that the undisturbed and efficient operations of the political institutions are essential for the implementation of self-government, since municipal self-government is specifically the self-government of its residents. In the frame of reference of the research on local governance, self-government is emphasized also as a characteristic of the municipality itself. Self-government is strong when the management functions well and the residents are able to significantly affect the future of their own local community. In addition, self-government can be regarded as a value, method of administration formed during historical progress or even philosophy.

The various perspectives are connected to each other and uniting them enables us to study self-government in a diversified way. Even a large amount of money does not really help self-government if someone else minutely governs its use. Respectively, the freedom to perform operations independently without any legal regulations is restricted without the economic and other resources that are needed to implement them. Thus, a loose definition of municipal self-government could be the capability of the residents to implement local choices. At its strongest, this requires the operation of political institutions, economic resources and freedom from regulations.

Without self-government, the idea of municipal administration materializes poorly. The basic values of municipal self-government are freedom, participation and

efficiency. The existence and meaning of municipalities in the society can be justified on the basis of democracy, efficiency and strengthening of the local economy. (for more information, see Haveri – Majoinen – Jäntti 2009). At its best, municipal administration has a positive impact on the effective organization of services and the residents' involvement and citizen participation. These are supported by the local coordination and synergy of activities, catering for local knowledge and special characteristics in development activities, innovations enabled by different ways of action and the wish arising from communality to act on behalf of one's own immediate surroundings. However, these features of the municipal administration that promote efficiency and democracy cannot be effectively materialized without self-governing municipalities. Without functional self-government all municipalities would soon be identical, we would not try out different ways of action, and there would not be forerunners and those that follow. Without functional self-government there would not really be incentives for the residents to participate in local governance.

Municipal self-government is in a crisis. There was an intention to increase the municipalities' autonomy during the reforms in the 1990s in the spirit of the free municipality experiment. For some time, everything seemed to go to the right direction but, after the turn of the millennium, the real self-government of the municipalities has continually been decreasing through the overload of functions, increasing regulations and top-down controlled administrative reforms. There are still people in many municipalities who think that the power of a municipality is directly proportional to the size of its budget. However, it has become clear that the decentralization of functions from the state to the municipalities and new functions have rather lessened municipal self-government than increased it. The municipalities' operations should stem from a local standpoint and respond to local needs, and at the same time they should fulfill the continually expanding national standards and methods related to education, health etc. It might even be the case that some leading officials or politicians in the municipalities have become cynic and given up on their defending of municipal self-government.

The municipalities are undergoing reforms and the ongoing changes also require a renaissance of self-government. There is a sort of soul-searching process in the municipalities in which they aspire to respond to the increasing pressures with many new ways, including the rescaling of functions, introducing customer-producer models and utilizing other market based solutions, as well as investing in strategic management. A new kind of municipal administration is emerging as a synergy of the municipalities' own reforms and state regulations; in this new municipal administration also the various perspectives of self-regulation should be reconsidered.

The purpose of this book

The idea of a book on municipal self-government arose during the Kunnallistieteen päivät in Jyväskylä, Finland, in 2009. The starting point was a discussion about the state of municipal self-government in Finland in the 2010s. Several people suspected that the basic idea of self-government had disappeared amidst the pressures of various

reforms and the continually increased municipal obligations by the state. Also at that time there were many kinds of opinions on the importance of self-government and especially the need for increasing it. However, few have doubted that it is an issue which demands attention in research and also wider discussion in the society.

We, the editors, think that it is necessary to discuss the contents, meanings and development of self-regulation in Finland. For example, we want to raise discussion about the political decision makers' will to maintain self-regulation as a central social institution and part of public administration. We think that it is also important to consider what it means if self-regulation withers away. The current intermediate state, in which municipal self-regulation exists in principle but not necessarily in practice, is problematic in many ways. This is seen e.g. in the weakening of the municipalities' operational preconditions and the way the state regards the municipalities.

This book discusses self-regulation diversely from many perspectives, using tools of, for example, economics, politics and law. We bring out the possibilities that municipal self-regulation can offer in the current transitional period and the significance it might have in the struggle of the Finnish society to cope with the future challenges. In addition, we highlight the many tensions and threats related to municipal self-government. As a whole, the articles highlight the factors that constitute the new cornerstones of municipal self-government.

The book includes both scientific articles and discussions that illustrate the subjects. Researches, literature as well as other material are utilized in the articles. The discussions represent ideological expert views on the various factors related to municipal self-government. This way, the articles and discussions complement each other.

The factors related to municipal self-government are contentually diverse. First in this book, the idea of municipal self-government and theory connected to it are considered. Then, attention is turned to the position and non-position of self-government. The situation is reviewed through the development of the municipality-state relationship, European frame of reference and changes in the operational environment. The third chapter focuses on democracy and citizen participation as the cornerstones of self-government. The fourth chapter deals with administration, economics and leadership. In the fifth chapter, emphasis is on the change of the municipalities' basic functions and main fields of functions, as well as the changes directed to them from the perspective of self-regulation.

The idea and theory of municipal self-government

We must rediscover the idea and theory of municipal self-government. Risto Harisalo encapsulates this aptly: development without self-regulation is merely the development of municipalities. Without the idea and theory of self-regulation, municipalities are just an extension of the state which implement decisions made on the higher levels of hierarchy, produce services and perform other administrative duties. The essential elements, which should be the base of municipal self-government, are communality, locality and civic society as well as adaptation to changing and complex environmental factors. However, these issues have to be revised and updated constantly due to e.g.

the changes in the operational environment. Consideration to them should also be the starting point in the development of the municipalities.

In his article, *Risto Harisalo* approaches municipal self-government from toquevillan perspective that emphasizes community. From this viewpoint, there are two characteristics that municipalities require to be self-governing communities - independence and power. Based on these, democracy and society can develop at least somewhat autonomously. Municipal self-government cannot function without independence and power and without them the residents will not bond enough with their municipalities. From toquevillan perspective, municipal self-government is also the foundation of dynamic society. It should be viewed as a cultural factor that has a substantial effect on the development of the people's lives and society. Since municipal self-government is the cornerstone of society, it is important to try to understand how it reshapes the state, economic relations and people's social lives.

Arto Haveri and *Jenni Airaksinen* study municipal self-government through the concept of local self-government. Their starting point is the thought that especially locality and meanings related to that are essential for the operations of self-governing communities. The basic argument for local self-government stems from the observation that there are issues which are objects of political definitions and conflicts of interest - these issues are not global, national or necessarily even municipal; they are related to people's everyday lives and immediate environments. For the justification of the municipalities' self-regulation, it is essential that the residents are able to realize their local choices through their municipalities and use the municipalities as efficient tools to develop the prerequisites of their lives; services, environment and sources of livelihood. In the end of the article, the writers present a vision of Finland that anchors solidly to local self-government and in which governing based on the residents' local self-government is regarded as an essential part of national welfare, innovation politics and regeneration.

Sakari Möttönen develops the theory related to municipal self-government based on contingency thinking. The main message of his article is that the more complex the society changes and develops to be, the more scattered the public sector operations and structures should become. Due to the operations of the state, municipalities often have too little freedom of action. They do not always have such operational mandates or prerequisites that they could use to respond with their own actions to changes in the operational environment. The best strategic approach to the renewal of the municipal structure is based on the cooperation between the state and the municipalities.

Pasi-Heikki Rannisto takes a historical perspective to consider who really owns a municipality. He thinks that self-government is discussed mainly with unclear concepts and arguments. In the contemplation of self-government, one first has to define what it is, whose self-government it is and which parties are defining it. Municipal self-government has developed from its creation phase to society thinking, after which the idea of self-government has been defined by the pursuit of efficiency and power. In the welfare state, the strong state control of the municipalities had an effect on self-government. After that, emphasis on the efficiency of the municipalities' operations has returned which has also lead to vagueness of the idea of municipal self-government.

The perspectives of a resident and democracy have been included in the definition of municipal self-government in the different phases, and especially since the 2000s it should be given more importance.

Torsti Kirvelä's article studies the future of municipal self-government based on various scenarios. The basic idea of scenario thinking is to create several alternative futures, based on which it is possible to outline municipal self-government, its essential characteristics and the effects and challenges that each future will set for municipal self-government.

In the end of the first chapter, *Ari Kolehmainen* presents the Uusi Kunta 2017 [New Municipality 2017] programme of the Association of Finnish Local and Regional Authorities and considers the ways to reshape municipal self-government to respond to the challenges of the 2020s. The article emphasizes the necessity of such change in municipal administration that takes into account all the functions and challenges of the municipalities as well as their differentiated situations, needs and prerequisites.

The position and non-position of municipal self-government

The second main chapter of the book focuses on the local condition, position and non-position of municipal self-government. In this case, municipal self-government is highlighted in a transitional period against the European development of municipal self-government. The main change drivers related to the operational environment are the municipality-state relationship, development of information and communication technology, demand for vitality and customer orientation.

Inga Nyholm's article examines the municipality-state relationship in the framework of the state supervision of the municipalities and changes that have occurred in it. Historical understanding and analysis of the municipality-state relationship is needed in order to understand its current nature. According to Nyholm, in the 2000s a new mindset started to emerge in the municipality-state relationship in which municipalities could be seen as partners of the state. In control systems, this approach emphasizes networking. Nyholm outlines that in future there should be an increasingly strong partnership, which could also offer new dimensions to the municipality-state relationship and make governing more legitimate.

In his article, *Aimo Ryyänen* takes a look at the effects of the legislation and principles of the European actors, Council of Europe and European Union, on municipal self-government and municipalities' operations. He highlights in a critical way the relations between the charter of local self-government of the Council of Europe and national legislations. The EU White Paper, the principle of subsidiarity and directive on services in the internal market have an impact on the formation of self-government. According to Ryyänen, municipal self-government forms the basis of the European democracy. Municipal self-government is a fundamental prerequisite for the European constitutional state and democracy.

Kari Prättälä studies what kinds of legislative or other state actions are needed to maintain and improve the basis of municipal self-government. The subject is discussed,

among others, from the perspectives of the regulation and widening of civil rights, municipal and service structures as well as municipal democracy and economics. The necessity for this review is emphasized by the fact that the program of the new government, which will be introduced in spring 2011, will include many important issues related to the municipalities' self-government.

Ari-Veikko Anttiroiko contemplates the ways how ICT is reflected in the changes of municipal self-government. Even though technological development has both frameworking and enabling effects on social life, including municipal administration, it does not directly define the scope and forms of self-government. Rather, it shows up as an instrumental process that has an influence on self-government conceptions and practices.

Stefan Sjöblom examines municipal self-government from the perspective of bilingual municipalities in proportion to the whole municipality field. He asks what the essential hallmarks of a vital municipality are from a lingual viewpoint. In this case, locality and communality are emphasized and, based on them, the essential issues regarding future are solutions founded on neighborhood democracy and municipal district government.

The second chapter includes two practical discussions. *Kristiina Wikberg* visions the future of Finnish Swedish municipalities in 2030 with the help of four scenarios. The starting point for her consideration is the fact that Swedish-speaking Finns have lately been feeling that their environment has changed; thus, they have to find new ways to maintain their culture and language. The vision emphasizes renewal, culture, identity, pace-setting and multiculturality. *Jussi-Pekka Alanen* studies self-government from the perspective of metropolitan area. In his article, he draws an image of a model of metropolis that covers the whole Helsinki metropolitan area and has clear contents and decision making system. The building blocks of governing also require a law on metropolitan administration and a council, which is voted in direct election, as the decision making body of the metropolis.

Civic democracy as a cornerstone of self-government

Democracy and the participation of the municipalities' residents are essential cornerstones of municipal self-government. Similarly to the relationship between the municipalities and state, municipal self-government has to be examined particularly as the self-government of its residents and their chance to realize local choices. Therefore, there is no basis for self-government without the inhabitants' activeness, approval or democracy. However, at the same time it has to be recognized that civic democracy faces strong pressures for change.

Vuokko Niiranen asks in her article whether there are visible references in self-government of its stone base becoming distorted, weathering or even collapsing. The inhabitants might recognize the risks in municipal self-government, which is seen e.g. in the decline of turnout percentages and inhabitants' disinterest in issues. Will we in Finland end up unnoticed in a situation in which the foundation of democracy becomes weaker especially from the perspective of the municipalities' residents and it is under-

mined either with conscious choices or it weakens involuntarily, by drifting? According to Niiranen, municipal self-government can also be viewed as the self-government of the municipalities' inhabitants and from the perspective of the maintenance of their participation. The inhabitants' participation is valued differently according to which of the participation theories is applied.

In her article, *Marianne Pekola-Sjöblom* studies the various dimensions of being a resident of a municipality. These are seen, for example, in the attitude to municipal services, trust in municipal decision making, voting in municipal elections as well as participation in municipal positions of trust and forms of direct democracy, such as the planning of municipal services. The final part of the article discusses the significance of the residents' opinions on the municipalities and, through them, the actual being of a resident for the operations of a municipality and possible changes in the municipal structure. Pekola-Sjöblom emphasizes that municipal democracy is a part of the municipality's vitality and calls for actions from the municipalities to strengthen resident orientation.

It is also important to pay attention to the practices that change civic democracy. *Anna-Katriina Salmikangas* takes notice to this viewpoint. She analyzes the possibilities of genuine self-government from the viewpoint of one civic society actor, village association. Local coordination and synergy between the municipal administration and third sector are founded on this and, at the same time, new challenges arise for citizen participation.

José Valanta takes a critical look on the possibilities of the current municipal self-government, especially in smaller municipalities, and notices that they are practically completely dependent on both each other and networked service production organizations. Since the identity of the municipalities is emphasized in municipal mergers, he asks whether the once rejected regional municipality model should be seriously reconsidered and we should in Finland start to build a completely new kind of self-government concept.

In his article, *Jaakko Pitkänen* wonders whether the municipalities' residents have any influence on the municipal decision making processes. The article deals with the residents' experiences on the operations of municipalities in both regional and provincial cooperation. Pitkänen emphasizes especially the significance of the networking and active cooperation between small communities and municipal decision makers as a way to functional citizen participation.

Economy, management and administration as the cornerstones of self-government

An essential part of the functionality of self-government depends on the municipalities' administration. It is important that administration could be considered not only from the perspectives of efficiency and democracy, but also based on the idea of self-government. Administrative and management practices can from their part strengthen or weaken the operational possibilities of self-government. The articles analyze especially issues on management, economy and data administration.

Jari Stenvall and *Maarit Sihvonen* analyze the management of municipalities not just generally, but also from the viewpoint of how the reforms directed to the municipalities have set pressures for change. The writers find problematic that the municipalities' management has been developed only as professional management, and not as an activity based on the idea of municipal self-government. The practice and theory of management could be developed along with the professional approach by emphasizing civil society, municipalities as a cultural phenomenon, vitality in a local and complex operational environment as well as activities in networked and technology influenced conditions. These starting points could create structured goals to the management content areas such as resource management, strategic management, network management and change management.

Pentti Meklin and *Jarmo Vakkuri* aspire to structure municipal self-government from the viewpoint of economy. Their article studies self-government as the capability of a municipality to cope with its duties. In this frame of reference, self-government means a municipality's possibility to decide on its own economy, i.e. income and expenses and assets and liabilities, and also take responsibility for the consequences of the decisions. The flip side of the possibilities is the responsibility related to them. The economic balance of a municipality is an important perspective in the review of municipal self-government. Balance means simply that, in the long term, the municipality's income and expenses have to be in a controllable balance. According to Meklin and Vakkuri: "When the income financing of a municipality ends, also its self-government in the economic sense ends".

Antti Syväjärvi and *Harri Ihalainen* think that in the current situation, which is defined by reforms and changes and can also increasingly be called knowledge society, it is justifiable to examine the municipalities' data administration as a part of municipal self-government. Through data administrative solutions, the municipalities have to be able to respond to not only local but also regional and national public data administration procedures. Syväjärvi and Ihalainen emphasize that data administration sets a challenge for municipal self-government. How will the actors manage to make local choices that are in the favour of both the municipality and its residents? Ignorant or incapable data administration is a genuine threat and challenge for the municipalities' self-government, whereas at its best data administration as a local or general choice supports self-government.

Päivi Laajala and *Kari-Pekka Mäki-Lohiluoma* create an image of the negotiation and steering procedures in the municipality-state relationship, their current situation, practices and development needs. They consider that the development of the system would, on one hand, require organizational changes to strengthen horizontal coordination between different ministries and, on the other hand, spending limits to municipal economy that correspond with the public economy. This would bind also the ministries more closely to the available resources. The obstacle to the developing is that the parties do not have a uniform view of their roles, duties or position in the negotiation system.

Jarmo Asikainen highlights the meaning of strategy and decision making and executive capabilities related to them for municipal self-government. The success of

the municipalities is becoming more and more dependent on the local operational environment, which forms an essential field of possibilities for the municipalities' strategic planning and management.

The functions and role of municipalities

The basic function of a municipality is defined in the municipality law. While writing this in 2011, the basic principle is the so-called integrated municipality thinking and definition of functions based on it. Founded on the integrated municipality thinking, the functions and basic structure of Finnish municipalities are the same, whether they are big or small or located wherever.

The municipalities' functions can be approached in many different ways from the standpoint of self-government. When self-government is 'de jure', its functionality can be assessed or evaluated according to how the municipalities cope with their functions. On the other hand, municipalities are currently able to define only a part of their functions. The functions of the municipalities have still increased in the 2000s and the aspiration has been to strictly standardize their implementation.

Kaija Majoinen analyzes, based on empirical material, the contents that the various actors raise to the core of the municipalities' basic function. She is interested especially in the kinds of contents that are emphasized in municipalities that act in differing operational environments. Majoinen highlights the necessity for redefining the basic function of the municipalities. When municipal organizations merge into parts of hybrid service networks and development partnerships, development and an enabling role are emphasized in the municipalities' basic function. Otherwise, there is a risk of withering and getting into a negative spiral. That is why it is necessary to redefine, among others, the interfaces of the branches and responsibilities for different functions.

Anni Jäntti studies the effects of the decrease of the municipalities' authority and functions on municipal self-government. The object of his case study is the Kainuu self-government trial. Jäntti applies the concept of hollowness in the analysis. In the Kainuu self-government trial, the municipalities' field of functions has decreased substantially compared to the rest of Finland; however, comparable processes have begun also along with the municipal and service structure reforms. Nevertheless, the narrowing of the field of functions does not necessarily lead to the municipalities' hollowness, as Jäntti shows that the decrease of functions can also have a positive impact on the restructuring of self-government through the creation of new local communities.

Sini Sallinen approaches municipal self-government from the perspective of voluntary functions and analyzes the changes in the legal latitude directed to them, in particular the effects of EU legislation. Sallinen highlights the importance of these functions in the realization of local needs and promotion of vital municipalities, but notes that the legal latitude in the functions has narrowed significantly. The comprehensive welfare of the residents also includes economic welfare. Above all, the viewpoint of vitality is essential related to municipal self-government. Vitality is approached from the standpoint of the development of the economic life of the municipal area.

Jouni Välijärvi focuses on what kind of a foundation basic education, which is mainly the responsibility of the municipalities, provides for the construction and strengthening of the skills and knowledge of Finland in the future. He thinks that a capable Finland will be based on skilful and knowing individuals and local communities. The rapid change in our operational environment requires many reforms in the traditional educational structures and methods, even though we have so far reached excellent results. The article studies the future challenges related to basic education, such as educating future inhabitants of the municipalities and preventing social exclusion. According to Välijärvi, also learning could be approached more widely than before. The expertise in education could surely be utilized much more widely than it currently is in the building of the municipalities' learning municipality vision and its practical implementation. A capable municipality means that there are more and more skilful and knowing residents in the future.

Juhani Lehto pays attention to the fact that the public discussion on social, health and basic education services has in recent decades repeatedly created a situation in which it seems that the municipalities are opposed to the corrective or expansive measures on the welfare service rights outlined by the state, or even suggest limitations to the existing rights. This leads to question whether there is something wrong in the relationship between the state and the municipalities, as municipal self-government and the inhabitants' rights to welfare services seem to come into conflict with each other. The article brings out a concern about the changing of the mutual relationship between the state and the municipalities into a direction in which separateness is emphasized more than joint responsibility. In the new mechanism, it is difficult to recognize the negotiation of the joint responsibility on service rights or compromises resulting from it or any substitutive processes. Even a specified project to restructure local government and services (Paras) has not succeeded in bringing much visible signs or beginnings of development paths for the joint responsibility.

Veli-Pekka Nurmi analyzes safety from a wide frame of reference. The administration and preparedness of a municipality's safety comes down to both the promotion of the inhabitants' safety and assuring the continuity of the municipality's operations for the management of crises. Nurmi proposes that the changes in the municipal and service structures and the service production of the municipalities have to be taken into account as factors that have an impact on the municipalities' preparedness and administration of safety. In the municipality level, the preparedness planning of the municipalities should be connected to their budget processes in the councils.

Arto Lepistö pays attention to the increase of ill health. Even though the municipalities have reached good results in the promotion of welfare, ill health and its many consequences have become a serious threat to both municipalities and the whole Finnish society. Thus, the focus of the welfare politics should be shifted from the prevention of the consequences of ill health to their reasons, i.e. preventive action. In this model, the municipalities' role is more than before to strengthen the residents' capability to live individual and balanced lives and to be a trainer and the one taking care.