

Managing Nordic Local Governments

Paradoxes and Challenges of the Municipal Chief Executive Officer

Edited by Eva Marín Hlynsdóttir Morten Balle Hansen · Anna Cregård Dag Olaf Torjesen · Siv Sandberg

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Eva Marín Hlynsdóttir • Morten Balle Hansen Anna Cregård • Dag Olaf Torjesen Siv Sandberg Editors

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Preface

This book is about the position of the Nordic municipal chief executive officer (MCEO) and its interactive relationship with the internal and external environment. The purpose of the book is to provide a thorough, extensive and updated description of the MCEO's position within Nordic local government, thereby filling a long-felt knowledge gap. An important approach here is to present a comparative analysis of all the five Nordic states: Denmark, Finland, Iceland, Norway and Sweden.

The book is the culmination of work that began in 2018 with the establishment of the TopNordic network. The idea behind the project was to explore stability and change in the role of the Nordic MCEO in each country as well as to compare similarities and differences between the countries. A survey was conducted in each of the countries in 2017–2020 and used as a foundation for comparison.

We are grateful to the Nordic Council for funding specific aspects through the project: Sustainable communities in the Kattegat-Skagerrak region NOS-HS (801435). This enabled the authors to come together in workshops as well as providing funding for the open access publication of this book. The book was written between 2020 and 2023 and is a

vi PREFACE

collaborative effort of ten contributing authors. It is our hope that this book is only the first step in more comparative publications on the top management of subnational governments.

Reykjavík, Iceland Odense, Denmark Borås, Sweden Kristiansand, Norway Turku, Finland Eva Marín Hlynsdóttir Morten Balle Hansen Anna Cregård Dag Olaf Torjesen Siv Sandberg

Praise for Managing Nordic Local Governments

"The book provides a comprehensive analysis of a central role in the machinery of local government in the Nordic countries – that of the chief administrative officer. In doing that, the authors lay bare patterns of power and interaction that are not normally visible to the general public but shape, nevertheless, the local policies and service provisions that are essential to people's everyday lives. The book thus contributes significantly to the academic literature on public administration in the five Nordic countries and also enhances our understanding of the role of local democracy in the Nordic model."

—Harald Baldersheim, Professor Emeritus, Department of Political Science, University of Oslo, Norway

"Nordic local governments always have been champions in trustworthy governance. This empirically rich comparative book shows how their model anticipates turbulence and adapts to remain effective and legitimate. This changing Nordic model of Municipal Chief Executive Officers should inspire local government survival reform kits, in all countries. Make sure you have it on your desk."

—Geert Bouckaert, Professor, Public Governance Institute, KU Leuven, Belgium

"This book is a lighthouse for all who seek to understand the multifaceted landscape of Nordic local government. It provides empirically informed analyses and reflective reports about the role of the municipal chief executive officer (MCEO) and explores its variation among Nordic countries. It is a unique reference on the Nordic administrative model for decades to come."

> —Sabine Kuhlmann, Professor for Administration and Organisation, Department of Public Administration and Political Sciences, Potsdam University, Germany

"Municipal governments around the world greatly differ, yet many share similar challenges of local government management. While global organizations like the International City/County Management Association provide opportunities for professional development, few academic studies systematically compare municipal management on an international level. *Managing Nordic Local Governments*, however, constitutes one of those rare books, providing a comprehensive analysis of the management of cities in these five social welfare states. While the Nordic states may not contain large populations, they still impact the global community. Maybe most importantly, this book illustrates how municipal management demonstrates the positive role that government plays in society, reflecting the Nordic moralistic political culture that is essential to democratic societies."

—Robert Blair, Professor Emeritus, University of Nebraska at Omaha, USA and Affiliated Researcher, Centre on Governance, University of Ottawa, Canada

"The chief executive officer (CEO) in the municipalities plays a very important role, linking the politically elected municipal council and mayor to the hierarchy of managers and employees. Building on existing insights and developing new ideas, the book analyses and compares the roles of CEOs in the Nordic countries, and this is very valuable for both scholars and students."

—Lotte Bøgh Andersen, Professor in Public Administration and Leadership, Aarhus University, Denmark

"This book unpacks one of the important riddles of the Nordic welfare-states: What are the possible key roles of the local CEOs in the five Nordic countries? It reveals five different pathways to the current CEO roles, their careers, political 'fingerspitzgefuhl' and day-to-day management vis-à-vis the state and the elected local rulers. This work has only been possible by delicate in-depth analysis by a much-dedicated group of scholars. A must-read for scholars searching for some answers to Why Nordic welfare-states are working."

—Ylva Norén Bretzer, Senior Lecturer, School of Public Administration, University of Gothenburg, Sweden

"Managing Nordic Local Governments - Paradoxes and Challenges of the Municipal Chief Executive Officer, is a fascinating and timely collection of explorations of the world, work and worries of the most senior officer in municipal government. It examines how Nordic countries have experienced the development of the office of Chief Executive and the forces, challenges and demands that have shaped the managerial and political structures of local government in the selected countries.

The book also provides an important analytical tool for understanding and assessing the particularities of the Nordic model, which itself offers a valuable comparative understanding of that office beyond the Nordic nations. *Managing Nordic Local Governments* is an excellent edited source for all those seeking to understand and develop local government's most senior officer."

-Colin Copus, Emeritus Professor, De, Montfort University, England

"Since the 1990s, much has been written about the role of local political leadership. However, this mostly referred to institutionally strong mayors and rarely addressed municipal chief executive officers in Scandinavian municipalities, i.e. of municipalities with a very broad range of tasks and a high degree of local autonomy. This research gap is now closed by the book edited by Eva Marín Hlynsdóttir, Morten Balle Hansen, Anna Cregård, Dag Olaf Torjesen and Siv Sandberg with the title Managing Nordic Local Governments – Paradoxes and Challenges of the Municipal Chief Executive Officer. I therefore strongly recommend reading this book."

—Hubert Heinelt, Institute of Political Science, Technical University of Darmstadt, Germany

"This is an excellent entry to the understanding of the Nordic welfare model, essentially local in its nature: a deep dive into the life and being of the municipal chief executive officer, as the central node in the interplay between local politics and administration."

—Linnéa Henriksson, Lecturer in Public Administration, Åbo Akademi University, Finland

"The world is changing fast. Strong lobby groups work for the elimination of the state while supranational regulation seeks to coordinate policies of sovereign states. There are technologies for everything, but machines cannot think like people do. In our predicament solutions that balance the consent of the people and cooperation on global issues will largely emerge in the interaction between engaged local politicians and administrators. Good to have this comparative analysis of an important actor in the modern welfare state."

—Sten Jönsson, Professor Emeritus of Management, Gothenburg Research Institute, Sweden

"This is a most needed book based on solid empirical investigation. Despite differences it confirms the idea of a Nordic model also at local governmental level and emphasizes the importance and development of professional administrative leadership and management at the apex of politically led organizations."

—Kurt Klaudi Klausen, Professor of Public Administration, University of Southern Denmark, Denmark "This insightful volume delves into the intricate role of Municipal Chief Executive Officers (MCEOs) in Nordic municipalities and unravels the unique local governance model within the welfare state. Skilfully navigating the nuances of varied approaches across Nordic countries, it sheds light on the development of the welfare state in the post-war period, emphasising in particular the pivotal role of local governments. The comprehensive exploration includes the dynamic workplace of the MCEO, addresses relevant research questions and adopts a solid theoretical foundation. The strength of the book lies in its meticulous research design and methodology, providing the reader with a compelling and well-rounded perspective on the Nordic municipal landscape and the MCEO's position within it. With this volume, Hlynsdóttir and colleagues have produced an indispensable resource for understanding the complexities of local government in these countries, and I wholeheartedly recommend it to every scholar and student of local government."

—Simona Kukovič, Associate Professor, School of Advanced Social Studies, University of Ljubljana, Slovenia

"At last a research meritoriously exhumes a recently too much neglected figure: the "anonymous leader", in charge of the daily municipal services production. An exceptional lens used in this book to question the perduring significance of the notion of a "Nordic" local state model. Substantially confirming it. What is here even more clearly confirmed is the perduring richness of a Nordic tradition of public and academic monitoring on local matters which sustains and stimulates the specific direct inquiry. A suggestive exercise of comparison between very similar cases, claiming the capacity of the "local" to bring light in the prominent discussions on democratic quality."

—Annick Magnier, Professor of Urban Sociology, University of Florence, Italy

"In the ever-evolving landscape of governance and public administration, *Navigating the Nordic Model* sheds light on the pivotal role of Municipal Chief Executive Officers (MCEOs) within the unique framework of the Nordic welfare state. Through rigorous research and comprehensive exploration, this book offers a deep dive into the intricate interplay between politics, administration and social welfare.

By exploring the delicate balance between stability and change, similarity and difference, the book provides invaluable insight of the nature of municipal leadership, holding high appeal for the international academic community interested in local government and public administration."

—Carmen Navarro, Associate Professor, Department of Political Science, University Autónoma of Madrid, Spain "In the era of local governance, issues of place-bound leadership gain traction. At the apex of the administrative sphere and in the nexus with the political, Municipal CEOs merit closer inspection. Yet, they are often at the nadir of academic attention.

This book provides a rare and valuable exception offering a pressing update of comparative research conducted three decades ago. Covering five Nordic countries, it convincingly demonstrate the real-life within and between country similarities and differences. The job (demands, constraints and choices) appears embedded in an intricate web of systemic conditions explored in-depth throughout the volume. However, the fundamentals of the role still stand. This remarkable stability of the Nordic model comes with incremental adaptation and subtle differentiation.

The fine-grained and balanced analysis matches with the aim to unravel the patterns and dynamics of the position within its institutional context. This must-read will undoubtedly inspire further ventures into grasping administrative leadership in the Nordic countries and far beyond."

—Kristof Steyvers, *Professor*, *Department of Political Science*, *Ghent University*, *Belgium*

"Managing Nordic Local Governments – Paradoxes and Challenges of the Municipal Chief Executive Officer is an important contribution to the literature on the role and contributions of local government appointed chief executive officers. It is useful to learn from this in-depth investigation that the findings in the book Leadership at the Apex that I co-authored with Poul Erik Mouritzen based on the UDITE survey from the 1990s are still valid, but it documents incremental and positive changes in the role of the CEO that have occurred along with the "profound change" in local governments and governance that have occurred in the past three decades. The expanded contributions of Nordic CEOs are similar to those that led the British Society of Local Authority Chief Executives to call its members the "chief strategic officers" in their governments almost twenty years ago."

—James H. Svara, Former Professor, School of Public Affairs, Arizona State University, USA

"Finally, municipal chief executive officers (MCEOs) in the Nordic countries are receiving the recognition they deserve. This is significant as they serve as top managers for large public organizations, playing a vital role in the Nordic welfare states. These welfare states are constantly facing challenges, and the future success depends largely on how effectively the influential MCEOs fulfil their responsibilities. This book provides an intriguing perspective on the Nordic Model, thoroughly explores the specificities of each Nordic country, while also offering compelling historical analyses. The content is well-researched and logically presented, making the book highly recommended."

—Signy Irene Vabo, Professor of Political Science, University of Oslo, Norway

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CHAPTER 1

The Nordic Municipal CEO

Morten Balle Hansen , Dag Olaf Torjesen , and Harald Torsteinsen

1.1 THE MUNICIPAL CEO IN THE NORDIC WELFARE STATE

The sociological imagination enables us to grasp history and biography and the relations between the two within society. That is its task and its promise. To recognize this task and this promise is the mark of the classic social analyst. (Mills, 1959, p. 6)

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The Nordic municipal chief executive officer (MCEO) is the highest-ranking non-elected leader in the municipality. The position is part of a political—administrative leadership team at the apex of the Nordic municipality. The exact organization of municipal leadership varies within and among the Nordic countries, but the collaboration between the politically appointed mayor and the MCEO is crucial in all contexts and may be characterized as a twin-principal authority at the core of the interaction between politics and administration. Metaphorically, the MCEO position can be characterized as the 'hub' of the Nordic welfare municipality—linking politics, administration, professionals, and citizens together. This position is variously referred to as chief executive officer, chief administrative officer, city manager, or council manager. Here, we use the term MCEO.

The five relatively small and affluent Nordic states together constitute a major part of the Nordic region. The Nordic countries have a century-long tradition of economic, cultural, and political exchange, cooperation, and in earlier centuries military conflict (Hansen, 2011; Hansen et al., 2011, 2020; Strang, 2016). Since the Helsinki Treaty in 1962, Nordic cooperation has been formally institutionalized in the Nordic Council, which recently characterized the present-day Nordic countries as 'the most sustainable and integrated region in the world' (Grunfelder et al., 2020, p. 14). Though perhaps overstated, the report espouses a widely shared image of a specific Nordic culture, identity, or even a Nordic model that is also preeminent in recent academic publications (Bruno et al., 2022; Byrkjeflot et al., 2022; Eloranta et al., 2022; Sellers et al., 2020).

The Nordic model, sometimes called the Scandinavian or Swedish model (Byrkjeflot et al., 2021; Kuhlmann et al., 2022), has been analysed from various perspectives. In the political economy welfare state tradition, Esping-Andersen (1990) labelled it the social democratic model in a seminal book, while Rothstein (1998) coined the term the universal welfare state, since the Nordic model is largely characterized by free or subsidized universal welfare services for all citizens (e.g. education, health care, and social protection), financed primarily by high taxes. Nordic municipalities are especially well known for taking care of the 'fourth dimension', that is, the provision of welfare (Goldsmith & Larsen, 2004; Stoker, 2011).

Therefore, in terms of the organization and management of welfare services, the Nordic model is dependent on the quality of local

¹The Nordic region also includes the autonomous territories of the Faroe Islands and Greenland and the autonomous region of Åland.

government. With the notable exception of Iceland, a distinct, locally organized welfare state evolved in the Nordic countries after the Second World War. The spectacular growth of the global economy during this period, especially from the 1960s, was translated into investments in comparatively large, locally organized welfare states in the Nordics (Albæk, 1995; Hansen et al., 2020; Tanzi & Schuknecht, 2000). Local government—local and regional levels combined—made up two-thirds or more of the public sector in terms of public consumption and employment in the early 1990s (Rose & Ståhlberg, 2005, p. 84), which continued (OECD, 2021a, 2021b) into the late 2010s.

Thus, Nordic local government has emerged as the major organizer and provider of welfare services in the Nordic countries, a transformation with important implications for the position of the MCEO. Consequently, Nordic MCEOs manage relatively large organizations in terms of tasks, employees, and budgets, and discussions about the future of the Nordic municipality are related to the general question about the sustainability of the Nordic welfare state model (Haveri, 2015).

After decades of criticism around its high cost and questionable economic sustainability (Bowitz & Cappelen, 1994; Ervasti et al., 2012; Haveri, 2015), the Nordic model of coordinated capitalism has drawn international attention for its resilience, innovativeness, and flexibility in tackling serious challenges and crises (e.g. Sandbu, 2020). The ability of the Nordic region to combine liberal market economics with high levels of social welfare seemed almost counterintuitive to some proponents of the new public management (NPM) perspective of the 1980s and 1990s, while others saw NPM as the answer to reforming and saving the welfare state (Hansen et al., 2020).

So far, the Nordic approach seems to have made the impossible possible, placing the Nordic countries at or near the top decile of most transnational performance indices (Anheier et al., 2018), such as the United Nations Human Development Index (Schubert & Martens, 2005, p. 25), the Global Innovation Index (WIPO, 2020), the Gender Equality Index (Humbert & Hubert, 2021), and the Democracy Index of the Economist Group (Amoros, 2022). All Nordic countries recently ranked among the top 10 in the Word Happiness Report 2023 (Rowan, 2023), which even talked about 'The Nordic exceptionalism' (Martela et al., 2020). There have been multiple explanations for this relative success, for example, the tripartite corporatist model, relatively low economic inequality, high social security, and a generally high level of trust both inter-personally and

vis-a-vis public authorities (Pickett & Wilkinson, 2015; Schramm-Nielsen et al., 2004).

In this book, we examine the characteristics of the Nordic model of governance from the perspective of the MCEO, a figure responsible for organizing and managing the municipality. As such, we will not include the regional level or regional CEOs in our study. The focus of the book is on how the institutional surrounding, position, and role perception of the MCEO have evolved in the last few decades. A local government perspective on the Nordic model and the position of the MCEO has largely been absent from the literature, with notable exceptions (Albæk, 1995; Baldersheim et al., 2017). For instance, two recent volumes on the Nordic model barely mentioned local government and municipalities (Byrkjeflot et al., 2022; Eloranta et al., 2022).

The local government systems of the Nordic region may provide an additional explanation for the region's relative success. According to recent attempts at constructing comparative indices of local government autonomy, the Nordic municipalities are some of the most autonomous in the world (Ladner et al., 2023; Ladner & Keuffer, 2018). A large and autonomous local government sector—democratically and functionally anchored among local citizens while being integrated into the national governance system—has the potential to generate broad mobilization from below. In this respect, the MCEO plays a pivotal role and will probably do so even more in the years to come, especially due to the growing size and complexity of local government organizations.

Against this backdrop, it is paradoxical that we still lack an integrated and updated text on administrative leadership in Nordic local government and its evolution over time. Therefore, the purpose of this book is to narrow this knowledge gap. As such, it represents a milestone. To our knowledge, the top administrative managers of Nordic local government have never been described, analysed, and compared in an international academic text of this size before.

1.2 Nordic Municipalities: Spatially Bounded, Multi-task Organizations

The MCEO position is characterized by a spatially delimited area of responsibility. In other words, this responsibility is bounded by geographic locality. Spatial characteristics and challenges are often not accounted for

in local government studies, but MCEOs and the political–administrative system in which they work are heavily influenced by such realities, since they are responsible for delivering welfare services within a specific geographic area. In Table 1.1, we present key information on the variation among the Nordic countries in terms of geography and the number and size of municipalities.

The Nordic region is geographically situated in Northern Europe, between the Arctic Ocean to the north and the European continent to the south and between North America and the United Kingdom to the west and Russia to the east. Despite low fertility rates, the Nordic countries have, through migration and increased life expectancy, experienced an increasing but aging population from around 23 million people in 1990 to around 28 million people in 2023. Importantly, while these population changes vary substantially between regions and municipalities (see Fig. 1.1), understanding them is crucial to Nordic municipal management because tasks such as childcare, eldercare, and public schools are strongly related to demography.

As Fig. 1.1 shows, the northern areas of Finland, Iceland, Norway, and Sweden are more sparsely populated, while the southern parts, including

Table 1.1 Facts on local government in the Nordic countries in 2023

| | Denmark | Finland | Iceland | Norway | Sweden |
|--|-----------|---------|---------|-----------------------------|------------------------|
| Number of municipalities | 98 | 309 | 64 | 356 | 290 |
| National population in thousands | 5933 | 5525 | 0,387 | 5489 | 10,328 |
| Average size of municipalities | 60,540 | 17,869 | 6047 | 15,022 | 35,444 |
| Median size of municipalities | 44,207 | 6060 | 1258 | 5163 | 15,435 |
| Proportion of municipalities with less than 5000 inhabitants | 3% | 43% | 83% | 51% | 5% |
| Second sub-national level | 5 regions | 1 + 18 | 0 | 15 counties (fylkeskommune) | 21 regions (landsting) |
| Surface area (1000 km²) | 43 | 338 | 103 | 324 | 450 |
| Population per square km | 138.9 | 16.3 | 3.7 | 16.6 | 23.0 |

Note: Data from the OECD (2021b); Icelandic Statistics (2023)

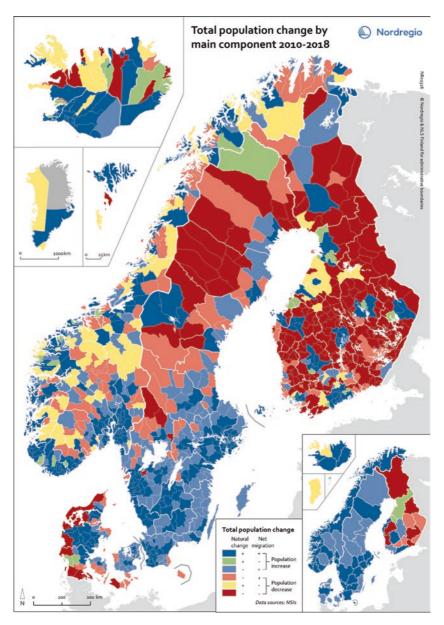


Fig. 1.1 Map of Nordic countries, with municipalities and regions depicting population change 2010–2018. (Nordic Council of Ministers; Grunfelder et al., 2020)

most of Denmark, accommodate most of the population. The map also illustrates how the population in Nordic municipalities has changed during the period 2010–2018, exposing vast areas experiencing population decrease, most evidently in Finland and Sweden (Grunfelder et al., 2020) and parts of Denmark and Norway.

Figure 1.2 offers a prognosis for population change up to 2030 (Grunfelder et al., 2018). The map indicates prognosed areas of population decline (grey areas) and growth (areas within red bold line). The uneven distribution of settlements, which are still growing, constitutes an important contextual factor for local government organizations and has significant implications for the various situations and challenges, which the municipalities and MCEOs must handle in different parts of the Nordic region.

The maps in Figs. 1.1 and 1.2 indicate the different challenges faced by political and administrative leaders in the various types of municipalities. Depending on their location within the Nordic geographical space, some municipalities in peripheral and rural areas face depopulation and an aging population, while others, mostly in central urban areas, face various problems relating to growth. These problems include difficulty recruiting employees in the periphery and getting cheap accommodation for young families in the growth areas. Thus, a spatial approach illuminates that some MCEOs face the challenge of managing decline, while others face the challenge of managing growth.

1.3 THE NORDIC MUNICIPAL MULTI-TASK ORGANIZATION

The challenges associated with managing decline and growth become obvious when we explore the tasks performed by Nordic municipalities (see Table 1.2). The basic logic of the Nordic universal welfare state is that all citizens are entitled to free or cheap high-quality public services, such as childcare, eldercare, and public schools. The organizational unit responsible for most of these services is the Nordic municipality. Thus, in principle and largely in practice, municipalities are responsible, irrespective of size, for providing the same portfolio of services within their respective countries. This principle—referred to as the generalist municipality principle in Norway—implies that a municipality in the periphery with a small

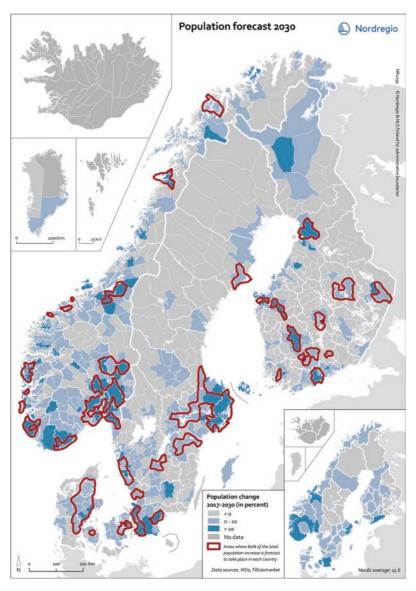


Fig. 1.2 Prognosed change 2030 (left maps municipal level, right small map regional level). (Nordic Councils of Ministers; Grunfelder et al., 2018). *Note*: The blue tones represent expected population increase, with dark blue indicating the greatest increase (above 10%). The light grey tone indicates population decrease. Municipalities with no available data are shown in dark grey (e.g. Iceland). The areas encircled in red are groups of municipalities that will contribute to 80% of the population growth in each country

Table 1.2 A typical portfolio of tasks performed by Nordic municipalities

| Typical tasks of Nordic local governments | | | |
|---|---------------------------------------|--|--|
| Education | Kindergarten | | |
| | Preschool | | |
| | Primary school | | |
| Health care and social services | Primary health care | | |
| | Out-of-hours services | | |
| | Elderly care | | |
| | Nursing homes | | |
| | Home care | | |
| | Social work | | |
| | Income security | | |
| | Social income | | |
| | Social housing, refugee accommodation | | |
| | Disability services | | |
| | Child protection services | | |
| Sports and culture | Library services | | |
| | Parks and recreational areas | | |
| | Sports arenas | | |
| Technical tasks | Water and waste management | | |
| | Local roads | | |
| | Seaports | | |
| | Urban planning, zoning | | |
| | Local development | | |
| | Civil contingency planning | | |

Source: Authors compilation

population should deliver by and large the same quality and quantity of services as a densely populated urban municipality.

This 'generalist municipality principle' is made possible by 'co-operative decentralization' (Baldersheim et al., 2017), which includes state funding schemes, redistribution of finances between municipalities (Etzerodt & Hansen, 2018), intermunicipal cooperation (Arntsen et al., 2018; Klausen & Torsteinsen, 2023), and other institutional arrangements.

This means that many tasks, which in other countries are assigned to the state, are decentralized to local government in the Nordic countries. This kind of decentralization is called 'policy scope' in the Local Autonomy Index and is one of seven measures of local autonomy in its recently published second version (LAI 2.0), which places the five Nordic countries in top eight in terms of local autonomy among the 57 countries measured in the index (Ladner et al., 2023; Fig. 4). However, there are important

variations between countries in terms of the portfolio of municipal tasks. For example, Danish municipalities are responsible for paying all types of pensions, a task which makes the municipal budgets appear significantly higher than in the other Nordic countries. Conversely, Icelandic municipalities have fewer responsibilities than their counterparts in the other Nordic countries.

1.4 Long-Term Strategic Challenges to Nordic Municipalities

The Nordic municipalities and their leadership are currently faced with several strategic challenges. The criteria for including these challenges are as follows: that they are (a) currently high on the agenda of Nordic MCEOs; (b) likely to be long term in nature for at least a decade or two; and (c) relevant to most if not all Nordic municipalities. Thus, these challenges influence the daily work agenda of Nordic MCEOs in important ways. The politics of coping with these challenges are often visible in MCEOs' attempts to manage public finances and in the yearly process of municipal budgeting (Haveri, 2015). However, the challenges are more basic and relate to the vision of the Nordic welfare state. Our claim is not that the list is exhaustive—other candidates for the list could be considered—but that the basic vision and strategic situation of Nordic municipalities highlight the importance of these challenges:

1. Demography and migration: The most basic challenges are associated with demography and migration. The demographic shift in the Nordic countries towards an aging population (Holmøy et al., 2020) implies 'increasing costs and diminishing resources of the welfare function' (Haveri, 2015, p. 145). The costliest tasks (e.g. eldercare, childcare, and education) and a substantial part of the financial resources (tax base) of the Nordic municipalities are related to demography. Internal national migration, with urbanization trends towards young people moving to cities and leaving the elderly behind, implies different sides of the challenge, but all MCEOs need to cope with challenges related to demography and migration. The influx of refugees and asylum seekers constitutes part of the demography—migration challenge, and its importance is likely to increase, though it may vary substantially over time and among countries and

- regions. The demography–migration challenge is associated with the generational contract embodied in the vision of the universal welfare state and empirically reflected in the so-called dependency ratio (Rouzet et al., 2019).
- 2. Employee recruitment and retention: Associated with the demography and migration challenge are the recruitment and retention of sufficient numbers of qualified personnel. This challenge is important for managers of all organizations but has recently become more urgent in Nordic municipalities, especially those in peripheral regions. Demographic prognoses indicate an increasing long-term shortage of employees in the Nordic countries in general and in welfare professions in particular, a challenge not limited to the Nordic countries (Boulhol & De Tavernier, 2023).

Municipalities have sought to meet this challenge in various ways, including onboarding programmes for new employees, improved human resource functions and relations-oriented leadership, as well as attempts to recruit employees from other countries and automatizing and digitalizing some work processes and welfare services, including the growing use of artificial intelligence.

3. Multi-level networks and intermunicipal collaboration: Nordic municipalities are multi-task organizations expected to deliver by and large the same level of welfare services, albeit under drastically different conditions. This challenge is partly handled through multilevel (state, region, and municipality) and inter-municipal collaborative networks. These networks of horizontal and hierarchical external relations—Baldersheim et al. (2017) coined the term 'co-operative decentralization' to describe these networks—are important to most if not all Nordic municipalities and their leadership. In fact, MCEOs and other actors in the Nordic municipal political-administrative system spend a great deal of time in these networks (Hansen & Villadsen, 2017)—for good reasons. These networks contribute considerably to (a) ensuring efficient delivery of welfare services, (b) the alignment of the financing and production of the services, (c) enhancing innovations in the delivery of services, and, perhaps most importantly, (d) it is in these networks that trust and mutual understandings of the main problems and solutions are formed concerning how to ensure the long-term sustainability and reliability of the system.

In recent decades, the dynamics of these networks have changed due to public management reforms associated with NPM and new public governance (NPG). In the last 30 years, local governments in the Nordic countries have increasingly corporatized and externalized important sections of their service provision, even sometimes privatizing it (Klausen & Torsteinsen, 2023; Lindholst, 2023; Lindholst & Hansen, 2020; Van Genugten et al., 2023). This implies that some types of local public service provision are placed outside the democratic and hierarchical authority of the municipal decision-making system, making local government more fragmented and increasing the importance of the external networking activities of Nordic MCEOs.

- 4. Digitalization and artificial intelligence: For decades, digitally enhanced automation, administration, communication, and more recently artificial intelligence—in short, e-government—have been seen as an important part of the solution to almost all public sector challenges in advanced economies (Moon et al., 2014). The Nordic countries have been some of the frontrunners in this trend, and today, all Nordic municipalities are heavily digitalized and highly dependent on digital solutions often delivered by large IT corporations. Almost all administrative work processes are conducted by means of digital solutions, with the continuous increase of digitalization. While the impact is difficult to measure, there seems to be growing evidence that the digital revolution has significantly enhanced efficiency and quality in the delivery of many welfare services in Nordic municipalities. The Nordic countries' pursuit of e-government strategies, as indicated by very active investment in and enforcement of digital innovations, may also have fostered the growth of the Nordic high-tech industries and, thus, enhanced the competitiveness of the Nordic economies (Collington, 2022). Notwithstanding, this digital-era governance imposes new challenges, as Nordic municipalities are dependent on large private IT companies who provide expensive solutions and are vulnerable to cyber-attacks and other threats to the reliability of IT systems. Nevertheless, in the coming decades Nordic municipal leadership will also very much constitute a digital-era leadership (Kristensen, 2023).
- 5. *Climate change and sustainable development:* For decades, environmental issues have been on the political agenda in Nordic municipalities, but until recently, they have been of secondary importance.

Climate change and sustainability, once an issue for United Nations (UN) conferences, environmental groups, and national politics, have now also become a major concern for local governments. Since the Brundtland Report (UN, 1987), sustainable development has been defined as development that 'meets the needs of the present without compromising the ability of future generations to meet their own needs'. It involves at least three dimensions—economic, social, and environmental sustainability—often referred to as the triple bottom line (Elkington, 1994). The 17 Sustainable Development Goals (SDGs) decided by the UN (2015) provide a more detailed and complex account of the meaning of sustainable development. While the focus on economic and social sustainability is integrated into the routines of Nordic municipalities, which has been the case for decades, the same does not hold for environmental sustainability. Nevertheless, evidence of the need to do so appears overwhelming (Pörtner et al., 2022), and the political reality in the Nordic countries also tends to propel a higher focus on environmental sustainability. There are trade-offs and paradoxes in the relations between the sustainability dimensions, which pose challenges for MCEOs and other municipal leaders, but the argument that municipalities and other 'welfare systems should be conceptualised as embedded in ecosystems and in need of respecting the regeneration capacity of the biosphere' (Koch, 2022, p. 448) seems mandatory.

As the core agents of municipal political–administrative leadership, MCEOs carry the overall and ultimate responsibility for implementing and monitoring these activities in a manner that secures sustainability and prevents damage, for example, flooding, avalanches, pollution, and threats to biodiversity (Toft et al., 2022).

The six challenges discussed are only some of the issues faced by Nordic MCEOs; however, they are almost universal across the Nordic municipalities, and in the short, medium, and long terms, they will influence the daily work agenda of Nordic MCEOs in important ways.

6. Crisis or emergency management: In recent years, this has been imposed on the agenda of Nordic municipal leadership. The COVID-19 pandemic, the wars in Ukraine and the Middle East, and the environmental crises associated with climate change arguably indicate that crisis management to ensure resilience in the delivery of welfare services and security to municipal citizens is qualified

as a seventh core universal challenge. Of increasing concern in the Nordic region is the renewed military tension following in the wake of the Russian invasion of Ukraine on 24 February 2022. The broader regional outcome was that Finland joined NATO, and Sweden is about to join, like its neighbours Denmark, Iceland, and Norway (Alberque & Schreer, 2023). Many Nordic municipalities and regions are influenced by this new situation, for example, by hosting refugees and making land available for military purposes (Berlina, 2022). MCEOs play an important role in civil emergencies by setting up local or regional emergency plans to safeguard the supply of food, water, electricity, all types of communication, shelter, etc. within the municipal jurisdiction. Currently, however, the military conflicts and broader environmental destruction have influenced a minority of municipalities and may be temporary. Nevertheless, the obligation to ensure a sufficient level of readiness for emergency management is a universal task for municipal leadership, and its importance is likely to increase in the decades to come.

The six strategic challenges suggested above provide an important context for understanding the work of Nordic MCEOs. As mentioned earlier, closely associated with these challenges is the permanent problem of limited economic resources. The trade-offs, dilemmas, and paradoxes related to prioritizing among these challenges have, therefore, become highly visible in municipal budget and finance decisions. We will occasionally return to them in the country chapters. In the next sections, we briefly explain the theoretical perspectives of the book (Sect. 1.5), review the previous research on Nordic MCEOs (Sect. 1.6), outline the basic research questions in focus in the empirical analyses of the book (Sect. 1.7), and present an outline of the book (Sect. 1.8).

1.5 Core Concepts and Theoretical Approaches

The theoretical perspectives of the book are rooted in public administration, public policy, and organization studies and will be further elaborated in Chap. 2 (Hansen and Solli). Here, we will briefly introduce the notion of the MCEO as a position embedded in formal and informal institutions.

The ontology of the book is institutional and interpretive in nature. It is institutional in the sense that we perceive the MCEO position as embedded in formal and informal rules that both enable and constrain individual

MCEOs in multiple ways (Giddens, 1984; Hansen, 1997, 2002). It is interpretive in the sense that the meaning of these rules is enacted by humans in networks of social relations (Bevir & Blakely, 2018). We elaborate on these multiple ways in Chap. 2 (Hansen and Solli), but in this chapter, we introduce two important concepts: transnational governance models and the political–administrative management structure.

Since the heydays of public sector growth in the 1960s and 1970s, various transnational models (or paradigms) and tools for managing and organizing large public sectors have been suggested and tried out to varying degrees in the Nordic countries (Albæk, 1995; Hansen et al., 2020; Torfing et al., 2020). Traditional public administration—characterized by the Weberian bureaucratic logic, that is, a competent hierarchy, transparent procedures, political accountability, and the rule of law—has to some extent been supplemented by managerialism and blended into hybrid public administrative logics (Skelcher & Smith, 2015), often referred to as NPM (Hood, 1991), transforming top municipal administrators into managerially oriented leaders. The extent to which this is also the case for Nordic MCEOs will be analysed in the forthcoming chapters. In Fig. 1.3, we present a simplified visualization of how traditional and NPM-inspired institutional logics may merge into a hybrid, neo-Weberian type of local government administration.

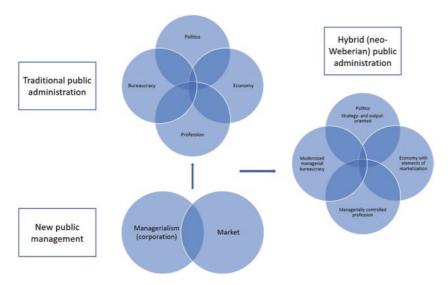


Fig. 1.3 Transnational governance models and change

1.5.1 The Formal Political-Administrative System

As discussed above, Nordic municipalities are multi-task organizations (see Table 1.2). They provide, or are responsible for the provision of, all sorts of social and technical services within their geographically delimited jurisdiction. The responsibility for organizing and delivering these services is situated in the political–administrative system (see Fig. 1.4).

The basic features of the Nordic municipal political—administrative system are visualized as an ideal type (Weber, 2002) in Fig. 1.4. The upper part of the model—the political management structure—is inhabited by democratically elected, mostly part-time politicians organized in a municipal council, an executive committee, and several standing committees. The lower part of the model—the administrative management structure—is inhabited by professional full-time managers. They are not elected or politically appointed but hired based on meritocratic principles.

In Denmark and Sweden, formal legal decision-making power is situated in the political part of the system and shared among the municipal council, the various committees, the mayor, and the chairs of the standing

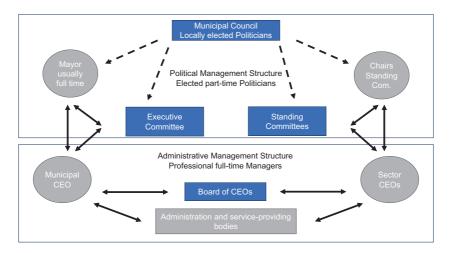


Fig. 1.4 Generic model of the Nordic municipal political–administrative system (based on Hansen, 2002). *Note: The dotted arrows* from the municipal council indicate that the actors (mayor and chairs) and committees (executive and standing) in the political management structure are appointed by the majority of the municipal council. The *two-way arrows* indicate triangles of frequent interaction

Table 1.3 Variations in the Nordic municipal political–administrative system

| Committee–leader form | Council–manager form |
|-----------------------|----------------------|
| Denmark | Norway |
| Sweden | Finland |
| Iceland (type 1) | Iceland (type 2) |

Note: adapted from Mouritzen and Svara (2002)

committees. In Finland and Norway, part of the formal legal decision-making power is delegated to the MCEO by law.

Mouritzen and Svara (2002, pp. 55–66) defined different institutional arrangements at the apex of local government in different countries. According to their models, Denmark and Sweden have a committee–leader form, while Finland and Norway have a council–manager form. In Iceland, which was not analysed in their book, the formal structure of some municipalities resembles the council–manager form, while others resemble the committee–leader form (see Chap. 3 by Hlynsdóttir et al. for further discussion) (Table 1.3).

1.6 THE NORDIC MUNICIPAL CEO: PREVIOUS RESEARCH AND RESEARCH QUESTIONS

An anthology edited by Rose (1996), Kommuner och kommunala ledare i Norden, has an explicit Nordic perspective on municipal managers, among them MCEOs. The publications from the UDiTE project (Dahler-Larsen, 2002; Klausen & Magnier, 1998; Mouritzen & Svara, 2002) included country chapters of four Nordic countries but did not analyse the Nordic context nor apply a longitudinal evolutionary perspective. All four publications used cross-sectional data from the 1990s. One of the main findings of Rose's (1996) comparative anthology on municipal leaders in the four Nordic countries² was that Nordic MCEOs had very much the same orientations and conceptions about their roles, tasks, and obligations (Kjølholdt, 1996, pp. 127–129). For instance, they were asked to respond to questions about how they prioritized the following four issues: employees, management, democracy, and rules and routines. The differences

² Iceland was not included in the study.

between the MCEOs were relatively marginal in regard to employee and management issues, while the country differences were larger on the issues of democracy and routines. Danish and Swedish MCEOs put a stronger emphasis on democracy than their Finnish and Norwegian counterparts, possibly because the latter held a more independent position than the former. This interpretation finds support in findings from the UDiTE project of the 1990s (Baldersheim & Øgaard, 1998; Ejersbo et al., 1998; Haglund, 1998; Sandberg, 1998), where Danish and Swedish mayors were seen as much more influential than Finnish and Norwegian mayors by their MCEOs. Correspondingly, Norwegian and especially Finnish MCEOs saw themselves as more influential than their Danish and Swedish counterparts. Finally, in the 1996 findings, all MCEOs emphasized rules and routines over roles, tasks, and obligations (Kjølholdt, 1996). Although much has changed in politics and local government since the publication of these anthologies a generation ago, they provide a useful measuring rod for the research on which this new book is based.

The underlying theme of our book concerns the two dimensions of *change* versus *stability* and *similarity* versus *difference*. What is changing, how is it changing, and how can we understand these changes? What is similar across the Nordic countries, and what are the important differences?

In the context of these themes, the focus of the book rests on three phenomena: First, we look at the *institutional context*, such as formal rules and informal norms concerning the position of the MCEO, the political-administrative system, and norms of good governance. Second, we examine the *biographical profile* of the MCEOs in terms of gender, age, education, conditions of employment, etc. Third, we study the *role perceptions* of MCEOs by exploring their views on municipal leadership and their relations with politicians. To guide our discussion and analysis, we use the following four research questions.

- 1. What characterizes the institutional context (formal and informal) of the Nordic MCEO?
- 2. What characterizes the biographical profile of the Nordic MCEO?
- 3. What characterizes the role perceptions of the Nordic MCEO?
- 4. How can we understand the relations between the Nordic institutional context, the MCEO's biography, and MCEO role perceptions?

Our basic hypothesis concerning the relations among the three phenomena is that various aspects of *the institutional context*, such as the generic model (see Fig. 1.3), and *the biographical profile* of the MCEO, such as the gender, are significantly related to *MCEOs' role perceptions*. Thus, countries with similar generic models and biographical MCEO profiles are expected to portray more similar MCEO role perceptions.

1.7 Research Design and Methodologies

In this study, we use the most-similar systems design (Yin, 2018) motivated by the relative similarities in Nordic local government systems, both in terms of the formal organizational structure and its importance in providing welfare services. In our analyses, we use five types of data:

- 1. Survey data
- 2. Interviews with MCEOs
- 3. Standardized indicators from descriptive statistics
- 4. Desk research and literature reviews
- 5. Expert knowledge and data triangulation
- 1. Surveys were conducted with MCEOs in all five Nordic countries (see Appendix). These surveys used parts of the survey items from the UDiTE studies of the 1990s (Dahler-Larsen, 2002; Hansen, 1997; Klausen & Magnier, 1998; Mouritzen, 1995; Mouritzen & Svara, 2002). Thus, for selected items, we could compare MCEO responses from the 1990s and 2010s from four of our five Nordic countries. In Denmark and Sweden, the survey was conducted several times. In Iceland, we only had survey data from the 2010s and could only conduct a cross-sectional analysis based on these data. However, based on the expert knowledge of the project participants as well as desk research, we reconstructed reasonably trustworthy longitudinal patterns from all five countries. The analyses in this book use descriptive statistics, while more advanced multivariate analyses were retained for future research projects.
- 2. *Interviews* were conducted, to varying degrees, with selected MCEOs in all five countries. Our primary interest in these case studies was to discuss survey findings and explore the MCEOs' own interpretations of stability and change and the similarities and differences regarding their role.

- 3. Descriptive statistics from Denmark, Finland, Iceland, Norway, Sweden, and international organizations, such as the OECD, the EU, and Our World in Data, were used. Recently developed indicators such as the LAI (2.0) were used along with well-known demographic (e.g. the dependency ratio) and economic (e.g. GDP) indicators. Such indicators are crucial to examine both cross-sectional variations between municipalities and countries and change over time.
- 4. Desk research and literature reviews: The research team benefitted significantly from previous local government studies, although the amount of research specifically targeting top managers is scarce and scattered, especially from the last decade. Also, various public white papers and evaluation reports contained valuable information that we used to supplement the primary and secondary research data.
- 5. Expert knowledge and data triangulation: All the researchers involved in the project have decades of experience with local government research and in-depth knowledge of the local government systems in their own country as well as abroad. The data triangulation and interpretation of the findings were enhanced by biannual research, face-to-face seminars, and online meetings.

1.8 Outline of the Book

The following chapters will explore in greater detail issues concerning, first, the volume's theoretical framing and the Nordic local government context before, second, presenting both historical and contemporary analyses of MCEOs in each of the Nordic countries. In the concluding chapter, stability and change and similarities and differences will be compared, and basic findings discussed.

Chapter 2, by Morten Balle Hansen and Rolf Solli, presents the basic concepts, typologies, and models, laying out the theoretical and methodological foundation of the book. It describes municipalities as both institutions and organizations functioning as autonomous but tightly integrated parts of the national welfare state. In this context, MCEOs operate as both civil servants and leaders, navigating the opaque waters between politics and administration, often triggering tensions but also spearheading opportunities for cooperation and co-creation.

Chapter 3, by Eva Marín Hlynsdóttir, Anna Cregård, and Siv Sandberg, examines Nordic municipalities from a comparative perspective. The basic

question is whether there is a Nordic model at all, and if so, what does it look like, and how does it stand out compared to other country clusters.

In the country cases, *Chaps. 4–8*, Nordic MCEOs and the municipal context in which they work are analysed for each of the five Nordic countries. In each country, the dimensions of stability versus change and similarity versus difference are examined concerning the characteristics of both the MCEOs and the municipal context in which they operate. In relation to our two dimensions, each chapter seeks to provide country-specific answers to our four research questions: (1) What characterizes the institutional context (formal and informal) of the Nordic MCEO? (2) What characterizes the biographical profile of the Nordic MCEO? (3) What characterizes the role perceptions of the Nordic MCEO? (4) How can we understand the relations between the Nordic institutional context, the MCEO's biography, and MCEO role perceptions?

In *Chap.* 4, Morten Balle Hansen describes and analyses how the collective profile of Danish MCEOs evolved since the 1980s. He shows the embeddedness of the MCEO position in a structure of local democracy and an expanding multi-task municipal organization, subordinated to national policy priorities and influenced by shifting global governance models. Today, MCEOs manage the largest and most complex public organizations in Denmark.

In *Chap. 5*, Siv Sandberg addresses the role of the Finnish MCEO from an institutional and longitudinal perspective. The tension between a strong appointed MCEO and a weaker political leadership has been a recurring theme in the Finnish debate since the 1990s. Despite recent reforms to strengthen political leadership, the position of the Finnish MCEO remains strong.

In *Chap.* 6, Eva Marín Hlynsdóttir discusses the history of the Icelandic MCEO position and demonstrates how the past influences the present. Still, the local government system has changed considerably in the last decades, adopting traits from other Nordic countries with a strong local identity, strong local councils, and a wide range of tasks. Finally, a special emphasis is put on demonstrating the similarities and differences between various types of MCEOs and the main challenges regarding the complexity of the Icelandic case.

In Chap. 7, Dag Olaf Torjesen, Harald Torsteinsen et al. describe the evolution of the Norwegian MCEO, from 1980 to the present, considered one of the most powerful in the Nordic region, second only to the Finish MCEO. The most striking change regarding biography is the

increased number of women MCEOs. Despite multiple and significant changes in the municipal context in the last two to three decades, the essential role of the Norwegian MCEO has remained remarkably stable. Nonetheless, MCEOs meet increasing expectations to cooperate internally and externally and govern municipal affairs through complex hybrid networks.

In *Chap. 8*, Anna Cregård describes and analyses the development of the Swedish MCEO over the last 25 years. She discusses changes that have taken place in the demands and constraints relating to the role compared to changes in actual performance. The results show that while contextual factors, background, and justification for leaving the job have changed considerably, small or moderate changes are evident in MCEOs' role performance. However, there are some small, long-term indications that the role may become either more of an extended arm of majority politicians or a professional, administrative head—or perhaps both.

In the concluding *Chap. 9*, the authors of the book provide a comparative analysis of the findings from the country chapters, examining our research questions from a Nordic comparative perspective. Here, we use our theoretical framework from Chap. 2 and the two dimensions of stability versus change and similarity versus difference. We focus on contextual, institutional, and organizational demands and constraints and discuss how these factors influence the manoeuvring space and choices of municipalities and MCEOs now and in the near future. In this discussion, we emphasize the paradoxes and complexities that Nordic MCEOs will have to confront.

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CHAPTER 2

Demands, Constraints, and Choices of Nordic Municipal CEOs: A Conceptual Framework

Morten Balle Hansen o and Rolf Solli

2.1 Introduction: Theorizing the Nordic Municipal CEO

Studying human agency inescapably requires the interpretations of meanings—relating beliefs, actions, and practices to further webs of meaning. (Bevir & Blakely, 2018, p. 1)

Many features of the contemporary nation-state derive from worldwide models constructed and propagated through global cultural and associational processes. (Meyer et al., 1997, pp. 144–145)

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The purpose of this chapter is to theorize the position of the Nordic municipal chief executive officer (MCEO). To do this, we elaborate upon and clarify the theoretical lenses used to analyse similarities, differences, and changes relating to MCEOs and integrate them into a conceptual framework.

As discussed in Chap. 1, present-day MCEOs manage some of the largest organizations in their country in terms of turn-over and number of employees. In the following chapters, we analyse the genesis, evolution, and contemporary practice of the people inhabiting the position of MCEO. We examine a range of questions: (1) How did the position emerge? (2) How was the position shaped by broader historical trends? (3) What characterizes the biography of the people inhabiting the position? (4) What values do they convey? (5) How do they prioritize leadership tasks? (6) How do they collaborate with important internal and external actors? To theorize the MCEO position, we combine theories of organizing, leadership, and public administration and merge them into a coherent conceptual framework.

Our overall approach is rooted in interpretive phenomenology. It combines the macro-phenomenological concept of a world society that enhances 'global cultural and associational processes' (Meyer et al., 1997, pp. 144–145) that propagate and legitimate models of public governance with the micro-phenomenological notion of national and local path dependencies and human sense-making processes that often substantially translate and adapt globally supported models (March & Olsen, 1989; Røvik, 2007, 2016).

Thus, it is impossible to understand the challenges facing MCEOs from a purely local, national, or global perspective. Globally theorized and supported models of appropriate governance are very real in even the smallest and most remote municipalities of the Nordic countries. At the same time, there are national policy reforms and local economic conditions of decline and enrichment.

Interpretations of phenomena are occasioned by humans in networks of social relations framed by formal and informal institutionalized rules. To understand the position of MCEOs, we must understand how the position is related to other positions in the political–administrative network at the apex of the municipality (Klausen & Magnier, 1998; Mouritzen & Svara, 2002a). In particular, it is crucial to understand the MCEO's position through the evolution and current characteristics of the relation and division of labour between the mayor, the leading elected politician,

and the MCEO, the highest-ranking not-elected public servant in the municipality.

2.1.1 The Embeddedness of the MCEO Position

The position of MCEO is embedded in a specific context that influences and infuses meaning (into the position) in numerous ways. The concept of embeddedness is important and raises questions about the types of contextual factors influencing the MCEO position and how. Our approach to the issue of embeddedness and context builds on seven contextual conditions, which we emphasize as important in understanding the MCEO position in Nordic local government:

- (a) *Local–national welfare state*: MCEOs are embedded in the institutional logics of public administration in the local context of liberal democracy and the vision of a national welfare state that provides universal welfare services.
- (b) Governance models: MCEOs are influenced by several distinct, often globally supported governance models that imply dynamic tensions between different governance and management ideas.
- (c) Regional dynamics: MCEOs work under various conditions and manage resource portfolios that vary significantly due to regional dynamics and disparities.
- (d) *Political–administrative organization*: MCEOs work within a political–administrative social network at the municipal apex, and this position at the intersection between politics and administration is crucial to understanding their tasks and challenges.
- (e) Leadership expectations: MCEOs are responsible for the management of large multi-task organizations. Thus, they are expected to act as leaders in enhancing both short-term, high-quality efficient welfare provision and long-term innovation and local community development.
- (f) *Public servants*: MCEOs work in an institutional setting in which they are expected to act both as leaders managing large organizations and public servants of local elected politicians and the citizens of the municipality.
- (g) Career system: MCEOs' biography and bureaucratic ethics are influenced by career systems embedded in national civil service systems and their historical evolution.

The seven contextual conditions should be understood as dynamic, enacted, and embedded. They are dynamic in the sense that they can change over time; they are enacted since their specific meaning is constructed in network relations; and they are embedded since their meaning is entangled in broader institutional logics. Our understanding of the MCEO position as an embedded model of seven contextual conditions is illustrated in Fig. 2.1.

The model presented in Fig. 2.1 is a heuristic tool with which to think about and analyse the MCEO position. It should not be understood literally. For instance, the arrows do not illustrate direct causal mechanisms; rather, they illustrate important contextual conditions. The thinner arrows pointing in the opposite direction illustrate that MCEOs can and do influence the interpretation and meaning of these conditions. The conditions imply a negotiated room for *managerial choices*, one delimited by more or less clear *demands* (things you are expected to do) and *constraints* (things you are not expected to do) (Stewart, 1982a, 1994) in the MCEO role. The negotiated room is illustrated by the circle in Fig. 2.1. In the next two sections of this chapter, we elaborate on our seven contextual conditions concerning the embeddedness of the MCEO position.

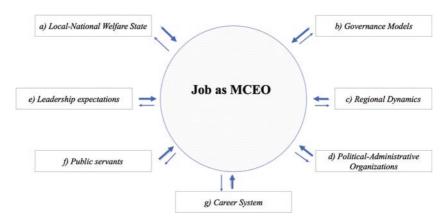


Fig. 2.1 Model of contextual conditions influencing the MCEO position

2.2 THE EXTERNAL ENVIRONMENT OF THE MUNICIPAL CEO

In this section, we present the first three contextual conditions related to the global, national, and regional external environments. The challenges and conditions in these areas vary substantially in ways that are important to the priorities of the MCEO.

2.2.1 The Local-National Welfare State

Nordic MCEOs are embedded in the institutional logics (Thornton et al., 2012) of public administration (Rosenbloom, 1983) in the local context of liberal democracy as well as in the vision of a national welfare state that provides universal welfare services (Esping-Andersen, 1990; Rothstein, 1998). These logics create tensions and paradoxes that MCEOs need to tackle. To find the position attractive and survive in it, MCEOs must understand and accept their role within the inherent tensions between political and administrative logics and those between national and local priorities.

The tensions between the inherent institutional logics in the public administration of liberal democracy have been a core theme in public administration theory. Rosenbloom (1983), for instance, showed the inherent tensions between three approaches—managerial (efficiency), legal (legality), and political (political feasibility)—to public administration. This obligation to ensure both legal and efficient administration in helping to enhance politically feasible solutions to salient problems on the political agenda of the municipality is an inherent part of the MCEO's job. In principle, and sometimes in practice, it involves conflict between competing institutional logics. For instance, the rule of law implies legal procedures that may cause delays and increase costs for politically feasible solutions.

Following a broadly similar logic, Hood (1991, p. 11, Table 2) contrasted three core values of public management: sigma-type values (keep it lean and purposeful), theta-type values (keep it honest and fair), and lambda-type values (keep it robust and simple). Hood's basic point was to show how the new public management (NPM) reforms of the 1980s emphasized sigma-type values of efficiency while neglecting the theta- and lambda-type values of fairness and resilience. In later publications, Hood

(Hood & Peters, 2004; Margetts et al., 2010) explored the inherent trade-offs and paradoxes of public management reforms.

The primary lesson from Rosenbloom and Hood is that the job of MCEO is influenced by various institutionalized values that imply tensions, conflicts, and dilemmas. MCEOs are expected to pursue a complex balance among efficiency, legality, fairness, resilience, and political feasibility in public administration and service provision. This complexity is further enhanced by the multi-level tensions of the MCEO position between national and local priorities. The purposes of the Nordic municipality are to deliver nationally decided welfare services, enhance local development, and the adaptation of national policies to local circumstances. Thus, there is a tension between national implementation and the local community perspective, which has been a core theme in local government studies for decades (Bergström et al., 2021; Goldsmith & Page, 2010; Page & Goldsmith, 1987) and is inherent in the job of MCEO. From the perspective of national implementation, Nordic municipalities are tools for the implementation of standardized welfare services. From the perspective of the local community, municipalities are a forum for local interest negotiations and the promotion of local development.

On the one hand, Nordic municipalities are responsible for delivering welfare services to a specific nationally defined standard. The vision of a universal welfare state implies that education, eldercare, and other welfare services are expected to adhere to certain minimum standards of roughly equal quality, independent of geographical location. If a family moves from one part of the country to another, they should expect and find a reasonably equal level of welfare services compared to what they left behind. In the event of the contrary—and it is quite often problematic to ensure this kind of regional equality—it is considered a major problem in public debate. Since the 1980s and 1990s, this function of the primary local provider of nationally decided welfare services has been a major characteristic of the Nordic municipality. Much public debate about municipal performance relates to the quality and quantity of these services compared to nationally defined standards.

On the other hand, the Nordic municipality is also an organization characterized by local autonomy and self-rule, with a long tradition of decentralized decision-making. Locally elected politicians may prioritize differently from national governments and can do so within limits. Different localities may require different policies, and the challenges and political priorities of municipalities at the periphery are not necessarily the

same as those of the capital. There are substantial differences between the contextual conditions of the municipalities in the capital regions of Copenhagen, Helsinki, Oslo, Reykjavik, and Stockholm and those of Northern Finland, Norway, and Sweden.

Thus, the local–national welfare state theme captures two important tensions in the job of MCEO. First, there are the classical tensions of old public administration between efficiency, legality, and political feasibility. Second, there are inherent multi-level tensions between national standards and local autonomy and adaptation.

2.2.2 Governance Models

MCEOs are influenced by several distinct, globally evolving governance models (Hood, 1991; Osborne, 2006; Pollitt & Bouckaert, 2017; Rosenbloom, 1983; Torfing et al., 2020), which imply tensions between different notions of good governance (Hood & Peters, 2004; Thornton et al., 2012). In the decades following World War II, the public sector grew rapidly in all advanced economies, and most of this growth—especially in the Nordic countries—took place in local government. Education, health, and other expanding public services where increasingly organized by local government. This public sector growth required new models of governance. The old public administration, with its classical Weberian (Weber, 1968) bureaucracy and focus on the rule of law, hierarchy through a parliamentary chain of command, and professional decision-making, was insufficient and supplemented, though not replaced, by other governance models (Hansen et al., 2020).

In the 1980s, there were attempts to reduce or roll back public sector growth and enhance efficiency in public service delivery through privatization, marketization, and performance management (Czarniawska & Solli, 2014; Hansen & Lindholst, 2016; Solli, 2014). These new modes of governance were later labelled NPM (Hood, 1991) and were a reaction to the growth of the public sector in the post-war decades, consequently introducing various new ways of organizing public sector activities. In some countries, such as the United Kingdom, this change in public management involved cutback management and rolling back the state, while in others, such as the Nordic countries, it involved diminished public sector growth, tighter budget discipline, and a greater focus on efficiency in the delivery of core public services.

Since the 1980s, several alternative and, to some extent, competing governance models were influential in the management of Nordic municipalities (Hansen, 2010, 2011). In Table 2.1, the most important of these are presented (see also Fig. 1.2 in Chap. 1); the latter three are sometimes labelled post-NPM governance models. While the tension should not be exaggerated, the models in Table 2.1 represent differences in the current predominant thinking concerning good governance.

The ideas in the models are contradictory, but they also exist side by side and influence one another. Management models as ideas concerning how to manage public sector activities are constantly tried out, adapted, and tried out again in various contexts. Such processes of learning and cross-fertilization sometimes result in new hybrids of management models (Gross, 2017). The neo-Weberian state (NWS) model (Pollitt & Bouckaert, 2004, 2017) represents a paradoxical hybrid of the traditional public administration model (TPA) and the NPM model. New public governance (NPG) and digital era governance (DEG), however, represent very different notions of good governance.

The five models can have important implications for the priorities of MCEOs. According to the TPA model, MCEOs should emphasize the classical virtues of public administration and enhance their administration based on the rule of law and a loyal, neutral civil service. According to the NPM model, MCEOs should enhance an administration that supports competition between providers of public services through the establishment of quasi-markets (Solli, 2014), semi-autonomous agencies, and managing through goals, key performance indicators, and contracts. According to the NWS model, the MCEO should combine the TPA and NPM models. Some scholars have suggested that the NWS model has become predominant in Nordic public administration (Hansen et al., 2020). According to the NPG model, the MCEO should enhance internal and external collaboration across silos and organizational borders. Finally, according to the DEG model, the MCEO should change organizational routines and practices in ways that utilize the many possibilities of digitization.

While each of the priorities suggested by the models may seem reasonable, they do imply tensions and paradoxes in public sector management. Historically, the organic network portrait of society in NPG was advanced as an alternative and criticism of the TPA's more rigid hierarchical portrait (Osborne, 2006; Rhodes, 1994). Both NPM and TPA tend to create and strengthen some of the silos and organizational boundaries that NPG

 Table 2.1
 Five governance models

| Model | Traditional Public Administration (TPA) | New Public Management (NPM) | Neo-Weberian State (NWS) | New Public Governance (NPG) | Digital-Era Governance (DEG) |
|---|--|---|--|--|---|
| Basic notion C | Unique state actor Marketization and Moderni characterized by the rule of modes of organizing through law, neutral civil servants, from the private marketiz and a parliamentary chain sector can make the OK, but of command legitimized public sector more state rem through democratic efficient unique a effections rules, me rules, me and cultra | Marketization and modes of organizing from the private sector can make the public sector more efficient | Modernizing through marketization is OK, but the state remains a unique actor with its own rules, methods, and culture | Hierarchy increasingly replaced by horizontal networks of actors from many sectors | Digitalization is the meta innovation of our time, and higher performance is achieved through new ways of organizing that exploit possibilities |
| Primary coordination Rules, planning, mechanisms bureaucracy, and professions | Rules, planning, bureaucracy, and professions | MTMs, KPIs, goals, contracts, quasi- markets, semi- autonomous agencies | Rules, planning, bureaucracy, and professions supplemented with NPM elements | Network of mutually dependent actors and coalitions | Centrally managed common standards combined with decentralization of information and decisions |
| Seminal publications (| Crozier (1964); Weber (1946, 1968) | Hood (1991) | Pollitt and Bouckaert (2004) | Osborne (2006) | Dunleavy et al. (2006, 2008) |

Note: Table inspired by various sources: (Barley, 2020; Dunleavy et al., 2006; Pollitt & Bouckaert, 2017; Hood, 1991; Rhodes, 1994 Osborne, 2006; Hood & Margetts, 2007; Torfing et al., 2020; Weber, 1968)

seeks to transcend in order to enhance cooperation. Furthermore, some of the governance principles of DEG tend to be at odds with NPM (Dunleavy et al., 2006).

All five models are, however, influential and constitute a set of managerial values that influence the priorities of MCEOs. An important understanding of Table 2.1 is that the five models are not mutually exclusive. Parts of all five can be concurrent, even in the same place (Solli et al., 2005). However, models often fade over time but quite often leave behind traces in the form of sediments (Jönsson & Solli, 2017).

2.2.3 Regional Dynamics and Disparity

MCEOs work under different local conditions and manage resource portfolios that vary due to regional dynamics and disparities. This has implications for the relevant strategic choices that the MCEO and other managers at the apex of the municipality need to consider. Some municipalities, often those in the more remote parts of a country, are characterized by economic decline, often indicated by a shrinking population, an increasing share of elderly citizens, and a relatively low share of citizens with higher education qualifications (Hansen et al., 2018; Knudsen, 2020). In Chap. 1, we showed substantial variations in the demographic realities of Nordic municipalities, even though the respective populations have increased, on average, in recent decades.

In municipalities characterized by a rural shrinking and aging population, it is often difficult to attract young talented employees for vacant positions, and those who do apply often move on when offered job opportunities elsewhere. The main challenges of the MCEO and other leaders in the political–administrative system can be characterized as the management of decline, a situation which influences the most urgent municipal policy problems and the strategies for tackling them. If a company should show interest in moving their activities to a municipality, the mayor and MCEO will go to great lengths to remove obstacles and will dedicate their time and resources to welcome them (Hansen, 1997). We occasionally see desperate attempts to reverse the trend and attempts to brand municipalities in new ways and find new forms of income. We also see attempts at influencing state policies in favour of disadvantaged regions (Etzerodt & Hansen, 2018), with recent political trends showing that regional disparity can change the political landscape (Hansen et al., 2018).

Another type of municipality is characterized by an increasing urban population, with many educational institutions, attractive job opportunities, young families with children, etc. The main challenges of the MCEO and other leaders in the political–administrative system of these municipalities can be characterized as a management of enrichment and progress, a situation that influences the most urgent municipal policy problems and response strategies. We often find this type of municipality in the capital regions of the Nordic countries.

Between these two extremes, we find other types of municipalities. Some are characterized by high crime rates, while others are in the process of transformation from an old industrial city to a modern high-tech city, etc. The main point here is that the policy problems faced by MCEOs vary substantially due to the varying regional dynamics and disparities and that these differences have implications for the demands, constraints, and choices faced by MCEOs.

2.3 THE LOCAL MUNICIPAL ENVIRONMENT OF THE MCEO

In this section, we present the last four contextual conditions in our model (Fig. 2.1). These conditions are related to the municipal organization and its political–administrative management structure, including rules for entering and leaving the MCEO position.

2.3.1 Political-Administrative Organization

In Chap. 1, we presented the basic formal political—administrative structure of Nordic municipalities, and in Chap. 3, we will compare this structure to those of other types of local government. Here, we take a broader theoretical perspective. An important factor for the MCEO is how the municipality functions as an organization. In almost all large organizations, top managers are partly situated between the principal and the agents and partly situated as the head of the agents. In several respects, MCEOs work between two very different types of organizations. The principal is represented by the political sphere in the municipality, while the agents are the municipality's employees who work in the administration. The political sphere in the municipality has one type of logic, while the administration has another type of logic, which is quite different

(Weber, 1946). This section draws inspiration from Brunsson's (1985, 1991) and Weber's (1946) seminal discussions on the relations between politics and administration.

Selection of Employees: In a pure form, the organization of politics is characterized by aspects of representative democracy. It is through public elections, mediated by political party organizations, that decisions are made regarding who will sit on leading bodies. The consequence is that there are competing interests and norms among politicians. In the administration, it is the meritocratic professional characteristics of the career system that shape who enters administrative management positions. One implication is that the political organization tends to be characterized by disagreement and competing ideologies. In contrast, the administration tends to be characterized by professional unity, although this may be challenged by competing managerial logics of governance.

The Procedure: The political organization lives by and for discussion, debate, and argumentation. If there is no room for debate, it is not a politically interesting issue. If you live by discussion, problems are a valuable raw material, especially difficult problems. The administration is action-oriented and, therefore, is focused on solutions to be implemented.

Decision-making: From an external point of view, the political organization is engaged in rational decision-making. Problems are placed on the agenda, various alternatives are highlighted, and choices are made by counting votes. Administration is more like ordinary decision-making. Simon (1947) called this satisficing and coined the term bounded rationality, while Brunsson (1985) called it irrational.

Ability to Change: When an organization is characterized by discussion and debate, it is difficult to manoeuvre. The problems need to be anchored, and it takes time to form alliances, thereby making it an insightful organization. The administration is manoeuvrable but, due to the absence of alternatives, finds it difficult to realize when there are problems, thereby lacking in insight.

The MCEO, more than anyone else, exists in both logics but, above all, between them. It is theoretically interesting to study the practice of MCEOs. What does the MCEO's work look like in their relations with politicians? How often do MCEOs and politicians meet? What do MCEOs and politicians do together? We shall return to what they do separately in the context of leadership expectations. Nevertheless, these questions provide an opportunity to explain the empirical phenomenon that constitutes the role of the MCEO. While the comparative literature is extensive, in

this book, we employ longitudinal data to compare the Nordic countries and the changes within each country.

The basic properties of the political-administrative system analysed above have implications for the distribution of power among actors within the system and, thus, for the demands, constraints, and choices faced by MCEOs. From a formal legal perspective, decision-making power is situated in the political system, but at least five models for the relative influence of the actors within the two systems can be deduced from the literature: formal-legal, village life, functional, adversarial, and administrative (Peters, 1988, Chap. 5). In this book, we use survey items from the UDiTE study (Klausen & Magnier, 1998; Mouritzen & Svara, 2002b) to examine how MCEOs perceive the relative influence of the actors within and around the Nordic municipal administrative system. Do they perceive politicians to be in power, as in the formal-legal model? Alternatively, do they perceive the top administrators to have the most influence, as in the administrative model? To what extent do these perceptions remain stable or change over time? To what extent do they vary between countries and types of municipalities.

2.3.2 Leadership Expectations

MCEOs are responsible for the management and leadership of large multitask organizations. In this section, we briefly discuss generic theories of efficient leadership of relevance to understanding the MCEO. One way to understand these theories is in the context of the current state of knowledge on efficient leadership. This knowledge may be challenged and changed over time. Currently, however, these theories are taught at leadership seminars around the world and, thus, are understood in relation to important characteristics of efficient leadership.

As leaders, it is the job of the MCEO, along with other important actors in the political–administrative system, to enhance both short-term efficiency in accomplishing the tasks of the municipality (e.g. provision of childcare, primary education, and eldercare) and enhancing long-term adaptation through innovation and local community development (Hansen, 2013; Yukl, 2013).

Hales (1986, 1999), for example, conducted a review of the early generic leadership literature on managerial behaviour. Most of the studies we now call classics in leadership research were included, such as Taylor

(1911), Carlson (1951), Stewart (1967, 1991), Mintzberg (1973, 1991), Kotter (1982), and Burns (1978).

More recent reviews of the generic leadership literature (Van Wart, 2017; Yukl, 2013; Yukl & Gardner, 2018) by and large confirm Hales' (1986, 1999) findings but also include findings regarding effective leadership. According to this literature, effective leaders tend to have a direct and indirect focus on three related dimensions: a short-term focus on the administration and delivery of output (productivity in the delivery of products, services, etc.), a medium-term attention to relations (employee satisfaction, important internal and external networks, etc.), and a long-term strategy for innovation and adaptation to changing environments (Van Wart, 2017; Yukl, 2012).

The most crucial network relations of the MCEOs are those with the local elected politicians; however, these relations are omitted from the generic leadership literature, though not in political science, public administration, and local government studies (Aberbach et al., 1981; Hansen, 1997; Klausen & Magnier, 1998; Mouritzen & Svara, 2002b; Putnam, 1976; Svara, 2001; Weber, 1946). Elected politicians in the municipal council hire and fire MCEOs (Christensen et al., 2014; Cregård & Solli, 2019; Hansen et al., 2013), and the most important decisions in the municipality must be approved by decisions made by the majority in the municipal council. Thus, in a very real sense, the demands, constraints, and choices (Stewart, 1982a) of the MCEO position evolve in the interaction between the MCEO and local elected politicians within the framework of national legislation.

The four roles used in this book were discussed in the UDiTE studies headed by Mouritzen (1995), among others, and combine insights from the generic leadership and public administration literature. *Classical administrative functions* (guide subordinates, fiscal management, enforcement of rules, and establishment of new routines) are roles related to the focus on tasks and outputs, very much in the tradition of Taylor, Weber, and Fayol discussed above. The *political adviser* (technical and political advice to the mayor, establishing norms of relations between politicians and administration, influencing decision-making) is a role from the public administration literature inspired by a long tradition of enriching our understanding of this relation going back to Wilson (1887) and Weber (1946, 1968), with significant recent contributions by Svara (1999, 2001, 2008).

The *organizational integrator* (solves problems and conflicts of human relations, stimulates cooperation, informs about employee viewpoints) is a role related to the network dimension of effective leadership from the generic leadership tradition. Enhancing cooperation and facilitating good employee relations are core functions of leadership in all organizations; however, although included, this part of the job of the MCEO did not feature in the UDiTE studies (Dahler-Larsen, 2002; Klausen & Magnier, 1998; Mouritzen & Syara, 2002b).

The *policy innovator* (formulates visions, attracts external resources, informs about citizen viewpoints, improves efficiency) is a role inspired by the generic leadership literature and the strategic focus on adaptation and innovation and challenges to the rigid politics–administration dichotomy in political science and public administration (Aberbach et al., 1981; Hansen & Ejersbo, 2002; Svara, 2008).

The four roles of *classical administrator*, *political adviser*, *organizational integrator*, and *policy innovator* are used in our empirical analyses in the country chapters. They were also used in the UDiTE studies of the 1990s, and we will be able to demonstrate stability and change in leadership priorities since the 1990s.

2.3.3 Public Servant

Some MCEO tasks involve acting as public servants of the local government. This involves serving upwards to politicians, downwards in relation to employees, and outwards in relation to citizens. Integrity, honesty, impartiality, and objectivity are qualities that public servants are often expected to possess. The characteristics relate largely to Weber's (1946, 1968) discussion on the bureaucratic organization and the relations between politics and administration. While the public servant is expected to follow the law and be sensitive to political intentions, they must also safeguard more general values and norms (Lundquist, 1993, 1998). Striking a delicate balance among politics, jurisprudence, and managerial efficiency, as emphasized earlier by Rosenbloom (1983), captures an important part of the public service ethos implied by the notion of the public servant.

The properties are questioned individually and collectively (Pollitt & Bouckaert, 2017). However, the increasingly blurred boundary between politicians and public servants becomes a type of problematization (Frederickson et al., 2012; Mouritzen & Svara, 2002b), and there is a lack

of clarity in both directions. On the one hand, managers create more room for manoeuvre with a growing and professionalized sector (Jönsson, 1982; Olsson, 2016). On the other hand, there are also clearer efforts by politicians to influence the administration more directly (Karlsson & Olsson, 2018).

As a civil servant, the MCEO is highly dependent on the local political system and the role of locally elected politicians. What do ideal political roles look like from the point of view of MCEOs? In the UDiTE studies (Mouritzen & Svara, 2002a, 2002b, pp. 175–178), which we have replicated in this study, a distinction was made between the governmental and linkage roles of the ideal politician. Governmental roles include the three roles of governor (decides major principles), stabilizer (decides stable and clear goals), and administrator (decides administrative routines). Linkage roles include the two roles of ambassador (explains municipal decisions) and representative (spokesperson). Some of our datasets also allow for discussion around the differences between ideals and how they work in practice.

2.3.4 Career System

Career development involves one's whole life, not just occupation. As such, it concerns the whole person—needs and wants, capacities and potentials, excitements and anxieties, insights and blind spots, warts and all. More than that, it concerns him/her in ever-changing contexts of his/her life. (Wolfe & Kolb, 1984, p. 124)

Local CEOs are a status group whose professionalization is based on specific resources such as an academic background (relatively often in law) and a know-how acquired in many loci within the world of public bodies and public services. CEOs are 'local' mainly in the sense that their work histories tie them to the world of local government, but they have few roots in the local community. ... Through their jobs, CEOs are socialized into a municipal world not to a specific community. (Magnier, 2002, p. 56, emphasis in original)

As in other organizations, municipalities make decisions concerning membership (Ahrne & Brunsson, 2011). When, how, and who to hire and fire for a specific job are some of the most important decisions in organizations. Especially for high-ranking managers, such as MCEOs, such decisions can have important consequences for the entire municipality. The notion of a career system suggests that norms and rules concerning who

to hire and fire tend to be institutionalized across the sector of local government. Over time, the basic rules and norms concerning the characteristics of those allowed to enter a specific job may change. Some trajectories of the job of MCEO may be opened, while others may be closed.

Important background variables include education, gender, age, and previous experience, among other factors, which are heavily influenced by the career system—that is, the long-term formal and informal rules concerning how you enter and leave a specific position. In fact, these variables can be seen as indicators of the basic characteristics of the career system. The concept of system here suggests that there are many, often interconnected indicators of importance to the career. The degree of formalization of career systems varies between countries and sectors and is heavily influenced by the evolution of the national education system (Hansen et al., in press, 2013). In some countries, very specific educational requirements regulate who enters the MCEO position, while in others, this is less formalized (Klausen & Magnier, 1998; Magnier, 2002).

Education plays a role in a person's career choices or outcomes (Weick, 1996). It is reasonable to believe that an administrative education leads to an administrative job. However, once a career is underway, there are strong indications that actions and attitudes are formed in practice. Kolb (1984) used his theory of experiential learning to discuss how learning works (Hayden & Osborn, 2020), where practical experience becomes the basis for learning, which can then be abstracted and shaped into rules of action. If you, as a leader, have a recipe for how to solve a problem, it is easy to use the same recipe in another situation.

Kolb (1984) drew a significant portion of his reasoning from Lewin's (1943) reasoning on active learning and field theory. It is not entirely far-fetched to take the reasoning further towards actor network theory (Latour, 2005) and action-nets (Czarniawska, 2014). Documents and actors are shaped by the available institutional arrangements. The introductory quote from the section shows the importance of actors' careers in terms of how they act. At the empirical level, it would be interesting to study variables such as background and education as well as how MCEO networks emerge and how they have changed over time.

2.4 THE MCEO POSITION AS AN EMBEDDED DEMANDS—CONSTRAINTS—CHOICES MODEL

The seven contextual factors analysed above influence the job of the Nordic MCEO in important ways. We suggest that a useful model to think about and analyse managerial positions, such as that of the MCEO, is the demands-constraints-choices model suggested by the management researcher Stewart (1982a, 1982b; Stewart & Fondas, 1994). Managers are faced with both demands and constraints, which leave them some room for choices (see Fig. 2.2).

Demands are the obligations and requirements that the MCEO needs to fulfil to get the job and stay in it. For instance, Nordic MCEOs need a basic understanding of the formal and informal rules of local liberal democracy as well as to act accordingly. Perhaps for this reason, most of them amass several years of experience from local government before they are hired as MCEOs. Constraints are activities and norms not acceptable to get the job or stay in it. Nordic MCEOs should, for instance, only allow public spending in accordance with the politically decided budget. Demands and constraints leave room for choices—the managerial priorities, strategies, and ethics that a person may bring to the job and try to pursue while fulfilling their obligations. In the short run, for instance, there is room for administrative choices within the decided budget, and in

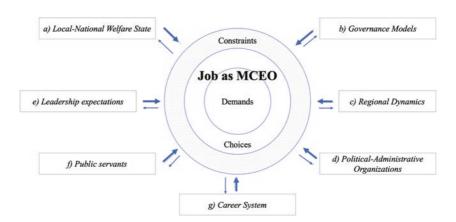


Fig. 2.2 The embedded demands-constraints-choices model of the MCEO position

the long run, the administration can somewhat influence the size and composition of the budget (Solli, 2023).

As indicated earlier, the demands–constraints–choices model (see Fig. 2.2) should be understood as dynamic, enacted, and embedded: dynamic because demands, constraints, and choices often change over time; enacted because the precise meaning of demands, constraints, and choices are negotiated among the people within and around the position; and embedded because their meanings are entangled in the larger webs of meaning that we call institutions. It is difficult to understand the Nordic MCEO position without some notion of local representative democracy and the meaning of the politics–administration dichotomy in the Nordic context (Mouritzen & Svara, 2002a).

The bold arrows in the model in Fig. 2.2 indicate that the seven proposed themes are expected to influence the demands, constraints, and choices faced by MCEOs in significant ways. The thin arrows from the MCEO to the contextual conditions indicate that, especially in the long run, MCEOs may influence the meaning and implications of the contextual conditions. The model is intended as a device for understanding and exploring the conditions for managing Nordic municipalities. We will use the model as an analytical tool in the following country chapters and the concluding chapter of the book. Here, we will examine two cross-cutting aspects of the model: (1) the arrows and (2) the relations between the contextual elements of the model.

1. How do the seven contextual elements influence the job of MCEO (the nature of the arrows)?

The seven contextual conditions are related to the job of MCEO in different ways. We presented the first three elements (a, b, and c) under the heading of 'the external environment'. They are not directly related to the position of MCEO but more generally to the functions and meaning of Nordic municipalities in the Nordic welfare state. Thus, they frame the challenges that the MCEO faces and introduce complexity, trade-offs, and paradoxes in the choices that the municipal political–administrative leadership—including the MCEO—needs to make.

The final four elements (d, e, f, and g) were presented under the heading of 'local municipal environment' and are more directly related to the job of the Nordic MCEO. The political–administrative organization (d) of Nordic municipalities embodies the formal

hierarchical rules concerning the functions and hierarchical decision-making power of the actors—including the MCEO—at the apex of the Nordic municipalities. The MCEO needs to understand and follow these rules, and there is limited room to change them. Leadership expectations (e) can be seen as formal and primarily informal rules and norms concerning how leaders should act. They are a consequence of the large multi-task organizations that Nordic municipalities have become. There is also plenty of room for choices and different types of leadership styles in relation to these norms. The public servant (f) element is a group of informal norms related to democratic norms of government for the people and by the people. It shapes the MCEO role in important ways but also leaves plenty of room for choices. Finally, the career system (g) includes basic rules of membership—the basic formal and informal rules concerning those who are allowed to enter the position of MCEO.

2. How are the seven contextual elements related to each other?

In the model, there are no arrows between the seven elements, but they are in many ways related. A few of these relations will be examined here for illustration. The element of (a) the local—national welfare state has direct implications for coping with (c) regional dynamics, since differences in regional dynamics and disparities make it difficult to ensure universal welfare services.

Differences in the choices concerning the mix of governance models (b) may imply different formal rules and informal norms concerning how to organize the local-national welfare state (a), and they are also likely to imply different leadership expectations (e). The career system (g) may tend to enhance factors relating to gender, age, experience, and education at the expense of others. These trends are likely to influence the choices of the MCEO concerning the adoption of governance models (b), adaptation to leadership expectations (e), and norms relating to public servants (f).

2.5 Conclusion: Synthesizing the Conceptual Framework/Model

The purpose of this chapter was to theorize the MCEO position and to elaborate conceptual tools to analyse the history, emergence, and embeddedness of the contemporary position. Figure 2.2 summarizes our discussion in the embedded demands—constraints—choices. The model integrates our seven theoretical lenses in a conceptual model and relates them to the demands—constraints—choices model from leadership research. The model is heuristic and are used to organize the empirical analyses in the forth-coming chapters of the book. The model provides a meso-level actor-structure perspective to the analyses of the MCEOs and combines several perspectives from public administration, political science and organization studies.

We do not claim that the model is exhaustive, all-inclusive, or the only useful model to analyse the Nordic MCEOs. Both more complex models including more perspectives and more simple models focusing exclusively on for instance the impact of the formal political-administrative structure on the role of the Nordic MCEO have their merits. Our hope is that the model we have elaborated enhance a reasonably holistic and nuanced understanding of the Nordic MCEO and the municipal organizations they are managing. Competing Interests The authors have no conflicts of interest to declare that are relevant to the content of this chapter.

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CHAPTER 3

The Nordic Local Government Model and the Municipal CEO

Eva Marín Hlynsdóttir , Anna Cregård , and Siv Sandberg

3.1 Introduction

The main purpose of this chapter is to discuss the notion of a Nordic model of local government in relation to the position of the municipal chief executive officer (MCEO). The chapter begins with the context in which the Nordic local government model is situated, with a special focus on gender and gender equality as a special condition of the Nordic

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context. The following sections focus on four key areas of interest: decentralization, fiscal capacity, autonomy, and horizontal power relations. The first area deals with institutional arrangements relating to the distribution of power and tasks between the state and local authorities. This area concentrates on central-local relationships in the Nordic context. The second area to be explored is the concept of capacity, which concentrates on the ability of local authorities to get things done, measured in fiscal indicators. Using the concept of autonomy, we examine local authorities in relation to the arrangement of local needs. The fourth area, that of horizontal power relations, explores the institutional arrangements of how local authority is divided between the elected council on one hand and the executive office on the other. The horizontal power division concerning the MCEO is also discussed. In the final section, the findings concerning the four key areas are summarized, and the Nordic local government model emerging from the common characteristics of the five Nordic countries is discussed, including some of the nuances captured in the differences. The model is viewed as a boundary condition for the MCEO as a leading actor within the Nordic municipal organization. The chapter makes use of both within- and cross-case analyses to explore individual differences between the Nordic countries and compares clusters of countries concerning the institutional arrangements of local government. The chapter serves as an opening contextual undertaking for the five country chapters in this volume. In sum, we aim to answer the following question: What is the relevance of the Nordic model of local government for the position of MCEO?

3.2 The Nordic Local Government Context

The Nordic countries share many characteristics in a multitude of areas: geopolitics, traditions, religion, and to a large extent history, identity, and culture (Meinander, 2021). They have also been democracies for a long period of time (Denk et al., 2015). Studies based on solid composite indicators, such as trust in government (OECD, 2023), financial equality (Petersen, 2019), political gender equality (Rauum, 2005), cultural values (Inglehart et al., 2022), and local autonomy (Ladner et al., 2019), tend to highlight the commonalities among the Nordic countries on one hand and the differences between the Nordics and the rest of Europe on the other. They all build on a far-reaching welfare state, generally characterized by high legitimacy among citizens. The local government level is important for the delivery of welfare services, which means that local

government actors also have the potential to be highly influential. In terms of a broad understanding of how the Nordic local government model is performed and implemented in daily municipal life, there are two dimensions of importance: gender equality and political culture.

Gender equality issues are often described as an integral dimension of Nordic models (Teigen & Skeije, 2017). There are a number of ways of formulating the concept. For example, Kantola (2021, p. 212) states that gender equality is an important part of the Nordic model and that it 'has indeed become both a central component of the countries' national identities and even an export item'. However, Kantola also articulates that there remain inequalities between the sexes, such as a segregated labour market, pay gaps, and violence against women (see also Åseskog, 2018). In relation to the local level, Nordic municipalities are not only an important labour market for women but also a significant enabler for women in the labour market, since daycare for children is typically a municipal responsibility. Gender equality in the Nordic countries is, therefore, both an input and an output factor in the municipal organization.

In the 2020 edition of the European Institute of Gender Equality's (EIGE) Index, comparisons between EU countries showed that the three Nordic member states all scored very high, with Sweden and Denmark in first and second places and Finland in fourth behind France. The index measures gender equality by means of 31 indicators in 8 domains: work, money, knowledge, time, power, health, violence against women, and intersecting inequalities (Papadimitriou et al., 2020).

The Global Gender Gap Index from 2021 showed similar findings, with the Nordic states at the top and Iceland holding first place, followed by Finland and Norway. Sweden was in fifth place, while Denmark held 29th place (World Economic Forum, 2021). Although these indices do not use exactly the same indicators, they are fairly consistent and usually show the same group of countries in top 10 places. However, the index shows that Denmark dropped from 8th place in 2006 to 29th place in 2021. A thorough discussion of this deviation is beyond the scope of this chapter, but in relation to local government, the index reveals that compared to the other Nordic states, Denmark scored much lower on the indicator of political empowerment (32nd place). Teigen and Skeije (2017), who discussed the EIGE's Gender Equality Index from 2012, pointed out that although there are many similarities between the Nordic EU members, there are also some important differences when it comes to power. They also added Iceland and Norway to their Nordic model, and

based on their measurements, they concluded that this had no effect on the general similarities between the Nordic countries. Other studies have pointed out that the development of gender and political empowerment seems to have stalled in Denmark (Kjaer & Kosiara-Pedersen, 2019). The proportion of female councillors has remained around 30% since before the turn of the century compared to the continuous advancement in the other Nordic states. For example, female councillors made up 47% of the total in Iceland following the local election in 2018 and 43% in Sweden.

Another interesting contextual factor is political culture: the relationship between citizens and political life. Denk et al. (2015) developed the pivotal work of Almond and Verba (1963) concerning political culture as the composition of citizens' attitudes towards the political system and their willingness to support and participate in politics. Their investigation of 25 European countries revealed high scores on citizens' orientation towards an active political role and a positive orientation towards the political system in the Nordic countries, which implies a political culture consisting primarily of civic citizens. The second most common type is the stealth citizen who is also positive towards the political system but takes a more passive role in political life. Only Cyprus, the Netherlands, and Switzerland had similar features. Denk et al. (2015) portrayed the Nordic countries, Cyprus, the Netherlands, and Switzerland as old and stable democracies. Iceland was not included in the study; however, similar studies (Dalton & Shin, 2014; Hooghe & Dejaeghere, 2007) have revealed that it shares common features with the other Nordic countries.

The Nordic countries share fundamental contextual characteristics, even if there are some differences. We claim that the characteristics concerning gender equality and political culture are important for the emergence and performance of the Nordic local government model. Political culture presupposes and allows citizens to both participate and have confidence in their political institutions. In the Nordic countries, which built their extensive welfare services largely at the local level, the municipality has a major impact on citizens' lives. However, citizens also have a major impact on municipalities. The common view of the importance of gender equality also involves municipal dynamics whereby women both participate in municipal decision-making and receive services that facilitate their presence in the labour market. With this in mind, we now turn to the discussion on the characteristics of local government in the Nordic countries.

3.2.1 Decentralization

One of the key concepts in any discussion of the Nordic local government model is decentralization. Decentralization is arguably a multi-dimensional concept (Filippetti & Sacchi, 2015); therefore, it is possible to explore levels of decentralization through political, administrative, or fiscal lenses (Ryan & Woods, 2016). This section will concentrate on the first two aspects of decentralization, while the next section will discuss fiscal decentralization through the concept of capacity.

According to Kuhlmann and Wollmann (2014), the Nordic model (they refer to it as the Scandinavian model) is centred on decentralization, as local authorities are generally viewed as politically and functionally strong, with a high degree of local autonomy. A traditional way to separate different types of local government systems is to concentrate on centrallocal relations. Two classical typologies created by Page and Goldsmith (1987) and Hesse and Sharpe (1991) laid the groundwork for this approach. Swianiewicz (2014) argues that local government research continues to draw heavily from these classical typologies, including more recent typologies such as those of John (2001) and Loughlin et al. (2011). Although these typologies make use of different indicators, the Nordic states all fall into the same group in each typology. This could be interpreted as the Nordic states simply being very similar and that their internal differences may not warrant assigning them to different categories. However, authors such as Swianiewicz (2014) have argued that the classical typologies and their direct descendants are in many ways outdated, since they cover neither the development of governance systems (as opposed to systems of government) nor the large number of Eastern and Middle European countries included in the classical typologies.

The modern systems of Nordic local government all trace their origin back to the nineteenth century. These early versions of Nordic local government were very much designed in the classical notion of municipalities as small communities based on participatory opportunities for local citizens on local issues, mainly to achieve effective and efficient decision-making on local issues (Mill, 1865). Moreover, the state or national governments were generally much less intrusive in the everyday lives of local citizens, as the notion of the welfare state had yet to be invented. Thus, local government was highly autonomous within its boundaries and was seen as separate, special, and detached from other levels of government (Kjellberg, 1985). The rise of the welfare state in the aftermath of

the Second World War changed this traditional idea of the purpose of local government, and scholars and practitioners began questioning the idea of the local community, emphasizing democracy and local autonomy (Sharpe, 1970). Thus, reforms aimed at decentralizing welfare tasks down to the local levels of government stressed the notion of subsidiarity, as localness was seen as more effective and efficient in providing services. At the same time, however, this approach views local government as a crucial part of the state, whose purpose is first and foremost to implement national policies (Kjellberg, 1985). This is a key argument for assigning the Nordic states a special Nordic model, as they emphasize the separateness between state and local authorities. In a similar manner, Kuhlmann and Wollmann (2014) argue that it is possible to separate different types of local government systems based on the level of separation and fusion of central and local relationships. Thus, in the Nordic systems, there is a strong tradition of separation, and once tasks are assigned to the local level, they become 'local' tasks.

A closer examination of history reveals variations in the development of the basic Nordic model of local government. Sellers and Lidström (2007) show that the devolution of welfare state responsibilities to local governments took place under different circumstances in the Nordic countries. Even before statutory welfare services came to dominate local government activities, in the 1930s, local governments in Denmark, Norway, and Sweden accounted for a larger share of the public economy than in comparable countries, which means that the respective parliaments entrusted new responsibilities for social care and education to local governments with relatively high capabilities. In Finland, the growth in local responsibilities began later, after WWII, and from a lower level of local capacity, but ever since, it has followed the same trajectory as in Scandinavia. In Iceland, local government did not become an active partner in welfare service provision until the 1990s. Since then, local government responsibilities in Iceland have become similar to those in the other Nordic states. However, they still have fewer tasks.

3.2.2 Fiscal Capacity

Although there is a general trend towards decentralization in Europe, the Nordic states have gone very far when it comes to decentralizing tasks and decision-making powers onto the local level. This is especially evident in relation to fiscal decentralization in OECD data on public spending among sub-national governments (SNGs), as shown in Table 3.1.

The figures reveal that Denmark and Sweden are the most fiscally decentralized countries, while Iceland is the least decentralized of all the Nordic countries in terms of the SNGs' share of total expenditure (percentage of GDP), total government expenditure, and staff expenditure. Importantly, however, Iceland has not decentralized health care onto the sub-national level, in contrast to the other Nordic states. Sweden, Finland, and Denmark also score above average on all indicators compared to the EU28, similar to the average for OECD federal and unitary states. However, Norway and Iceland have lower scores. In terms of the discussion around fiscal decentralization in Norway, an important point is that Norway has a very high GDP due to, amongst other things, a considerable oil industry, which means that even a lower share of GDP represents considerable fiscal means. Concerning Iceland, previous research has demonstrated that in small states below 1,000,000 inhabitants, SNGs have less fiscal capacity than larger states (Hlynsdóttir, 2020). Thus, although local authorities seem to have less fiscal capacity than their counterparts in other Nordic states, they are still strong and capable in comparison to other small states, such as Latvia and Slovenia. In summary, all the Nordic countries have—with some variation—considerable financial muscle compared to many other countries, which makes them strong in relation to the state level.

 Table 3.1
 Public spending in the Nordic states in international comparison

| State | SNG share of total expenditure % of GDP | SNG share of total % government expenditure | SNG share of % staff expenditure |
|--------------|---|--|-------------------------------------|
| Denmark | 34.8% | 65.0% | 72.7% |
| Finland | 22.6% | 40.4% | 75.1% |
| Iceland | 12.5% | 27.6% | 43.0% |
| Norway | 16.9% | 33.2% | 56.3% |
| Sweden | 24.5% | 50.6% | 76.8% |
| EU28 | 15.5% | 33.4% | 50.9% |
| OECD federal | 16.8% | 46.9% | - |
| OECD unitary | 9.2% | 28.7% | - |

Source: OECD/UCLG (2019)

3.2.3 Local Autonomy

There are a number of ways to discuss the concept of local autonomy. According to Ladner and Keuffer (2021, p. 211), local autonomy 'is probably one of the most fundamental features of local government' and is as central as it is complex to determine. They argue that the concept of local autonomy captures the difference between the ability of the local level to independently determine needs and implementation and only being able to implement what is decided at the central level. Thus, local autonomy includes more than formal decentralization, since a high level of functional devolution will not automatically materialize in a high level of autonomy. Several scholars have pointed out that a high level of decentralization may also lead to high levels of regulation on behalf of the central government (Goldsmith & Larsen, 2004). Thus, decentralization may be counterproductive in relation to local autonomy, as it increases the state's interference in local affairs.

As pointed out earlier, it is possible to view decentralization from three points of departure: political decentralization, as in popularly elected local government, levels of decentralization of public administration, and fiscal decentralization (Ryan & Woods, 2016). Ladner et al. (2019) argue that to many state governments, local autonomy has become a normative goal in and of itself, as a 'policy space for local democracy' (p. 11). In a more practical sense, it may be argued that local autonomy is the capability of local authorities to make decisions about local issues on one hand and implement these decisions on the other (Goldsmith, 1995). Thus, it involves the discretionary powers of local authorities over the organization of the administration and the implementation of local administration tasks as well as the level of autonomy in relation to fiscal organization.

The overall picture of the development of SNGs in Europe since 2000 is one of fragmentation. On one hand, EU expansion and the deepening integration have resulted in convergence around local autonomy (Ladner et al., 2019). On the other hand, there are increasing variations in the division of labour between levels of government, as countries facing the need to reform their local and regional government tend to embark on individual trajectories (see, e.g., Bertrana et al., 2016). Consequently, autonomy is a highly value-laden and elusive concept. However, Ladner et al. (2019) attempted to measure levels of local government autonomy in Europe and identified nine types of local autonomy based on two dimensions, the first describing the degree of political discretion, the second the

degree of financial autonomy. *Political discretion* combines a number of indicators describing the formal autonomy and task scope of local government in each country, whereas *financial autonomy* sums up variables describing the degree of local discretion in taxation, spending, and borrowing. Combining the two dimensions depicts the degree of local democratic space in each country.

Their findings confirmed the notion of the Nordic states as highly autonomous in nature, as they all scored very high (73.9–79.4) on the index. However, the index does not demonstrate the finer nuances in the levels of internal decentralization; for example, it shows that Iceland ranked third after Switzerland and Finland (p. 240). Throughout the period under study (1990–2014), all five Nordic countries scored high on both political discretion and financial autonomy (see also Ladner & Keuffer, 2021). Together with Germany and Luxembourg, the Nordic countries represent a model of local autonomy based on partnership between central and local government. The partnership model implies that local authorities bear responsibility for a wide range of statutory services, while central–local relations build on mutual trust rather than supervision (Ladner et al., 2019). Their findings confirm earlier conclusions concerning the importance of local government in the Nordic welfare state (Sellers & Lidström, 2007).

Nevertheless, there are some fine-tuned differences between the Nordic states (Ladner & Keuffer, 2021). For example, Icelandic local authorities enjoy considerably higher levels of fiscal autonomy than Norwegian local authorities (Baldersheim et al., 2019). In health care and social services, the division of labour among the local, regional, and national levels varies among the countries. Danish local authorities have greater responsibility for social insurance issues than other local authorities in the rest of the Nordic countries. Conversely, Finnish local authorities, until the major healthcare reform of 2023, had broader responsibility for both primary and specialized health care than any other Nordic country. Nevertheless, as a group, Nordic local governments play a decisive role in the provision of welfare services and the organization of local infrastructure; thus, they are known for their administrative capacity. This is also reflected in the organization of political and administrative leadership, as administrative leaders in the role of council or city managers all play a vital role in the daily management of Nordic local governments.

A recent study of local state–society relations showed that Finland, Norway, and Sweden¹ fell into a group characterized by a nationalized infrastructure, which emphasizes the consolidation of governance around national agendas. In contrast, Iceland fell into the group of local elitists, where civil society is much less organized and weaker than in the nationalized infrastructure (Heinelt et al., 2021). The findings from this study suggest that Iceland deviates from the other Nordic states in relation to the level of civic participation and citizens' willingness to participate in the political system. This suggests a more complex picture than that revealed by Denk et al. (2015). The findings suggest that while countries may share cultural and historical traits, they may deviate in important aspects from the mainstream behaviour of the main group of countries.

According to John (2001), at the beginning of the new millennium, the position of local government authorities was changing. Old patterns of local government decision-making were breaking down under the influence of new public management (NPM), organizational fragmentation, and to some extent the growing role of the EU. In sum, he argued that local government decision-making was moving from government to governance. This trend has especially affected MCEOs, as shifting emphasis on political versus administrative powers has direct consequences for their role. Thus, the organization of the horizontal power structure is of special importance.

3.2.4 Horizontal Power Structure

The shift from local government—involving a relatively small population, community-based, and with limited responsibilities—to large multipurpose entities focusing first and foremost on service production and provision stresses the importance of administrative management. The Nordic model assumes a high level of administrative capacity at the local level in relation to specialization and professionalization. Strong professions (e.g. teachers, nurses, engineers, and social workers) play a crucial role in the daily provision and management of local government services. However, party politics and democratic government are important features of Nordic local government. Local government is based on the layman's approach, which draws council members from the general population via popular elections at regular intervals (Mouritzen & Svara, 2002). This puts the

¹Denmark was not included in the study.

MCEO in a key position as a crucial figure integrating the political and administrative branches of local government.

Horizontal power relations are concerned with the division of power between the elected council, political leaders, and the executive board (Mouritzen & Svara, 2002). It is also important to distinguish between formal and informal powers, where formal powers are restrained by law and regulations, while informal powers depend more on local customs and traditions and can fluctuate between time and entities (Lowndes & Roberts, 2013). The focus of this chapter is mainly on the formal structure of local government, with the individual country chapters in this volume focusing more on informal powers.

It is possible to distinguish between several schools of thought in relation to the horizontal power structure. For example, Demir (2009) concluded that there are three schools of inquiry in relation to horizontal power relations: the separate, political, and overlapping schools. The first emphasizes the separation between the political and administrative spheres, while the second stresses political leadership and the subordination of the administration to politics. The third approach views the relationship between political and administrative leadership as overlapping. A classical notion is to view Wilson (1887) and his followers as staunch advocates of the separate model, with Svara (1998) being a notable scholar of the overlapping model. The first study on horizontal power relations and the relationships between senior administrative officials and politicians was a comparative study conducted by Aberbach et al. (1981) in the 1970s by high-level officials, senior civil servants, legislative politicians, and politically appointed executives of the presidential administration. It was one of the first 'systematic data collection and analysis of the development and status of political-administration relations' (Lee & Raadschelders, 2008, p. 419). The focus of the study was on the sociology and psychology of roles, drawing from older works such as Leadership in Administration: A Sociological Interpretation (Selznick, 1957), The Mandarin of Western Europe: The Political Roles of Top Civil Servants (Dogan, 1975), and The Comparative Study of Political Elites (Putnam, 1976).

Aberbach et al. (1981) discovered important differences between politicians and administrators, as they approached governmental and political issues in different ways. They also concluded that international differences in political systems were primarily based on institutional differences. Their findings demonstrated that, at the time, the roles of politicians and administrators overlapped more in America than in Europe (Aberbach &

Rockman, 2006). Their approach laid the foundation for a 'vigorous study about characteristics and behaviors of elected officials and top civil servants and interactions between the two groups' (Lee & Raadschelders, 2008, p. 431). More importantly, it laid the foundation for one of the most influential typologies of the relationship between politicians and administrative officials at the local level, that is, the typology of Mouritzen and Svara (2002).² There are considerable differences between and within states on how power is divided between different positions within the institution of local government. Usually, council members are directly elected, although they are sometimes centrally appointed (as in Singapore). The mayor is sometimes indirectly elected from within the council (as in Norway) and other times directly elected (such as in the German state of Bavaria) or even appointed by the national government (e.g. in the Netherlands). In some countries, such as the United States, both approaches to choosing mayors are practiced (Svara, 1998).

There are also differences in the power balance between the councils and the executive boards or committees. In some cases, the council takes precedence (as in Iceland), while in other cases, a more dualistic approach is in place (e.g. in the Netherlands). The importance of party politics at the local level also differs among countries. For example, it has been argued that local councillors in England are under the strong influence of the party line, while in the United States, parties generally have limited authority over council members (Benton, 2022; Jones, 2022).

Finally, the importance of the MCEO role depends on the context. For example, in some US cities, the city manager governance system emphasizes the role of the MCEO, while in others, there is a government system in place where the MCEO is directly subordinated to the mayor. These differences contribute to a number of models of local government (Heinelt & Hlepas, 2006). Larsen (2005), for example, distinguished between three types of local government models based on the centrality of political authority: the council committee, majoritarian, and presidential models. The first model emphasizes the formal role of the council as the main source of authority, with all other committees being directly subjugated to it. In the majoritarian model, the majority parties in the council form a cabinet body responsible for all executive functions. Members of this body may or may not be members of the elected council. The presidential body

²There have been other notable attempts at categorizing the politics–administration relationship, such as Peters (1988).

emphasizes political leaders and leadership, often giving mandates to the political leader through direct voting. This model often distinguishes between the executive and legislative parts of local government; thus, the importance of the council as a major source of political power is substantially diminished. It is also possible to simplify this relationship even further and distinguish between monistic and dualistic traditions (Wollmann, 2004). In sum, in monistic systems, the main source of power is the local elected council, and other factions draw their power from the council. Conversely, in dualistic systems, different parts of the system have special sources of power, such as popularly directly elected mayors or state-appointed positions. Most importantly, different types of systems provide very different working environments for MCEOs.

An examination of the size and institutions of Nordic local governments (see Table 3.2) reveals various implications concerning the horizontal power structure. There are significant variations in the number and size of local authorities, despite recent amalgamation reforms in four of the Nordic countries (excluding Sweden). Danish local authorities are among the largest in Europe, with a median number of inhabitants of 40,000. In Iceland, more than 50% of the municipalities have less than 1000 inhabitants. After the Danish amalgamation reform of 2007, variations in municipal size were relatively small; 93% of Danish municipalities have more than 20,000 inhabitants. In Finland, Iceland, Norway, and Sweden, there are substantial differences between the largest and smallest municipalities,

Table 3.2 Political institutions, political leaders, and types of MCEOs in Nordic local governments

| State | Lowest through highest municipal population | Average municipal population | Median size of municipal population | Range of number of council members (average) ^a | % of female council members in 2020 ^a |
|---------|---|------------------------------------|---|---|---|
| Denmark | 1000-1.3 mil | 60,540 | 44,207 | 9-55 (25) | 33 |
| Finland | 111-664,028 | 18,006 | 5879 | 13-85 (31) | 39 |
| Iceland | 40-140,000 | 6047 | 1258 | 5-23 (7) | 47 |
| Norway | 200-709,037 | 15,022 | 5163 | 11-77 (26) | 40 |
| Sweden | 2363-987,661 | 36,363 | 16,268 | 21-101 (44) | 43 |
| | | | | | |

Source: Statistics Iceland (2023); Statistics Finland (2023); Statistics Sweden (2023); Statistics Norway (n.d.); Statistics Denmark (2023)

^aSee Gendzwiłł et al. (2022)

which pose a challenge to the generalist model of local government. According to the present model, the smallest and largest municipalities have identical statutory responsibilities. Furthermore, differences between densely populated urban areas and sparsely populated rural areas have consequences for the position of local government in these four countries, even though some tensions also feature between the centre and periphery in Denmark.

There are some shared characteristics among the horizontal power structures of the Nordic states, which could be applied to a Nordic model of local leadership. There are considerable similarities between the Nordic local government acts laying down the foundation of local politico-administrative systems (Sletnes et al., 2013). One of the fundamental similarities is the large discretion given to local authorities in organizational matters (see also discussion on political discretion above), which means that the size of the council, the number and position of boards, and the position of the MCEO may vary among municipalities within the same country.

The Norwegian local government act allows for the largest degree of local variations in the politico-administrative system, allowing, for example, municipalities to choose between traditional assembly government and local parliamentarianism. The Danish local government act provides the most standardized rules for horizontal power relations (Bäck, 2006; Sletnes et al., 2013). The Finnish local government act enhances a wide array of choices with respect to the top leadership at the municipal level (Sletnes et al., 2013).

All five countries are unitary states, where local government is based on a monistic approach, as the local council is formally the main source of power within the local authority. Within this frame, council sizes vary among countries. The average number of local council members is lower in Iceland, Denmark, and Norway than in Sweden and Finland (see Table 3.3).

Executive powers are drawn from the municipal council and delegated to executive boards and committees and the top manager of the local authority (MCEO). Thus, the factions of local authority do not have independent powers; they are mutually dependent. With a few rare exceptions, the delegation of powers from the council to the boards follows a principle of assembly government, which means that all parties in the council have access to membership in the executive branches of the political system (Bäck, 2006).

| Table 3.3 | Institutional | nuances | of Nordic | local | governments |
|-----------|---------------|---------|-----------|-------|-------------|
| | | | | | |

| State | Political institutions | Important political leaders | Type of MCEO | % of female mayors 2020 | % of female MCEO 2020 |
|---------|-------------------------------|--|--|-------------------------------|-----------------------------|
| Denmark | Council Executive board | Chair of both council (mayor) and executive board | Not mandatory | 14.3 | 18 |
| Finland | Council Executive board | Council chair Chair of executive board | Mandatory Council manager | 39 | 25 |
| Iceland | Council Executive board | Leader of council (mayor) Leader of executive board | Mandatory Executive mayor or Council manager | 34.7 | 36.1 (31) ^a |
| Norway | Council Executive board | Mayor | Mandatory Council manager | 35.4 | 31 |
| Sweden | Council Executive board | Council chair Chair of executive board | Mandatory | 31.7 ^b | 41 |

Source: Authors compilation

Political parties play a crucial role in Nordic local government. First, with the exception of Iceland, a large majority of local council members in the Nordic countries represent one of the parties in the national parliament. The nationalized party system is one of the crucial links between the levels of government in unitary states (Hlynsdóttir & Önnudóttir, 2022; Kjær, 2020, 2022; Lidström, 2022; Saglie & Segaard, 2022; Sandberg, 2022). Second, comparative studies have shown that local councillors from the Nordic countries express a stronger party identity than their colleagues in, for example, France, Italy, Switzerland, or the Czech Republic. In a wider context, this strong party identification is associated with models of assembly government (Karlsson, 2013).

The horizontal power structure in the context of the division between politics and administration is interesting. It provides the foundation for the latitude of the leaders in the non-politically elected branch. This brings us further into the discussion on the MCEO as a key position, both as a

^a Percentage of all MCEO (percentage of city manager type)

^bChair of executive board since Sweden lacks the role of mayor

leadership institution in itself and as a link between politics and administration.

There are a number of variations in the formal position of the Nordic MCEO. In Finland, Norway, and Sweden, the position of MCEO is mandated by law, which states that the MCEO is the head of the local administration. The Danish local government act does not recognize the MCEO as an independent institution. The mayor is the formal administrative head, and the MCEO is subordinate to the mayor (Sletnes et al., 2013). In Iceland, the MCEO position is also mandated by law, but municipalities have the choice between a model with an executive mayor or a council manager (Hlynsdóttir, 2020).

In Mouritzen and Svara's (2002) seminal work on the local CEO, they came up with four ideal types of forms of government. The concept of 'ideal' should be kept in mind. It is unlikely that we find systems that fall completely into any one of these four types. In the original study, all the Nordic countries were included except Iceland. Their typology can be examined on a spectrum from the highest emphasis on political leadership (the strong mayor form) to the lowest emphasis on political leadership (the council-manager form); in-between, there are the committee-leader and collective forms. The Nordic states fall into two groups, both of which are centred on the powers of the local council, albeit stressing the role of the administrative leader in different ways. The committee-leader type emphasizes political leadership over administrative leadership. This is epitomized in the role of the Danish mayor (Borgmester), who is very much a hands-on leader, with the Danish MCEO taking a secondary role on the organizational chart (Berg & Kjær, 2005). The essence of this type of political leadership position provides political leaders with executive rights, albeit without formal rights to hire or fire within the administration, which separates them from the strong mayor form of government (Mouritzen & Svara, 2002). However, while the Danish mayor shares executive rights with a CEO, the Icelandic executive mayor is simultaneously the de facto head of the administration and the political leader. Thus, there is no MCEO working beside him/her, as in the case of Denmark. Therefore, the Icelandic executive mayor has taken over the responsibilities of the MCEO as the leading political figure. However, the position does not have separate power sources from the council and, therefore, cannot be assigned to the group of strong mayors.

The Swedish system has traditionally been characterized by a high number of actors and relatively unclear leadership roles. For example, there is no clear mayoral position as that found in the other states, and until recently, administrative leadership was shared between the municipal chief executive manager (kommunchef) and the chief administrative officer (förvaltningschef) (Montin, 2005). This was not altered until 2017 when the position of the MCEO was formally included in the Swedish local government act, institutionalizing the MCEO as the head of the administration and potentially moving Sweden more towards the councilmanager form.

The other type of horizontal power structure in the Nordic setting is the council—manager form of government. While this type of government has many variations, the common denominator is that the council manager is clearly subordinated to the local council and may (usually) be disposed of at will. Council managers do not need to share their executive rights with political leaders in the same way as in the committee–leader form. It is also very common in this form of government for council managers to become very powerful, often being set up as the face of local authorities to the outside world.

In Norway, the mayor is the undisputed leader of the council; however, Norwegian local government law distinguishes between the role of the MCEO and political leadership, thus closely resembling the separation school defined by Demir (2009). The second type of MCEO in Iceland is similar to that in Norway; however, the separation between the administrative and political branches is not as clear-cut in the Norwegian case. In Finland, the lack of a strong political counterpart established the appointed MCEO as the undisputed leader in most municipalities (Sandberg, 1998). In the last 15 years, Finland has taken steps towards the committee–leader model, as the 2006 local government act allows municipalities to choose between two alternative leadership models. Even if 95% of Finnish local authorities still apply the traditional council–manager model with a strong MCEO, a number of larger cities have chosen the leadership model with an executive mayor at the apex.

3.3 THE RELEVANCE OF A NORDIC MODEL OF LOCAL GOVERNMENT?

Even if the five Nordic countries have much in common—geopolitical location, intertwined histories, the same kind of welfare state model—they are by no means identical quintuplets. Whether Denmark, Finland,

Iceland, Norway, and Sweden are predominantly similar or predominantly different societies partly depends on the perspective taken and the level of comparison. In the book *The Nordic Economic, Social and Political Model*, Koivunen et al. (2021, p. 5) contended as follows:

[T]he Nordic model, regardless of how it is defined, has to be seen as the outcome of a century-long process of voluntary cooperation. The Nordic countries have influenced each other's policies and have learned from each other's experiences but have been free to apply bespoke national solutions when it suited them. This explains why it is almost always possible to find at least one exception among the Nordic countries that defies any attempts to strictly define the Nordic model.

Here, we are interested first and foremost in the Nordic model of local government and what such a model means for the role of the MCEO. However, the general characteristics of the Nordic model concerning the welfare state as a whole are interesting, since they build a foundation for the relations between the central and regional/local government levels and the local government and its citizens. Questions concerning, for example, the history and development of Nordic local government vis-à-vis national governments, the arrangements of local political institutions, and the political culture in the respective nations are all important in understanding the Nordic local government model.

In this chapter, we reviewed the notion of the Nordic local government model from a four-feature perspective: decentralization, fiscal capacity, autonomy, and horizontal power relations. This is summarized in Table 3.4.

Nordic local governments are generally characterized by local authorities that are politically, fiscally, and functionally strong and autonomous vis-à-vis the state, a characterization supported by history and tradition as well as the legal framework. Their autonomy is based on partnership and trust between the local government and the central state. Nordic citizens generally have a positive attitude towards the political system and take an active part in political life. Furthermore, the municipal sector is generally large in the Nordic model in relation to other sectors and countries. Taken together, these features entail municipal organizations with strong administrative capacity and a multipurpose, professional production. In other words, the municipalities of the Nordic model are both large and dynamic,

Table 3.4 Characteristics of the Nordic local government model and nuances among countries

| Key area | Characteristics of the Nordic model | Nuances between the Nordic countries |
|------------------|--|---------------------------------------|
| Decentralization | Separation between state and | Differences in single- or two-tier |
| | local authorities | subnational government |
| | Local governments are | Different circumstances in |
| | politically and functionally | devolution history |
| | strong | |
| Fiscal capacity | Fiscally strong SNGs. High | Iceland lower scores due to small |
| | scores on: | size of population |
| | SNGs share of GDP | Norway smaller share of (large) |
| | SNGs share of total | GDP |
| | government expenditure | |
| | SNGs share of staff | |
| | expenditure | |
| Autonomy | Highly autonomous local | Differences in division of labour |
| | governments: | between local, regional and |
| | Extensive political discretion | national levels |
| | Extensive financial | |
| | autonomy | |
| | Partnership between central and | |
| | local government based on trust | |
| Horizontal power | Considerable discretionary | Variations in scope of |
| relations | powers for the local authorities | standardization in rules for |
| | declared in the local | horizontal power relations |
| | government acts | Variations in the number and size |
| | Monistic approach: power | of local authorities |
| | emanates from the local council; | Variations in size of councils and |
| | principle of assembly | size and number of boards |
| | government for delegation to | MCEO in committee-leader form |
| | boards | (Denmark, Sweden and Iceland) |
| | Political parties play a crucial | and/or in council-manager form |
| | role; nationalized party systems | (Finland, Norway and Iceland) |
| | and strong party identity also at | · · · · · · · · · · · · · · · · · · · |
| | local level | |

Source: Authors compilation

and their leading actors have substantial opportunities to influence people's everyday lives and societal development. As discussed above, the layman's approach in conjunction with regular elections means that non-elected leading positions often stand for continuity and organizational memory. This is also amplified by the entry of NPM and the increased

faith in administrative reforms and governance. The Nordic countries also have strong administrative leader positions, albeit with variations in nuances.

In relation to the two broad dimensions of gender equality and political culture, the discussion revealed that in the Nordic states, women are comparatively well represented in the position of MCEO. However, the main exception to this is Denmark, where the representation of female MCEOs is particularly low compared to the other Nordic states. Thus, a further investigation into the position of female MCEOs is highly warranted. Moreover, studies have shown that civic engagement at the local level is much less developed in Iceland than in the other Nordic states. This suggests that there are important differences in political culture between Iceland and the other Nordic states, which affect the daily role of the MCEO and the overall organization of local government.

From our point of view, the answer to the question regarding the relevance of the Nordic model of local government for the position of MCEO depends on perspective. All the countries share some important structural features that distinguish them from the outside world. They emphasize gender equality, diversity in local politics, as well as local identity, as in the strong position of local self-government. They also try to strengthen local self-government through functional decentralization and participatory governance. The large functional scope of local authorities also adds to the importance and centrality of the MCEO's role. This individual is in a key position within local government.

There are, however, important differences in relation to how central the role of the MCEO is. For example, the Danish structure emphasizes political leadership over administrative leadership. The opposite is true in Norway and Finland. In relation to the position of MCEO, the context of the Nordic local government model is of great importance. The essential similarities among the Nordic countries, together with more general features of the political culture and the fundamental idea of equality, build a Nordic character—or perhaps even a model (although it may be a bit fuzzy on the edges). This creates an interesting basis for the potent and fascinating role of the Nordic MCEO.

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CHAPTER 4

The Danish Municipal CEO: Managing the Local Welfare State

Morten Balle Hansen

4.1 THE HISTORICAL AND ORGANIZATIONAL CONTEXT OF THE DANISH MCEO

This chapter utilizes historical and comparative perspectives to analyse the position of the municipal CEO (MCEO) (kommunaldirektør in Danish) in the context of Danish municipalities. The position of MCEO is integrated in contemporary Danish public administration, which is organized into a national administration, five regions (since 2007; there were 14 counties from 1970 to 2007), and 98 municipalities (since 2007; there were 271–275 municipalities from 1970 to 2007). With an average size exceeding 58,000 inhabitants and expending around one-third of Denmark's GDP (OECD, 2017), measured by inhabitants, the average Danish municipality is the largest in the Nordic countries and among the largest in Europe (only Ireland and England have larger municipalities).

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Danish municipalities employ around 18% of the Danish workforce and 58% of public employees, spend more than 60% of public consumption, and deliver most of the core services of the Danish welfare state (KL, 2023; Statistics-DK, 2010; Thijs et al., 2018, p. 61). What constitutes the Danish state has changed over time. The contemporary Kingdom of Denmark includes Denmark and the autonomous territories Greenland and the Faroe Islands. Until 1940, Iceland was part of the Kingdom of Denmark, and for centuries until 1814, Denmark-Norway was one country. The present analysis, however, focuses on the municipalities in Denmark after the Second World War and does not include the autonomous territories of Greenland and the Faroe Islands. Geographically, Denmark is the smallest of the five Nordic countries, spanning a total area of around 43,000 km² (16,580 sq. miles), including more than 400 islands. With a population of almost 5.9 million people (2022), it is the most densely populated of the Nordic countries (138/km²).

In what follows, first, an account is given of four long-term megatrends that have shaped the current Danish MCEO position. Second, the Danish local government reforms since the 1960s are discussed in the context of their implications for the MCEO position. Third, the importance of transnational governance models, such as new public management (NPM), to the role of the MCEO is analysed. Fourth, the implications of the multitask organization around the Danish MCEO are briefly discussed. Fifth, the formal legal, political–administrative structure of Danish municipalities and its implications for the MCEO are analysed. Sixth, an analysis of stability and change relating to the collective profile of the Danish MCEO is presented through five dimensions. Finally, a concluding discussion of the major findings is presented along with implications for practice and future research.

4.1.1 Megatrends

Four long-term interdependent megatrends have shaped the evolution of Danish municipalities and the MCEO position in important ways. The first is an *economic megatrend* involving the long-term economic growth invested in a largely local welfare state in Denmark. Long-term economic growth has characterized the global capitalist economy in the last two centuries. Denmark has been deeply embedded in the expansion of the global economy and has gained substantial economic benefits from it. These benefits have largely been invested in the vision of a universal

welfare state in which local government came to play a major role (Abel-Smith, 1992; Béland et al., 2022; Bredsdorff, 2000; Marshall, 1950; Olesen, 1991; Tanzi & Schuknecht, 2000).

The second is a *political megatrend*, characterized by the expansion of representative liberal democracy and political and civil rights. From 1660 to 1849, Denmark had a highly centralized state formation with an autocratic monarchy. In 1849, in the aftermath of the bourgeois revolutions in America and Europe, this was succeeded by a constitutional monarchy, accompanied by very limited but expanding political and civil rights for Danish citizens. In Denmark, the expansion of democratic rights was slow and gradual, with the mobilization of political movements among workers, farmers, and women in the last part of the nineteenth and the first decades of the twentieth century (Christiansen, 1990). This deep transformation from autocracy to an increasingly democratic society has become a cornerstone of Danish local government, and the position of MCEO crucially concerns the relations between democratically elected politicians and the municipal administration, as illustrated by this quote from an interview with a Danish MCEO:

respect for democracy and for the democratic element in the whole form of government we have. This certainly does not mean that I don't see weaknesses in it, nor is there anything else in it but that I certainly don't always agree with the decisions which the municipal council makes ... but you just must have respect for the people who, after all, have been given a democratic mandate to make these decisions, either one likes them or not. (Danish MCEO, quoted in Hansen, 1997, p. 212)

The third is a *geographical megatrend* concerning regional dynamics and disparities and is important since the responsibility of municipal management is delimited to a certain locality. While global average long-term economic growth has been high, it has been unevenly distributed both within and between countries and regions (Iammarino et al., 2019; Pike et al., 2016). This trend has been evident from the primacy of farming to the dominance of the industrial sector, followed by today's economy, where most of the working population is increasingly employed in the public and private services sectors in major cities. Because of this global trend, more than half of the world's population now lives in urban areas (United Nations, 2018). In Denmark, this trend is most visible in the decline of the population in most of the more than 400 small Danish

islands and the growth of the greater Copenhagen area and large cities such as Aarhus, Aalborg, and Odense. Thus, Danish municipal management in larger cities tends to be a 'management of growth', while in the rural areas, it tends to be a 'management of stagnation or decline'.

The fourth is a demographic megatrend, which concerns the demography of the Danish population. Danish municipal management is highly influenced by the demographic dynamics of the population, due to the responsibility to deliver welfare services such as childcare, primary education, and eldercare. Due to low fertility and low mortality, the elderly constitute the fastest growing part of the population, and this increase is unevenly distributed among municipalities (Houlberg & Ruge, 2019). The share of older people tends to rise in rural areas, while that of young people tends to rise in large cities.

Local Government Reforms

It is in the context of these four megatrends that the post-war history of Danish local government should be understood. Before the large municipal reform of 1970, Danish local governments were divided between parish municipalities (sognekommuner), 'market towns' (købstæder), and counties (amter).

Textbox 4.1 Changes in the Number of Local Government Units 1960-Present

1960: 22 counties, 88 market towns, and around 1300 parish municipalities

1970: 14 counties and 275 municipalities

2003: 14 counties and 271 municipalities (five merged into one

on Bornholm)

2007-present: 5 regions and 98 municipalities

Denmark's municipal structure around 1960 was largely a frozen relic from the mid-nineteenth century, with threads dating back to the Middle Ages due to its starting point in the parish structure (Dam, 2012). It was not suited to the large expansion of the impending welfare state (Blom-Hansen et al., 2012, p. 14; Hansen, 2013).

Thus, the municipal reform of 1970 marked a major change, creating the administrative preconditions for the expansion of the local welfare state, which took place from 1960 to 1980. The municipal reform of 1970 and the following years was in many ways a rational revolution compared to the previous system, and it created an administrative structure in local government, with 14 counties responsible for hospitals and several other tasks and 275 municipalities responsible for primary schools, elderly care, cultural institutions, and technical services, such as water supply, garbage collection, and park and road maintenance.

Throughout the 1970s, reform was followed by supplementary reforms, of which the budget and accounting reform was the most important, since it standardized and clarified the basic financial rules of the municipal system (Blom-Hansen et al., 2012). Around 1980, the basic system was in place in terms of task structure, legal governance structure, finance and budgeting, and the major organizations in the 'municipal family'. Despite the broad reform of 2007, which created even larger municipalities and regions, the basic features of the system were pretty much in place around 1980.

The governance structure established in the 1970s has been remarkably resilient and has demonstrated the ability to adapt to the changes and crises of the decades since 1980, including the 2008 financial crisis and the COVID-19 crisis of 2020–2022. It has gradually been digitalized, with an increased task portfolio. Furthermore, the structural reform of 2007—increasing the size and reducing the number of municipalities to 98 and the 14 counties to five regions—was conceived as an economic and professional upgrade to the economic and professional sustainability of the Danish local government structure, although its democratic, distributive, and economic consequences are debated (Blom-Hansen et al., 2014; 2016).

4.1.3 New Public Management and Other Transnational Governance Models

This analysis of the Danish MCEO focuses on the decades from the 1980s to the present. These decades, especially from 1980 to the 2008 financial crisis, were strongly influenced by governance models under the framework of NPM (Hansen, 2011; Hood, 1991). From the 1980s onwards, there was a prevailing international agenda among the administrative and political elite in Western liberal democracies aimed at diminishing or reversing public sector growth by privatizing, rationalizing, and/or

streamlining public sector activities. In Thatcher's Britain, it took the form of radically privatizing or removing parts of the public sector. At the time, a more incremental slowdown and restructuring of public sector growth characterized Danish modernization programmes (Ejersbo & Greve, 2014).

The Danish version of NPM was an attempt to provide managerial answers to the basic question of how to enhance a more rational and efficient production of welfare state services. From the 1980s onwards, the proposed management models to answer this question were tighter budget control, management by objectives (MBO), better management through delegation and education, and an introduction of different forms of market-type mechanisms, such as private providers, competition between public and private providers, and free choice for users between different providers (Hansen, 2011).

Both the managerial and marketization components of NPM had significant implications for the interactions between the municipal politicians and their administration and became an important part of the job of the MCEO in enhancing new means of collaboration between the political and administrative system to preserve the basic trust between politicians and administrators (Berg, 2000; Hansen, 1997).

Since its introduction, NPM has had a major but also controversial impact on Danish public administration, and many NPM models are now an integral part of Danish public sector management. MBO has been developed into sophisticated performance management systems, with several key performance indicators (KPIs) within sectors such as education, eldercare, and public health. In some sectors, especially technical service provision such as park and road maintenance (2020a, 2020b; Hansen & Lindholst, 2016), MBO has been replaced by management by contract to enhance contracting and competition between service providers.

Several paradoxes and difficulties related to NPM have been identified in recent decades (Hood, 1991; Hood & Peters, 2004), and alternative management models have been suggested and tried out (Hansen et al., 2020b; Pollitt & Bouckaert, 2017; Torfing et al., 2020). However, in the Danish municipal context, NPM models of marketization and management have been embedded in the organizational routines of the municipalities and have become part of the everyday life of the municipal political–administrative management system. NPM is not new, however, and the managerial discourse of today has had greater influence from other models.

One long-term trend has been the focus on digital-era governance to get the most out of digitalization (Dunleavy et al., 2008; Hansen & Vedung, 2005). Another more recent trend involves notions of network governance, co-creation, and co-production in enhancing collaboration across organizational boundaries and reconceptualizing public service provision as co-creation (Brandsen et al., 2018; Cottam, 2018).

At the strategic level, Danish MCEOs are both influenced by and influence the diffusion of these transnational models (Hansen, 2011). In particular, the managerial part of NPM has shaped the modern MCEO role in important ways by introducing a new layer of leadership expectations regarding old norms around loyal public servants to local citizens, their elected politicians, and the Danish state. Along with the mayor and other actors in the municipal political–administrative management structure (see Fig. 4.1), MCEOs have significant leeway to reject, adapt, or copy specific management models, including the timing and strength of their adaptation.

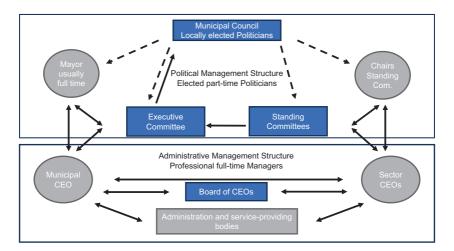


Fig. 4.1 The Danish municipal political–administrative structure since 1970. *Note: Dotted arrows* from the municipal council indicate that the actors (mayor and chairs) and committees (executive and standing) in the political management structure are appointed by the majority of the municipal council. *Two-way arrows* indicate triangles of frequent interaction. One-way arrows indicate the typical decision-making process

4.2 THE TASKS OF CONTEMPORARY DANISH MUNICIPALITIES

As in the other Nordic countries, municipalities have become the primary service providers in the Danish welfare state. They are multi-task organizations responsible for organizing the provision of public services such as childcare, primary schools, elder- and health care, culture, city planning, and park and road maintenance and construction.¹ Most public services are delivered by municipal employees, but private providers of public services are also widely used in, for instance, kindergartens, primary schools, and eldercare.

An expanding area of responsibility is public health care. This is because of the demographic change towards more elderly people and that the responsibility for most training and rehabilitation of patients after hospital treatment has increasingly been transferred from regional hospitals to municipal health care.

Each year, the municipal political–administrative governance system makes decisions concerning how to prioritize future municipal expenses. Contrary to the American system, for instance, politicians are responsible for all public activities within the municipality. Thus, there is often a great deal of politics involved in prioritizing among the many activities. Demographic change also implies the need for new priorities, naturally engendering heated debates concerning the implications. Politicians may choose to close primary schools to enhance eldercare provision or vice versa, and they often do so in decision-making processes involving fierce political battles.

Danish MCEOs both influence and are highly influenced by these debates. Their administration provides input to the political process (e.g. the interpretation of facts and their implications) before politicians decide, and their administration is responsible for implementing decisions by politicians.

¹Table 1.2 in Chap. 1 provides an overview of the public services that Danish municipalities are responsible for.

4.3 THE MUNICIPAL POLITICAL—ADMINISTRATIVE GOVERNANCE STRUCTURE SINCE 1970

Legally speaking, it has been an enduring feature of Danish municipalities since 1970 that only the political part of the municipal political–administrative system is described in the local government statute (*Den kommunale styrelseslov*), while the MCEO and the entire municipal administration manage only by delegation from the political system (Christensen et al., 2017; Ejersbo et al., 1998). Figure 4.1 summarizes the generic structural characteristics of the municipal system since 1970. What has varied over time and between municipalities is the number of standing committees, their chairs, and the number and status of the sector CEOs. A few of the rules concerning the interaction of the categories of actors have also been changed, but by and large, the system of the 2020s is remarkably similar to that established in the 1970s.

According to the local government statutes of both 1970 and 2020, municipal affairs are governed by the municipal council; since the 2007 reform, the municipal council has been composed of between nine and 55 elected politicians, with 31 members being the most common size. At its first meeting after the municipal election, which is held every four years, the council elects the *mayor* and members of the *standing committees*. The number of standing committees and their tasks have varied considerably among municipalities and over time (Ejersbo, 1998). Each standing committee (typically 5–7 elected politicians) is responsible for the 'immediate administration' of affairs defined by the council via the municipal ordinance, and the number of committees varies among municipalities.

Cases brought to the political system by *the administration* (see arrow) will typically be decided by a standing committee. Cases to be decided by the council are prepared by the relevant committee. The *finance committee*, chaired by the mayor, has a special status. All municipalities are obliged by law to assemble a finance committee, which supervises all financial and administrative matters (Sørensen, 2009). It prepares the annual budget proposal and handles all cases with financial or administrative consequences. The appointment of personnel rests with the finance committee, except when it comes to the appointment and dismissal of the *MCEO* and sector CEOs. In these cases, the decision rests with the municipal council.

The mayoral position is a full-time job, contrary to that of ordinary municipal council members. The mayor is the chairman of both the city council and the finance committee, convenes the council, prepares the agenda, and is responsible for the minutes. In contrast to the other Nordic countries, the mayor is 'the head of and daily leader of the municipal administration'. While the mayoral position is legally the most powerful, there is no doubt that the decision-making authority in Danish local government rests with the city council.

The legal standing of the executive function is more ambiguous. It is partly shared among the city council, the standing committees, the finance committee, and the mayor. This complex system has been called the committee-leader system (Mouritzen & Svara, 2002a, 2002b, p. 60), and its basic features and relations to the administrative system are indicated in Fig. 4.1 (adapted from Hansen, 2002). While the administrative part of the system is not mentioned in the local government statute, municipal administration has grown over the years. It is currently inhabited by fulltime professional career civil servants, many of whom have a university degree at the master's level in economics, law, public administration, or other social sciences. This is in stark contrast to municipal politicians, who, except for the mayors and a few other full-time politicians in the largest cities, are part-time politicians and make a living from other occupations or are students or retirees. They are in the best sense of the word amateurs whose only and crucial qualification is that they have been democratically elected by people in the municipality to serve as politicians for a fouryear term.

Thus, while the direct legal power to make decisions is clearly in the political part of the system, the indirect power (Bachrach & Baratz, 1962) to prepare and implement decisions, in terms of professional knowledge, resources, and time, rests with the administrative system. They provide information and suggestions for the political decision-makers and are responsible for implementing political decisions.

It is in this context that the present position of Danish MCEO should be understood. It emerged in the 1970s from the previous system, with much smaller municipalities and fewer tasks to handle. Previously, in the 1950s and early 1960s, there were very few, if any, administrative employees in the small country-side municipalities. Furthermore, in the larger municipalities, the position could probably best be described as a kind of bookkeeper and servant to the municipal council. However, the major changes in Danish society and the rise of the modern local welfare state propelled the need for a modern professional administration and a modern MCEO.

4.4 STABILITY AND CHANGE IN THE COLLECTIVE PROFILE OF MCEOs²

The analysis of Danish MCEOs focuses on stability and change in five dimensions since the late 1970s. The following five dimensions are analysed:

- The age and gender of the MCEO.
- The education and career trajectories of the MCEO.
- The ideal politician according to the MCEO.
- Relative power in the political–administrative system according to the MCEO.
- The leadership priorities of the MCEO.

The analysis is descriptive and based on means and standard deviations. First, however, two basic characteristics of the Danish MCEO position should be emphasized:

- 1. Due to the post-war local government reforms, important changes in the number of MCEO positions occurred in 1970 (from +1000 pre-MCEO positions to 275 MCEOs), 2003 (from 275 to 271 MCEOs), and 2007 (from 271 to 98 MCEOs).
- 2. The position is not mandated by law, and a few municipalities have occasionally experimented with alternative arrangements without an MCEO.

4.4.1 Age and Gender of the MCEO: Stability and Very Slow Change

Age is a classical variable in social science research and is usually theorized as important for three reasons: life stages, generations, and biology. In terms of life stages, age indicates where you are in your career and private life. Generations were famously theorized by Mannheim (Mannheim,

²The analyses in this section are primarily based on survey data from 1980, 1992, 1995, 2006, 2008, 2016, 2020, and 2022, supplemented with Internet searches in 2023 and previously published research (Bertelsen & Hansen, 2016; Hansen, 2009; Hansen et al., 2013; Hansen & Eriksen, 2006; Klausen & Magnier, 1998; Mouritzen et al., 1993; Riiskjær, 1982; Storgaard & Hansen, 2021; Agerbo et al., 2022). See also book appendix for the Nordic MCEO survey questions.

1929) as important due to the notion of formative years. The average age of MCEOs in available surveys has been stable through the decades 1980-2023 at around 50-56 years, except for 1992 when a new generation of primarily academic MCEOs entered the position, with an average age of 43. Thus, in this decade, those who grew up during the Great Depression and the Second World War were substituted by those who grew up during the 1960s.

As in the case of age, the gender variable has biological as well as sociocultural components and has been subject to numerous studies in elite and leadership research (Hansen, 2012). At least since the 1960s, the gender issue has been politically potent, mobilizing support for more women in elite positions. As an explanatory variable, gender often shows significant relations to variations in norms and leadership priorities. Available surveys and yearbooks (Hansen et al., 2013, Tables 2 and 3) show that women were almost entirely absent from the MCEO position until 1985, then gradually but slowly increased their presence to around 10% from 1995 to 2005, 18% in 2020, and the most recent data from 2023 show that 21% of Danish MCEOs are women—the highest percentage ever in Denmark but the lowest percentage among the Nordic countries (see Hlynsdottir et al., Chap. 9).

Education and Career Trajectories of the MCEO: Incremental but Radical Change

As indicated by the average MCEO age, MCEOs tend to have rather long careers within the municipal sector before entering the position, with an average of more than 20 years of experience from municipalities and regions/counties. It is rare to enter the job from another sector without any municipal experience. The mean has decreased significantly since 1980 but was still above 21 years in 2016.

Basic MCEO education and training have witnessed an incremental change, although radical over time, from having municipal apprenticeship as their primary educational background in 1980 to a university degree in social science in 2023. As the incremental character of these changes indicates, they have not been the consequence of one national top-down reform. We still observe a few MCEOs doing rather well, starting with basic education and a trainee job in the municipality at around the age of 17; however, these individuals are the exception.

A second major change has been an expansion of post-education midcareer master's programmes, which did not exist in the 1980s. Around one-third of Danish MCEOs had completed a Master of Public Administration or similar in 2016, while no one had such training in the 1980s and early 1990s.

A third important change is the increasing insecurity of the MCEO position, as indicated by the decreasing mean relating to the number of years in the present position—from a permanent position, where MCEOs usually left the position only for retirement in 1980 to a less secure position, often on a contract basis for four years, with the possibility of extension. An empirical analysis of top civil servants in Denmark based on yearbooks (Christensen et al., 2013) and covering 1970–2005 for MCEOs (the decades before the 2007 reform) found that the risk of being replaced had increased. MCEOs risk of replacement increased both with new mayors representing another party and holding an absolute majority and mayoral shifts within the same party.

These changes are substantial and may be seen as dysfunctional. A web search conducted in August 2023 indicates that around 30% of MCEOs were hired within the same year or the year before, while the corresponding percentage in 1980 was 5%! These numbers require deeper analysis, but since it takes time to build networks and trust to work efficiently as an MCEO, they indicate serious challenges in the interaction between the political and administrative parts of Danish municipal leadership.

4.4.3 The Ideal Politician According to Danish MCEOs: Almost 30 Years of Stable Norms

How should the ideal politician prioritize their activities according to the MCEO? What norms concerning good political behaviour do MCEOs express? In Table 4.1, the MCEOs' responses are organized through a typology adapted from Mouritzen and Svara (2002a, 2002b, Chap. 7). In the table a distinction is made between governmental roles (Governor, Stabilizer, and Administrator) and linkage roles (Ambassador and Representative).

The overall impression from Table 4.1 is a remarkable stability regarding the roles of the ideal politician according to the MCEOs.

Concerning the governmental roles, the ideal politician should give high priority to the governor roles by having a long-term vision for the municipality and decide on major policy principles. Of medium

Table 4.1 The ideal politician according to Danish MCEOs: 1995-2022

| Ideal politicians² priorities—Mean values (High-Medium-Low priority) (SD) | 1995 | 2006 | 2008 | 2016 | 2022 |
|---|---|--|--|---|---|
| Governmental roles Governor Decide on major policy principles (Mean) | 83.8 (Hi) | 90.1 (Hi) | 86.7 (Hi) | 79.8 (High) | 76.5 (Hi) |
| Have a long-term vision for the municipality (Mean) (SD) | 83.9 (Hi) (17.7) | 94.4 (Hi) (10.4) | 89.5 (Hi) (17.7) | 89.5 (Hi) (18.3) | 87.3 (Hi) (15.4) |
| Create stability for the administration (Mean) 58.5 (Med) (SD) (23.9) (SD) (SD) (SD) (SD) (Administrator | 58.5 (Med) (23.9) 65.3 (Med) (27.0) | 61.3 (Med) (24.0) 79.8 (Hi) (20.2) | 58.6 (Med) (24.1) 75.0 (Hi) (24.8) | 52.2 (Med) (20.9) 68.0 (Med) (24.4) | 59.0 (Med) (<u>22.1</u>) 70.0 (Med) (21.9) |
| Lay down rules and routines for the administration (Mean) (SD) Taking decisions concerning specific cases (Mean) (SD) Linkage roles Ambassador | 19.9 (Low) (19.6) 16.9 (Low) (16.6) | 26.2 (Low) (27.2) 18.7 (Low) (21.0) | 21.4 (Low) (26.9) 27.3 (Low) (21.7) | 25.9 (Low) (22.3) 28.1 (Low) (22.4) | 25.3 (Low) (18.3) (23.8 (Low) (17.2) |
| Represent the municipality to the outside world (Mean) (SD) Defend decisions and policies externally (Mean) (SD) Be a spokesperson vis-à-vis the press (Mean) (SD) Procure resources from upper-level governments (Mean) (SD) | 72.6 (Hi) (20.0) (20.0) (73.9 (Hi) (18.8) (70.1 (Hi) (20.1) 54.0 (Med) (24.8) | 70.4 (Hi) (22.7) 82.8 (Hi) (18.4) 77.2 (Hi) (19.2) 62.6 (Med) (24.7) | 68.4 (Med) (21.5) 78.5 (Hi) (18.8) 72.7 (Hi) (21.7) 59.4 (Med) | 72.8 (Hi) (22.8) 73.2 (Hi) (21.1) 67.5 (Med) (24.1) 56.7 (Med) (24.1) (24.1) (24.5) | 64.2 (Med) (19.7) 70.3 (Hi) (21.1) 65.7 (Med) (20.7) 48.8 (Low) (22.0) |

| Representative | | | | | |
|--|------------|------------|-------------|------------|------------|
| Be informed about citizens' views (mean) | 84.3 (Hi) | 81.9 (Hi) | 78.5 (Hi) | 82.9 (Hi) | 72.8 (Hi) |
| (SD) | (15.1) | (18.1) | (19.2) | (20.7) | (19.0) |
| Implement the program on which he/she was elected (Mean) | 56.2 (Med) | 59.3 (Med) | 57.4 (Med) | 53.2 (Med) | 56.8 (Med) |
| (SD) | (19.7) | (23.0) | (20.7) | (23.6) | (19.0) |
| Be a spokesperson for local groups or individuals (Mean) | 26.0 (Low) | 27.0 (Low) | 30.1 (Low) | 29.4 (Low) | 25.0 (Low) |
| (SD) | (19.5) | (23.0) | (22.8) | (19.0) | (17.8) |
| Be a spokesperson for their political party (Mean) | 60.4 (Med) | 61.5 (Med) | 59.4 (Med) | 59.6 (Med) | 65.7 (Med) |
| (SD) | (22.4) | (26.0) | (22.5) | (24.0) | (18.7) |
| N: Respondents (municipalities) | 199 (275) | 126 (271) | 64 (98) | 57 (98) | 81 (98) |
| | | | | | |

Note: Mean values based on a 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; Bold: Highest mean score in the year; Italic: Lowest mean score in year; Underscore: Highest SD in year. Role categories adapted from Mouritzen and Svara (2002a, 2002b; chapter 7). See book appendix for the Nordic MCEO survey questions importance is the stabilizer roles to create stability for the administration and formulate exact unambiguous goals. Of low importance is the administrator roles to lay down rules and routines for the administration and take decisions concerning specific cases.

However, the high standard deviation scores of the stabilizer role measures indicate that the MCEOs tend to disagree about this role. It is especially interesting that the item 'Formulate exact and unambiguous goals for the administration' generates disagreement among the MCEOs, since it has been one of the strong recommendations from the NPM movement.

Concerning the linkages roles, the MCEOs perceptions of the ideal politician is less neatly captured by the categories of ambassador and representative. Since the 1990s, the MCEOs maintain that the ideal politician should give high priority to defend decisions and policies externally (ambassador role) and be informed about citizens views (representative role) and that they should give low priority to be a spokesperson to local groups or individuals (representative role).

Summing up the MCEOs perspective, good politicians should decide on major policy principles, have a vision of the way in which the municipality should develop in the long run (governor), defend decisions and policies externally (ambassador), and be informed about citizens' views (representative). Good politicians should not lay down rules and routines for the administration or take decisions concerning specific cases (administrator). These functions should be delegated to the administration.

4.4.4 Influence in the Danish Municipal Political— Administrative System: The Strong Mayor

In Table 4.2, the MCEOs' perceptions of the influence of core actors are given as means and standard deviations. These questions were asked between 1995 and 2016, spanning 21 years of perceptions regarding the influence of actors. As expected from a formal legal perspective, the mayor was perceived as the most powerful actor throughout the two decades, and the position seems to have become more powerful in recent years. The influence of the standing committee chairs and the financial committee also seemed to be resiliently high over the years, in accordance with the formal legal model. However, the influence of the municipal council members was perceived as consistently low. Since these actors are formally responsible for the activities of the municipality, their apparent low level of influence can be seen as problematic. It has been a challenge to revitalize

The Danish MCEO perceptions of actor influence selected years 1995-2016 Table 4.2

| Actor influence—Mean; (High-Medium-Low Mean priority); (SD) | 1995 | 2006 | 2008 | 2016 |
|--|--|---|---|--|
| 1. Mayor (Mean) (SD) 2. Committee Chairs (Mean) (SD) 3. Economic committee (Mean) (SD) 4. Members municipal city council (Mean) (SD) 5. MCEO (City-manager) (Mean) (SD) 6. Department Heads (Sector-manager) (Mean) (SD) 7. Private Business Interests (Mean) (SD) 8. The media (Mean) (SD) 9. Trade Union Leaders (Mean) (SD) 10. Upper-level government/the state (Mean) (SD) 11. Voluntary associations (Mean) (SD) 12. Voluntary associations (Mean) (SD) (SD) | 91.0 (Hi) (16.8) 73.4 (Hi) (19.1) - 72.4 (Hi) (19.0) 71.2 (Hi) (19.3) 23.9 (Low) (20.6) 31.3 (Low) (20.6) 31.3 (Low) (20.6) 31.4 (Low) (20.4) 67.6 (Med) (28.6) 24.4 (Low) (20.6) 67.6 (Med) (20.7) | 94.4 (Hi) (14.1) 73.8 (Hi) (19.8) 82.6 (Hi) (17.3) 39.3 (Low) (21.2) 84.4 (Hi) (16.9) 68.8 (Med) (20.4) 42.8 (Low) (20.3) 55.4 (Med) (24.6) 19.4 (Low) (17.5) 65.5 (Med) (26.0) 39.0 (Low) (18.7) | 95.8 (Hi) (12.1) 76.5 (Hi) (20.0) 76.5 (Hi) (20.7) 36.4 (Low) (15.3) 83.7 (Hi) (16.7) 71.6 (Hi) (16.9) 38.6 (Low) (19.7) 74.9 (19.7) 54.9 (Med) (22.9) 25.0 (Low) (19.1) 80.4 (Hi) (23.2) 33.1 (Low) (16.0) | 97.5 (Hi) (7.6) 82.1 (Hi) (17.9) 82.1 (Hi) (17.9) 82.1 (Hi) (20.6) 47.0 (Low) (21.3) 85.8 (Hi) (18.0) 70.4 (Hi) (19.3) 85.8 (Hi) (19.3) 50.4 (Med) (20.0) 53.8 (Med) (20.0) 53.8 (Med) (20.0) 53.8 (Med) (20.0) 74.6 (Hi) (18.0) 74.6 (Hi) (19.3) 74.6 (Hi) (19.3) 74.6 (Hi) (19.3) 74.6 (Hi) (19.3) |
| N Kespondents (municipalities) | 200 (2/5) | 129 (2/1) | 00 (98) | 00 (98) |

High = More than 70; **Bold:** Highest mean score in the year; *Italia*: Lowest mean score in year; <u>Underscore</u>: Highest SD in year. See book appendix for the Nordic MCEO survey questions 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,

the roles of ordinary members of municipal city councils. The changes from 2008 to 2016 may indicate that, from the perspective of the MCEOs, some of the attempts to make the role more attractive had succeeded.

If we turn to the administrative system, the formal model breaks down. On average, MCEOs perceived themselves as the second-most influential actor in the municipality after the mayor. There is an interesting change in their perceptions of their influence compared to the department heads. In 1995, they perceived the department heads as almost as influential as themselves, but since the 2007 reform, they have perceived their position as more powerful. Another interesting change is the increasing perceived influence of the state; however, in this case, the consistently high standard deviation is remarkable. The influence of the state tended to cause the most variation in responses, indicating considerable disagreement among the MCEOs.

4.4.5 The Leadership Priorities of Danish MCEOs: Stable Priorities with Two Exceptions

Table 4.3 presents the Danish MCEOs' responses regarding their leadership priorities in 1995, 2006, 2008, 2016, and 2022. The MCEOs were asked to '... consider how much importance you attach to the task in your daily work'. In Table 4.3, the 15 items are organized by means of the typology suggested by Mouritzen and Svara (2002a, 2002b), which broadly corresponds to other typologies in the leadership literature (Van Wart, 2017; Yukl, 2013). The main purpose of the table is to visualize stability and change in the context of the MCEOs' responses.

There is a remarkable stability in the priorities of the MCEOs. Of the 15 items, most remained within the range of being high, medium, or low importance. Guiding subordinates was consistently awarded low priority. Providing technical advice (legal and economic), influencing decision-making, and formulating visions were consistently awarded high priority.

Two items shifted in terms of priority. Not surprisingly, given the 2008 financial crisis, financial management has had increasing importance, shifting from low to medium priority. However, it is also an item with a high standard deviation (SD), indicating different views among the MCEOs. The item regarding giving political advice shifted between medium and high priority, and the high standard deviation in this case indicates disagreements among the MCEOs concerning the priority of this task.

 $(\mathit{continued})$

Table 4.3 The Danish MCEO leadership priorities: selected years 1995-2022

| Leadership priorities—Mean; (High-Medium- Low Mean priority); (SD = Standard Deviation) | 1995 | 2006 | 2008 | 2016 | 2022 |
|---|----------------------|-------------------------|-------------------------|-------------------------|---|
| Administration (classical administrative functions) | | | | | |
| Guide subordinates (Mean) | 32.5 (Low) (19.4) | 31.8 (Low) (20.0) | 27.2 (Low) (19.8) | 32.4 (Low) (22.1) | 35.7 (Low) (17.6) |
| Fiscal Management (Mean) | 41.2 (Low) | 54.2 (Med) (26.2) | 56.1 (Med) (24.8) | 64.1 (Med) (25.5) | 61.3 (Med) |
| Enforce rules (Mean) (SD) | 32.7 (Low) (18) | 33.1 (Low) (23.5) | 35.2 (Low) (20.1) | 39.3 (Low) | 42.7 (Low) (21.0) |
| Establish new routines (Mean) (SD) Advice to Politicione | 60.6 (Med) (22.9) | 63.3 (Med) (23.5) | 54.9 (Med) (21.9) | 56.3 (Med) (21.8) | 54.9 (Med) (19.4) |
| Technical advice (Mean) (SD) | 83.8 (Hi) (18.4) | 85.9 (Hi) (19.1) | 82.8 (Hi) (21.0) | 91.4 (Hi) (17.9) | 73.2 (Hi) (20.3) |
| Political advice to mayor (Mean) (SD) | 68.3 (Med) (24.7) | 76.1 (Hi) (21.1) | 76.5 (Hi) (25.0) | 67.6 (Med) (23.9) | $60.1 (\mathrm{Med})$ $(\underline{26.3})$ |
| Norms of relationships (Mean) (SD) | 77.6 (Hi) (18.5) | 76.9 (Hi) (19.7) | 77.2 (Hi) (20.3) | 76.2 (Hi) (19.8) | 64.8 (Med) (23.0) |
| Influence decision-making (Mean) (SD) Integration and Cooperation (only in annendix) | 83.1 (Hi) (16.0) | 84.8 (Hi) (15.7) | 86.2 (Hi) (16.4) | 80.5 (Hi) (20.2) | 71.6 (Hi) (20.8) |
| Solve problems/conflicts of human relations (Mean) | 60.2 (Med) (17.8) | 60.5 (Med) (20.3) | 51.1 (Med) (21.9) | 50.4 (Med) (19.5) | 51.5 (Med) (15.8) |

Table 4.3 (continued)

| Stimulate cooperation between departments (Mean) | 81.8 (Hi) (15.8) | 77.3 (Hi) (17.8) | 77.2 (Hi) (18.8) | 85.3 (Hi) (16.6) | 76.2 (Hi) (14.6) |
|---|---------------------|-------------------|-------------------|------------------|---------------------|
| (SD) (SD) | 68.0 (Med) | 64.6 (Med) | 60.4 (Med) | 61.7 (Med) | 61.9 (Med) |
| | (16.7) | (18.3) | (13.9) | (20.4) | (18.5) |
| Innovation (policy innovation) Formulate visions (Mean) | 83.1 (Hi) | 84.5 (Hi) | 83.2 (Hi) | 84.5 (Hi) | 72.0 (Hi) |
| (SD) | (17.2) | (18.2) | (17.6) | (17.1) | (17.7) |
| Informed about citizens' (Mean) | 69.4 (Med) | 67.1 (Med) | 64.4 (Med) | 67.6 (Med) | 61.0 (Med) |
| (SD) Attract external resources (Mean) | (17.5) | (18.3) | (19.6) | (18.2) | (18.5) |
| | 50.4 (Med) | 55.9 (Med) | 62.3 (Med) | 55.9 (Med) | 46.9 (Low) |
| (SD) | (24.4) | (22.2) | (24.4) | (24.3) | (21.4) |
| Improve efficiency (Mean) | 80.1 (Hi) | 82.9 Hi) | 82.5 (Hi) | 80.9 (Hi) | 72.2 (Hi) |
| (SD) N Respondents (municipalities) | (16.9) 199 (275) | 14.6 133 (271) | (17.4) 67 (98) | (17.7) 64 (98) | (18.5) 81 (98) |

High = More than 70; **Bold**: Highest mean score in the year; *Italit*: Lowest mean score in year; <u>Underscore</u>: Highest SD in year. Categories adapted from Mouritzen and Svara (2002a, 2002b); chapter 5) and technical appendix. See book appendix for the Nordic MCEO survey questions 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,

4.5 Concluding Discussion

The MCEO is the highest-ranking public servant in Danish municipalities, but the exact demands, constraints, and choices vary among municipalities due to lack of formal legal national standards. The contemporary MCEO position was established in the 1970s and was shaped by four megatrends in the twentieth century: (1) high economic growth, which was invested in the local welfare state; (2) the local version of representative liberal democracy and the resulting political—administrative system; (3) the geographical megatrend, which tended to divide municipalities in rural entities characterized by decline or stagnation and urban entities characterized by growth; and (4) the related demographic megatrend, with an aging population especially in rural areas. In recent decades, the MCEO position was further shaped by transnational reform trends, such as NPM, as well as by the 2007 local government reform, which reduced the number of municipalities and consequently the number of MCEOs to 98.

Danish MCEOs manage some of the largest organizational entities in the country in terms of turnover and number of employees. Municipalities are multi-task organizations that deliver welfare state services such as childcare, eldercare, elementary schools, and technical services. MCEOs are part of a complex political–administrative system, and their most important collaborators are the mayor, other top public servants, the finance committee, and the municipal council, the majority of whom approve their employment and dismissal. Danish MCEOs tend to be highly experienced, with an average age of 50–56 years and decades of experience in public administration. In the past, they were almost uniformly male, but the percentage of females has slowly increased, surpassing 20% in 2023.

The education and career trajectories of the MCEO have changed significantly since the 1970s: from a primarily municipal apprenticeship in the 1970s to a primarily academic social science education since the 1990s and from a permanent position in the 1970s to an increasingly insecure position with frequent dismissals. Salaries have also increased significantly, and MCEOs are among the highest-paid public servants in Denmark.

According to Danish MCEOs, the ideal politician should focus on major policy principles and visions, defend policies externally, be well informed about citizens' viewpoints but should not interfere in the administration. These norms concerning the good politician have remained stable across five surveys since the 1990s. MCEOs have also consistently

perceived the mayor as the most influential municipal actor, after whom they have consistently ranked themselves, then the committee chairs, followed by the economic committee.

Among the daily leadership priorities, MCEOs consistently give a high ranking to the following tasks: technical (legal and economic) advice to politicians, influencing decision-making, stimulating cooperation between departments, formulating visions, and improving efficiency. In contrast, the classical administrative functions of guiding subordinates, enforcing rules, and establishing new routines were consistently awarded low priority.

The above account of the main findings concerning the evolution of the position of the Danish MCEO from 1970 to 2023 raises several questions and puzzles for further enquiry and future research. First, it is an analysis based on descriptive statistics, and no multivariate statistics were applied, nor did we analyse how the descriptive statistics covary. Furthermore, several interesting relations could be examined through multivariate statistics in future research. For instance, some previous research has indicated that the increasing number of women MCEOs may lead to a slightly different approach to the role (Hansen, 2010).

Second, the formal political–administrative management structure implies at least two tensions and potential conflicts that Danish MCEOs must cope with, one of which is balancing and communicating between politics and administration and the other balancing between acknowledging the needs of each of the multiple public services (e.g. decent quality kindergartens, primary schools, and eldercare) and ensuring a sustainable short- and long-term economy for the entire municipality. Both tensions merit further examination in future research.

Third, previous research has tended to focus on specific positions, such as that of the mayor or the MCEO. Few studies have applied a holistic approach and analysed management systems. This could involve a pair of public managers, such as the MCEO and the mayor, or the characteristics of the entire municipal political–administrative management system (see Fig. 4.1).

Fourth, studies of the linkages between managers, management systems, and reasonable indicators of performance are rare at the strategic level, such as that of the municipality. It is not easy to construct valid research designs, but more knowledge of these relations is needed.

Finally, qualitative case-studies examining either everyday managerial work or long-term decision-making processes within the local political-administrative system are still rare and findings from such studies are not

adequately reviewed. As in most leadership research (Yukl, 2013), the findings in this chapter primarily rely on survey data and various types of quantitative variation analysis. Qualitative case-studies are rare and highly needed to enhance our understanding of the dynamics of these important institutions in contemporary society.

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CHAPTER 5

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.

Early Institutionalization

According to Mouritzen and Svara (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 & Svara, 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 fundaments 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

¹See 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 & Svara, 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.

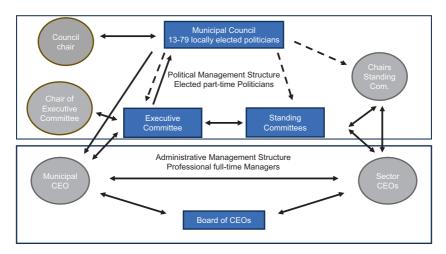


Fig. 5.1 The Finnish local government political—administrative system. *Note: Dotted arrows* from the municipal council indicate that the mayor, the executive committee, the standing committees, and their chairs are all elected by the majority of the municipal council after the election. *The two-way 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 twothirds 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 & Svara, 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 homogeneous.

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 healthcare 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 & Svara, 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

| 2005 | 2010 | 2015 | 2021 |
|------|--------------------------------|---|--|
| 416 | 324 | 299 | 286 |
| 0 | 2 | 2 | 7 |
| 416 | 326 | 301 | 293 |
| | | | |
| 90.3 | 90.9 | 91.9 | 89.7 |
| 9.6 | 9.1 | 8.9 | 10.3 |
| 100 | 100 | 100 | 100 |
| | 416 0 416 90.3 9.6 | 416 324 0 2 416 326 90.3 90.9 9.6 9.1 | 416 324 299 0 2 2 416 326 301 90.3 90.9 91.9 9.6 9.1 8.9 |

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

| Actor | 1996 (STD) | 2019 (STD) |
|------------------------------------|---------------|---------------|
| 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 |
| N | 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

| | 7007 (07) | |
|--|-----------|-----------|
| Governmental roles | 1996 (SD) | 2019 (SD) |
| Governor | | |
| Decide on major policy principles | 67.9 | 92.1 |
| , | (23.2) M | (13.2) H |
| Have a vision of the way in which the municipality should | 84.2 | 94.4 |
| develop in the long run | (17.5) H | (11.1) H |
| Stabilizer | | |
| Create stability for the administration | 66.5 | 78.8 |
| | (21.0) M | (22.5) H |
| Formulate exact and unambiguous goals for the administration | 51.6 | 60.0 |
| | (25.3) M | (25.1) M |
| Administrator | | |
| Lay down rules and routines for the administration | 21.1 | 36.7 |
| | (19.4) L | (25.2) L |
| Taking decisions concerning specific cases | 59.9 | 54.2 |
| | (27.5) M | (25.2) M |
| Ambassador | | |
| Represent the municipality to the outside world | 59.7 | 70.4 |
| | (20.7) M | (19.4) H |
| Defend decisions and policies externally | 66.8 | 78.1 |
| | (21.9) M | (17.3) H |
| Be a spokesperson vis-à-vis the press | 44.8 | 60.4 |
| | (22.0) L | (21.4) M |
| Procure resources for upper-level government | 44.6 | 69.6 |
| | (24.6) L | (25.9) M |
| Representative | | |
| Be informed about citizens views | 75.1 | 79.3 |
| | (18.5) H | (11.1) H |
| Implement the programme on which s/he has been elected | 25.4 | 29.9 |
| | (19.0) L | (22.0) L |
| Be a spokesperson for a local groups or individuals who have | 32.9 | 46.7 |
| issues pending decision by the authority | (20.4) L | (25.2) L |
| Be a spokesperson for their political party | 33.2 | 31.3 |
| N. | (22.0) L | (22.8) L |
| N | 324 | 114 |

^{&#}x27;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 |
| N | 324 | 114 |
| | | |

^{&#}x27;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 Svara'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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CHAPTER 6

Structuring the Unstructured: The Very Special Case of the Icelandic Municipal CEO

Eva Marín Hlynsdóttir

6.1 Introduction

The position of the municipal chief executive officer (MCEO) is the single most important administrative position at the Icelandic local government level. The legal framework around the MCEO position is rooted in a local government system established in the late nineteenth century and is mostly Danish in origin. However, the position of the Icelandic MCEO has developed into a special case of the Icelandic chief executive, with a complex mixture of Danish, Norwegian, and Icelandic traits. There are effectively three types of chief executives at the Icelandic local level: the executive mayor, the city manager (sometimes also referred to as council manager), and the old type of council leader. Each type represents a special form of

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government as the horizontal power structure¹ between political leadership and administration, and the principle of amateurism in local politics is affected by different types of organization. The importance and prestige of the MCEO position increased substantially in the late twentieth century, as more tasks and services were delegated to the Icelandic local level. Consequently, so did the public debate on internal power relations between politics and administration at the local level. This debate was specifically manifested in the role of the MCEO and the related public rhetoric. The focus of the chapter is twofold: First, it explores the special status of the Icelandic MCEO in relation to the other Nordic states. Second, it discusses the internal differences between various types of MCEOs and the consequences for the Icelandic system.

The chapter begins by examining the institutional preconditions of the MCEO position by describing the framework of the Icelandic local government system and its origins. This is followed by looking into the development of the MCEO position and how this has been influenced by both the legal framework around the Danish mayor and the Norwegian MCEO. Special focus is placed on the fact that the legal framework allows for the position to be occupied by either a local politician, making him/ her a de facto executive mayor, or a professional hired through a job posting for the position. This provides an interesting angle as the role perceptions of these very different types of administrative leaders are expected to be divergent. This is followed by a discussion on the collective profile of the MCEO and how the different MCEO backgrounds (elected member of the council or not) may or may not affect their role perception.

6.2 ICELANDIC LOCAL GOVERNMENT STRUCTURE

Iceland is the smallest of the five Nordic countries, with a population of around 390,000. Although it is geographically quite large, with 103,000 km², residential areas are clustered mostly in the capital city of Reykjavík and its surrounding suburbs and hinterland. Thus, more than 80% of the country's population lives within 100 km radius of the capital city. The rest of the population is unevenly distributed, mostly on the

¹This conceptualization is based on a twofold typology of local government systems: vertical power relations between municipalities and upper-level government(s) and horizontal power relations between the council and the mayor and/or other political and administrative leaders within city hall (Heinelt & Hlepas, 2006, p. 21).

coastline, as the middle of the country is unhabitable. There are considerable size differences between individual municipalities, from around 40 residents in the smallest municipality to around 140,000 in the capital city of Reykjavík. In 2023, municipalities are still overwhelmingly small; out of a total of 64, there are only 9 municipalities with more than 5000 residents, 53 with less than 5000, 29 with less than 1000, and 16 with less than 500.

As part of the Danish Kingdom for several centuries from the four-teenth century onwards, the institutional design of government administration has strong Danish characteristics. Based on a Danish template, a new local government structure was introduced in Iceland in 1872. There was a separate act for each town (only Reykjavík at the beginning) and one collective act for the remaining municipalities. The new system was progressive in many ways and gave local authorities great power within their territories. However, the Icelandic situation was very different from that of the Danish. A good example is that the original Danish Act stipulated a special act for market towns, while in Iceland, around 80% of the population lived in rural areas, and existing villages were extremely small. Moreover, the number of towns remained small for a long time, only reaching 13 in the 1950s.

The foundation of local government as a council–committee system (Mouritzen & Svara, 2002) has remained remarkably stable. The municipal council is formally the most important decision-maker, as all decisions must be formally signed by the council. The most important subcommittee is the executive committee, which along with the MCEO is responsible for the daily management of the municipality. The executive committee, however, is only permitted in seven-member or larger councils. The number of additional standing committees varies considerably, so does the number of ad hoc committees. Local elections take place every four years and are normally proportional, using the D'Hondt method without a legal threshold. However, a small number of very small municipalities use a bloc voting system with a personal vote—without parties (Hlynsdóttir & Önnudóttir, 2022).

The overall number of council members is considerably smaller than the norm in the other Nordic countries, and turnover is high; typically, around 60% of all councillors are replaced every four years (Statistics Iceland, 2019). The Local Government Act (no. 138/2011) stipulates that council size should vary between 5 and 23 members depending on the size of the municipality. Municipalities with less than 2000 residents

can choose between 5- and 7-member councils; municipalities with populations between 2000 and 9999 may choose 7-, 9-, or 11-member councils, and towns with 10,000–49,999 may choose between 11- and 15-member councils. Cities with more than 50,000 residents may choose between 23- and 31-member councils. The Reykjavík city council is the only council in the last group with 23 members. Following the local government election in 2022, five- (23) or seven-member (22) councils were the most common council sizes, accounting for 70% of all local councils. Local government is organized on a single tier, and the system is symmetrical, legally stipulating that all municipalities have the same tasks and obligations towards their citizens.

As shown in Hlynsdóttir, Cregård, and Sandberg of this volume, the subnational government share of GDP, government expenditure, and staff expenditure is now similar to (although slightly lower) that of the other Nordic countries. The heavy emphasis on decentralization on behalf of the central state has had a significant effect on the organization of politics and administration, both in relation to the internal organization of the administration and the task division between the political and administrative arms of government.

In the early 1990s, it is estimated that the Icelandic municipal level was responsible for around 20% of public expenditures (Eythórsson, 1999); in 2019, this proportion was closer to 30% (OECD/UCLG, 2019). Tasks were not equally distributed between municipalities, making the system somewhat asymmetrical, as the bulk of municipalities were very small (less than 500). In most of these municipalities, there was no waste or water management, no sewage management, social services, or kindergartens, all of which are tasks that municipalities in general were expected to provide but were in this case solved by individuals themselves.

In the early 1990s, ideas began to emerge about changing the functional and territorial organization of the Icelandic local government system. The territorial restructuring faltered, but the government continued with its plan for functional reform. In 1996, the responsibility for primary school education was moved to the local level, and in 2011, services for the disabled followed. These two large, labour-intensive tasks as well as the need for regulations around spatial planning and other general changes to the task division between state and local government, completely altered the internal organization of municipalities during this period. The need for local authorities to provide quality services at a competitive price also pushed local governments to develop an extremely wide-ranging and

complex system of inter-municipal cooperation (IMC). A 2016 survey set the number types of IMC at around 320, with each municipality participating in an average of 23 IMCs (Jóhannesson et al., 2016). Such schemes could include corporate set-ups, joint facilities, contracts with private companies, and service contracts with other municipalities. In the most extreme cases, municipalities outsourced most of their responsibilities, usually to a neighbouring municipality, a situation especially common in municipalities with less than 500 residents.

Local administrations are generally very small, with a majority of municipalities employing around 5–10 personnel (including the MCEO) in the city hall. This changes around the population threshold of 3000, where the number of city hall employees rises steeply. Consequently, only a handful of municipalities can set up a formal administrative structure with the separate departments or boards of CEOs normally found, for example, in Danish and Swedish municipalities. The small size of city hall also indicates that interaction between the political and administrative arms of government is both informal and tainted by the political machinery.

When local authorities took on more tasks, the workload and responsibilities of the MCEO increased; however, so did the prestige and popularity of the position. The MCEO is generally the highest paid official within Icelandic local administration and has a central position in relation to internal interactions with the local administration, politics, and local civic society as well as externally with other municipalities, private partners, and central government institutions. This special situation of the MCEO can be traced back to its origin in the late nineteenth century.

6.3 THE ORIGIN OF THE ICELANDIC LOCAL CHIEF EXECUTIVE POSITION

As the initial Local Government Act was introduced in 1872, there seems to have been a consensus among the members of parliament of its importance. The question of how to organize the management of the town of Reykjavík, however, was the subject of significant parliamentary debate. According to the Danish model, there were two important leadership positions at the local level. The first was an individual appointed by the central government, who was equivalent to a magistrate (bajarfógeti), and the second was a type of city manager who was both the leader of the council and the day-to-day manager of the town. While both positions

were management-oriented, there was an important difference, as the latter was more political; this individual could either be an elected member of the council or hired from outside the council.

In the Icelandic case, the decision was made to fuse these two positions, and therefore, town councils consisted of elected members and the magistrate, who was also automatically the leader of the town council. This position may be compared to the modern-day Dutch mayor (Denters et al., 2005). At the beginning, the magistrate did not have voting rights within the council; however, this soon changed, and in some towns, the magistrate had the same voting rights as elected members of the council. The magistrate was, in fact, a government official, as they were appointed by the central government to the town magistrate position.

Many council members resented the fact that a centrally appointed magistrate was positioned within locally elected councils. In the case of Reykjavík, the position of the magistrate was soon removed from the city council, thereby ending direct influence of central government in city council affairs. In place of the magistrate, the position of chief executive was established. At the beginning, the chief executive was also the leader of the council, similar to the magistrate type. Later, a special position for the council leader was established in towns where a chief executive was appointed. However, the most important addition to individual town acts came in 1907, where the council of Hafnarfjörður added a new clause in their council act stating that the town chief executive was only eligible to vote in council meetings if he was an elected council member as well. This clause paved the way for the development of the modern double system in relation to the management of local authorities. On one hand, there was the possibility for a member of the council to become chief executive, thus an executive mayor; on the other hand, the suggestion was to hire someone from outside the council to manage the day-to-day activities of the council. The addition of this clause into the Icelandic town acts was also a clear break from the Danish tradition, as there was no equivalent in Danish law.

The situation in the remaining municipalities in the late nineteenth century differed substantially, as the council leader was simultaneously the political leader and manager. In rural areas and villages without town rights, a bloc voting system with a personal vote was applied, albeit without parties. All eligible members of the community could be voted for, and the individual with the highest number of votes usually became the leader of the council, an equivalent to the modern notion of mayor, although formally appointed by the council. This individual would then

lead the council meetings and handle the daily management of the municipality. The old type of council leader was essentially a community leader with a high level of direct access to central government. The remnants of this system are still visible today in the smallest Icelandic municipalities (Hlynsdóttir, 2016a; Page & Goldsmith, 1987).

Municipalities consisting of rural areas and small villages were not allowed to hire a manager. The council leader was legally required to take care of the day-to-day management of the local authority. By the late 1940s, this had become a problem for many of them, as daily management had expanded in a way that was beyond the capacity of a single individual. In parliament, the idea of setting up a similar system as the Norwegian MCEO (rådmann) was introduced. Originally, the idea was to make it mandatory for municipalities with more than 500 inhabitants to hire an MCEO, and this person was supposed to be hired independent of the election term. The idea was to make the position professional and as independent as possible of political influence. However, when the act finally passed through parliament in the early 1950s, significant changes had been made to the original proposal. Fundamentally, the idea behind the MCEO position in towns and rural municipalities was the same; it was supposed to be a full-time worker who could assist council members with their work.

Municipalities were permitted, but not obligated, to hire an MCEO (in 2012, it finally became mandatory for all municipalities to hire an MCEO). Unlike in the towns, the position of MCEO had to be advertised; therefore, the law did not permit council members to become managers. However, the differences between rural and urban MCEOs were mostly eliminated within a few years. The rule of advertisement for the rural manager was lifted, and managers in rural municipalities were also allowed to be members of the council, albeit without voting rights. The final change was to make the term of employment four years, the same as the election term. During this era, changes were usually not made within the election term unless the MCEO left office voluntarily. Thus, the general idea was that MCEOs could not be fired without good reason. However, a 2001 Supreme Court ruling established beyond doubt that the post was so tightly connected to the majority of the council that any disruption in trust between the MCEO and the majority or changes in the majority were a justifiable reason for the MCEO in question to be fired (Valsson, 2014). This was confirmed in a statement by the Icelandic Ombudsman in 2018 in a dispute concerning whether the recruitment process of a city manager should be purely merit-based or not (Umboðsmaður Alþingis [Ombudsman], 2018). In short, this established a political stronghold over the MCEO position, as they can be removed from their position by a council majority at any time.

In sum, the local council was given free rein to decide on when, how, and whom to hire for the position of MCEO. Since these changes were made in the early 1960s, the Local Government Act has been revised three times but with no major changes to the role of the MCEO or the division of power and authority between the MCEO and the council or political leadership. Thus, the formal structure of the Icelandic MCEO position has remained relatively unchanged since the mid-twentieth century.²

64 FORMS OF GOVERNMENT AND LEGAL FOUNDATIONS

There are two main articles in the Local Government Act stipulating the legal framework for the appointment of the MCEO or municipal administrator, as referred to in the official translation. The first addresses the appointment of the MCEO, while the second article addresses the area of responsibility. The law makes no distinction between the executive mayor, the old council leader, and the city manager types of MCEO, with the exception of the chief executive's right to vote if they are a member of the council.

These articles are partially based on a Danish template (with a Norwegian twist) used to describe the responsibilities of the Danish mayor. Like the Danish mayor, the Icelandic executive mayor is the head of the administration. Likewise, they both share responsibility for budgeting and finances with the executive board (if there is one) as well as signing legally binding documents on behalf of the municipality. They prepare and organize meetings, although they never lead them. The role of the council leader is normally never combined with that of the executive mayor, and in the case of the executive mayor, another politician takes over the role of the council leader.

In the Danish case, it is also possible to define other mayoral duties in a local ordinance. There is a similar clause in the Icelandic Act (§55), which is crucial because of the complexity of the position. The article states that Icelandic local councils should describe the division of labour between the

²This section on the origin of the Icelandic MCEO is based on the author's unpublished PhD thesis

council and the administration in the local ordinance. However, this is rarely done, and when it is, the description is usually vague and more or less repeats the legal framework. However, and unlike the Danish case, the Icelandic executive mayor is the chief executive in every sense of the word, which became very obvious when the comic Jón Gnarr was elected to the city council of Reykjavík in 2010 and consequently became the executive mayor of Reykjavík. In the following years, he was heavily criticized for not being 'executive' enough, and it was pointed out on several occasions that he was not a 'real' mayor because he actively assigned his executive responsibilities to top city hall managers (Hlynsdóttir, 2016b). This differs from the Danish mayor, who does not have the authority to hire staff and may well choose to stay out of daily administration altogether (Berg & Kjær, 2005). Conversely, the Norwegian mayor has no administrative responsibilities of any kind (Willumsen, 2014).

Thus, the crucial difference between the Icelandic case and similar articles in the Danish and Norwegian local government law is that local government articles that only refer to political leaders in Norway and Denmark are used to define the work of the MCEO in Iceland. This has added to the flexibility of the role of the Icelandic MCEO, albeit with added complexity. This also means that unlike the Danish case, where the Local Government Act is silent on the role of the MCEO, it is the other way around in the Icelandic Local Government Act, where the MCEO role is well defined, but that of political leadership is not.

A popular model for the organization of politics and administration at the local level is the politics–administration dichotomy model. Recently, Icelandic public rhetoric on the position of the MCEO emphasized the neutrality of the administration, and political interference in administration is seen as a potential source of corruption (Kristinsson, 2014). This is in line with a model that Demir (2009) labelled the 'separation school', which stresses the polarization of the political and administrative relationship. However, the legal framework and practice of the internal municipal organization constitute a mixture of an approach called the 'political school' (which posits that top administrators should share the values and political beliefs of elected officials) and another called the 'interaction school' (which stresses an overlapping approach). Research has also revealed that the overlapping model is a more common version of the interaction between administration and politics (Svara, 2006), and findings have shown this model to be more popular (Mouritzen & Svara, 2002).

In the Icelandic case, the discrepancy between the practical approach to the MCEO position and the ideological stance of citizens poses problems. This became evident in the months following the 2018 local elections when local councils in some cases tried to enhance their credibility and legitimacy by hiring a city manager type of chief executive. At the same time, there were accusations of deception on behalf of the local councils. Thus, the Icelandic ombudsman pointed out in his decision on the issue of the appointment of chief executives that local councils should not advertise merit-based job postings for the MCEO position unless they intend to use it accordingly (Umboðsmaður Alþingis [Ombudsman], 2018).

The three distinct types of MCEOs represent three different forms of government, as changes in the form of the MCEO position also led to changes in horizontal power relations within the local authority. It is not uncommon for countries to rely on several forms of government at the local level. An excellent example is the United States, which deploys two forms of local government: the city manager and the strong mayor. This has also been experimented with in Finland (Sandberg, this volume). The Icelandic case is special because it moves between different forms of government, both between and within election terms. Therefore, there is no legal restraint on how and when to deploy different forms of government. This situation is obviously very different from that in the United States, where changes between forms of government are heavily regulated (Nelson & Svara, 2010). Normally municipalities appoint an MCEO in the first few months after local elections. However, previous research has shown that it is normal for up to 30% of municipal councils to change the MCEO again sometime during an election term (Hlynsdóttir, 2020). A compilation by the author for the municipal term 2018–2022 showed that 22% of the municipalities had changed the MCEO, and in four cases, there was a move from one form of government to another.

The most popular form of government is that of the city manager. A typical administrative setting is shown in Fig. 6.1. Here, the mayor often serves as a full-time politician, while another individual is hired to be the city manager or the MCEO. This form bears some resemblance to both the Finnish and Norwegian cases as well as the city manager form of government in the United States. However, there is very little formal guidance on how to organize this form of government, and thus, the clear administrative separation found in Norway is normally absent in the Icelandic case. Nevertheless, this form gives the local administration

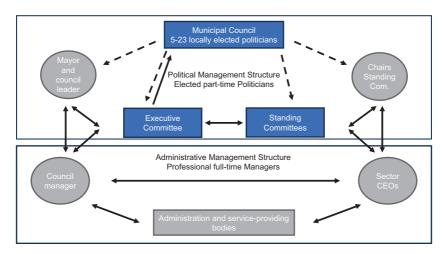


Fig. 6.1 The Icelandic city manager style of political—administrative structure *Note: Dotted arrows* from the municipal council indicate that the mayor, the executive committee, the standing committees, and their chairs are all elected by the majority of the municipal council after the election. *Two-way arrows* indicate triangles of frequent interaction related to decision-making and coordination. *One-way arrows* indicate the typical decision-making process. Arrow with small dots indicates that the MCEO is appointed by the municipal council. The same body has the authority to set him or her aside

leverage against political decision-making. To add to the confusion, five-member municipal councils do not have an executive committee. The structure in Fig. 6.1 is therefore typical for larger municipalities with at least 1000 residents. The main purpose of this form of government has been to increase professionalism at the local level normally manifested in the persona of the MCEO (Hlynsdóttir, 2020). This form of government has become increasingly popular, although municipalities are less likely to use it as population size increases, and it is very rare for cities with more than 10,000 to deploy it. In 2019, 67% of all municipalities used this form of local government.

In many ways, the framework is similar to the Danish template demonstrated in the introductory chapter by Hansen et al. in this volume. However, there are some important differences; for example, there are many cases of municipalities where there is no executive committee.

Mayors are also not necessarily employed full time in their mayoral positions. There are also indications of standing committees not having the authority ascribed to them by this model; thus, they have considerably less authority than their Danish counterparts. Furthermore, the administrative part of the figure shows a common layout of decision-making bodies at the local level. Nevertheless, there are cases where there are no sector CEOs and a very limited number of administrative or even service-providing bodies. The number of administrative and service-providing bodies set up as separate joint facilities outside the municipal organization further complicates the matter, as it makes it difficult for the MCEO to manage such facilities due to the collaborative set up of many owners.

The second form of government in Fig. 6.2 is the executive mayor. In this form, the mayor serves as a full-time politician as well as a full-time MCEO. Therefore, this individual has responsibilities in both the political realm of government and the administrative sphere. It must be pointed out that in most cases, another politician takes on the responsibility of leading the council. The executive mayor is very similar to the Danish mayor. However, it may be argued that due to how the position of the MCEO is stipulated in the Icelandic Local Government Act, it puts emphasis on the management responsibilities of an executive mayor while also diminishing their political role. Findings from a previous study showed exactly this, as executive mayors were prone to highlight their management role while downplaying their role as politicians, thereby effectively seeking to argue that they were managers first and politicians second (Hlynsdóttir, 2016b). Before the 2008 financial crisis, this form of government was very popular, with around 39% of all municipalities using it in 2006-2010. However, due to heavy criticism in the aftermath of the crisis, a majority of councils opted for the more politically neutral city manager form of government, hiring MCEOs through job advertisements after the 2010 local elections. In 2019, 20% of all municipalities opted for this type of government, most of them very large municipalities.

The same problems described in Fig. 6.1 are also prevalent in this form of government; for example, there are no executive board in very small municipalities, and there is a lack of administrative competence. However, as this form of government is more often used in larger municipalities, these problems tend not to be as severe as in the city manager form of government. Thus, the executive mayor is more likely to have strong support from the administration. The figure shows the position of the council leader at the upper-left corner of the model. Essentially, this model is all

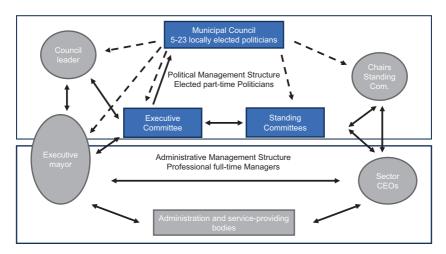


Fig. 6.2 The Icelandic executive mayor style of political–administrative structure *Note: Dotted arrows* from the municipal council indicate that the mayor, the executive committee, the standing committees, and their chairs are all elected by the majority of the municipal council after the election. *Two-way arrows* indicate triangles of frequent interaction related to decision-making and coordination. *One-way arrows* indicate the typical decision-making process. Arrow with small dots indicates that the MCEO is appointed by the municipal council. The same body has the authority to set him or her aside

about political strength and leadership, very much stressing Demir's (2009) 'political school' of thought, while the city manager model is more interactive and balances political and administrative representation within the system.

The third and final form of local government, the old council leader type, is perhaps the most community-driven of all three forms. In this type of government, local government is made of a five-member council, standing committees, and their leaders. In many cases, administrative and service bodies are non-existent, as municipalities receive services from private providers or neighbouring municipalities, de facto removing the lower part of the management structure altogether and leaving only the upper political part of the model. This means that the mayor is simultaneously the council leader, manager, and political leader. Elections are usually not proportional, but a bloc voting system is used with a personal vote and parties (Hlynsdóttir & Önnudóttir, 2022). The five individuals with the

highest number of votes become elected members of the council. Municipalities using this type of government normally have less than 200 citizens and limited staff or none at all (although there are notable exceptions). In 2019, 13% of municipalities used this form of government.

As demonstrated, there may be enormous differences among municipalities in terms of the political–administrative management structure. It is therefore of interest to explore whether these differences in forms of government are also visible in the collective profile of the modern MCEO.

6.5 THE COLLECTIVE PROFILE OF THE MODERN ICELANDIC MCEO³

Several factors should be noted in any study of Icelandic MCEOs. The first is the fundamental difference between different types of MCEOs, while the second involves the frequent changes during the election term. In this discussion, the number of MCEOs in relation to the surveys is based on the situation at the exact point in time when the surveys were conducted (December 2011 and March 2019).

The overall number of municipalities in Iceland has decreased from around 200 in the early 1990s to 64 in 2022. The number of municipalities formally employing an MCEO has, however, remained remarkably stable during this time, varying between 60 and 70. The remaining municipalities used the old council type of MCEO, which was not formally recognized as a chief executive position until 2012. Most of the municipalities employing an MCEO in the second half of the twentieth century were towns and villages along the coastline. Most of the small rural municipalities did not begin to hire MCEOs until well after 1990. This trend coincides with the growing number of tasks that municipalities are responsible for. The number of executive mayors increased in the early 1990s and has remained above 20% since, peaking in 2006 at 39%. The author's analysis shows that most of the larger municipalities with more

³Although the Icelandic MCEO is one of the oldest positions within local government, studies on the position are rare, often only addressing a small number of MCEOs from the largest municipalities (Kristinsson, 2001). However, a survey conducted by the author in 2011 among all MCEOs in Iceland (N=74, response rate was 100%) was based on the UDiTE study, which laid the foundation for the 2019 Nordic MCEO survey which was sent to all Icelandic MCEOs in march 2019 (N=71, response rate N=64/90%). One municipality was recruiting a new MCEO and was not included in the study.

than 5000 inhabitants employed an executive mayor from 1990 onwards and that this trend continued until the 2010 local elections.

Although there are examples of both types of MCEOs staying in office for an extended period, frequent changes are more prevalent. For example, at the beginning of the 2006 and 2010 election terms, around 50% of municipalities hired new MCEOs. In 2014, the proportion decreased to 33% and up again in 2018 to around 50%. Therefore, it seems that MCEOs cannot expect a stable work environment and increasingly so. The average time for an individual in an MCEO position decreased in the period from 2011 to 2019 from 6.4 years on average in 2011 to 4.0 years on average in 2019. The differences in tenure between the different types of MCEOs have also decreased; in 2011, executive mayors had been in their position for an average of 4.2 years, city managers for 6.6 years, and old council leaders for nine years. In 2019, the corresponding figures were 5.3 for executive mayors, 3.5 for city managers, and 4 years for old council leaders. One plausible explanation for these fluctuations is that in the 2011 study, several individuals in the city manager and council leader groups had been in their positions for several election cycles.

To exemplify, one individual had served for 41 years as an MCEO of the old council leader type. These long-serving individuals have now all left. Moreover, a majority of MCEOs have only served in one municipality. Individuals serving in more than one municipality have often served as executive mayors and then moved somewhere else to take on the role of city manager in another municipality. The career track where individuals move from smaller municipalities to larger and more prestigious ones has been observed, but such cases remain rare, with only 22% of MCEOs in 2019 having served in another municipality (see Hlynsdóttir, 2020, for more discussion on this topic). Another version is when the career track goes into reverse, when individuals are hired as city managers and then run for council in the next election and become executive mayors. There were a few examples in this study where an individual was a city manager in the 2011 survey and had become an executive mayor in the 2019 Nordic MCEO survey.⁴

How MCEOs are selected varies greatly. Several scenarios are possible: (1) Political parties announce their intention to appoint a specific individual as executive mayor, then set up the election as a choice between

⁴See Appendix for the Nordic MCEO survey questions.

different individuals for executive mayor; (2) parties announce their intention to keep the current city manager, then set up elections as a choice for the person in question; (3) parties announce their intention to hire a professional MCEO without revealing preferences for a specific individual. The process of hiring an MCEO may then take place via job advertisements or head hunting. In recent years, the process of hiring through job postings has become increasingly popular and is often used as evidence of a fair and merit-based MCEO selection. It is common for the city manager type of MCEO to have a family background in the municipality in question. This is often highlighted in the hiring process, as the individuals in question are advertised as capable people with the extra qualification of being local sons and daughters.

Traditionally, the position of the Icelandic MCEO has been male-dominated. It is only in the last few decades that the number of female MCEOs has begun rising, reaching 32.4% in 2011 and 36% in 2019. The proportion of female MCEOs rose steeply following the local elections in 2010, with more than half of all new recruits at the time being female. However, at the local level, women tend to have a much more difficult time getting into pure management positions, such as city manager, than mixed political and management positions, such as executive mayor. Thus, when we look only at the proportion of female city managers, the proportion of female chief executives is 31%. This is somewhat lower than the Swedish case, similar to the Norwegian case, higher than the Finnish case, and much higher than the Danish case.

It is rare to hire very young people for the MCEO position. The average age was 52 years in 2019 and 50 years in 2011. However, findings have shown that city managers tend to be younger than the other types of MCEOs when they are first hired. Also, in the first survey period in 2011, there were considerable differences between the ages of the three types of MCEOs, with the city manager type being an average of 54 years old, the executive mayor 51, and the city manager 48. These differences had disappeared by 2019.

There is no specific educational requirement for the MCEO position. Therefore, unlike Denmark, for example, where municipal apprenticeships⁵ are common, this is not the case of Iceland, with social science being the most common educational background in 2011 and 2019 (66% and

⁵ Municipal apprenticeship does not exist in Iceland.

68%, respectively), from which business and economics were by far the most common disciplines. Similar findings were reported in a 2001 study by Kristinsson, although the differences between disciplines were not as stark, with social science accounting for around 50% of the respondents. However, at the time, a background in a technical or engineering discipline was still common with 26% of the respondents compared to 5.7% in 2019.

There were some differences between the various types of MCEOs. For example, a majority of the respondents in the old council leader type group only had a high school diploma or less (63%), while this number was around 10% for the other two types of MCEOs. Previous findings have also shown that the level of education among Icelandic MCEOs is correlated with size: The smaller the municipality, the less educated the chief executive. Moreover, civil servants at the national government level were traditionally better educated than the corresponding individuals at the local level. Although this has changed in the past few decades, the idea that managing a municipality is something that anyone can do as long their heart burns for the community (Kristinsson, 2001) remains prevalent. This conclusion is supported by the lack of clear role descriptions and common merits for the position (Hlynsdóttir, 2020).

To sum up, the Icelandic MCEO is most often a middle-aged man educated in business or economics. However, there is a considerable number of younger MCEOs, and the percentage of female MCEOs has been rising. Nevertheless, it is clear that there is no formal career track for the Icelandic MCEO within the local government system. This is supported by the fact that there is no formal entry mechanism and that as long as MCEOs have the welfare of their community in mind, they are eligible for the position. Thus, it is still very far from being a secure career track in Iceland in the same way as in Denmark and, to a lesser extent, Norway.

6.6 Leadership Expectations

The decentralization of welfare tasks onto the local level only began in the early 1990s. Thus, the development of the local government administration is a relatively recent phenomenon, although the position of the MCEO has existed in some form for 150 years. This is visible in the lack of research on local government, especially in relation to the management of Icelandic local government. Consequently, the comparative and

| Actor | 2011 (STD) | 2019 (STD) |
|-------------------------------|----------------|----------------|
| Mayor/leader of the council | 83.5 (19.7) -H | 81.0 (32.2) -H |
| Committee chairs | 57.6 (16.5) -M | 45.3 (29.1) -L |
| Leader of the executive board | 87.5 (16.7) -H | 86.0 (28.9) -H |
| Majority in the city council | 93.2 (14.7) -H | 79.4 (32.6) -H |
| Minority in the city council | 50.9 (20.9) -M | 55.5 (28.2) -M |
| City manager | 72.4 (19.8) -H | 58.1 (33.7) -M |
| Executive mayor | 90.2 (14.0) -H | 82.7 (31.4) -H |
| Private business interests | 24.6 (20.7) -L | 44.4 (26.0) -L |
| The media | - | 45.1 (25.6) -L |
| Trade union leaders | - | 39.7 (29.6) -L |
| State institutions | - | 47.5 (28.2) -L |
| Voluntary associations | 26.5 (22.4) -L | 47.5 (28.6) -L |
| | | |

Table 6.1 Icelandic MCEOs' perceptions of actor influence

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

longitudinal data that exist in the other Nordic countries are practically non-existent in the Icelandic case. Thus, the main focus here is on the comparative MCEO survey from 2019 and, wherever possible, another from 2011.⁶

In the 2011 and 2019 surveys, MCEOs were asked to rate the influence of several actors in local government. The names and number of actors were adjusted to the Icelandic case to reflect the power structure and the horizontal power division of the Icelandic local government system. The standard deviation was much higher in the 2019 than in the 2011 survey, suggesting that there was more variation within the groups now than before. Table 6.1 shows that the most influential actors were politicians, with the leader of the executive board and the executive mayor scoring considerably higher than the mayor in the city manager form of government. This suggests the increased importance of the executive board and the leader of the executive board in relation to the power division between the political leadership positions at the local level. However, the mayor's influence was still ranked highly, and so was the majority in the council, again underscoring the political centrality of the council in

⁶Care must be taken when interpretating the data, as the absolute number behind the executive mayor is generally very low. However, the numbers are presented as percentages for the purpose of comparison.

| | 2011 | | 2019 | |
|--------------------------------------|----------------------------------|----------------------------------|---------------------------------------|----------------------------------|
| Actor | Executive mayor | City manager | Executive mayor | City manager |
| Mayor/leader of the council | 75 (21.6) | 86.6 (18.1) | 77.2 (34.3) | 83.5 (31.4) |
| Leader of the executive board | 92.6 (14.6) | 96.0 (9.4) | 75.0 (35.3) | 90.6 (25.3) |
| City manager Executive mayor N | 68.7 (15.5) 81.2 (15.5) 17 | 73.3 (20.9) 90.0 (16.8) 45 | 60 (33.5) 90.9 (23.1) 11 | 58.7 (34.2) 85.4 (31.2) 41 |

Table 6.2 Different types of MCEOs and their perceptions of top leadership actor influence

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

Icelandic local politics. Individual committee chairs, however, did not seem to be very influential, moving from medium influence in 2011 to low in 2019. Moreover, the city manager was ranked lower in 2019 than in 2011, moving from high to medium influence. Other actors were not seen as very relevant in the power structure of the system.

However, the numbers in Table 6.1 hide an interesting fact. If the perception of actor influence is grouped according to the types of executive mayors and city managers,⁷ an interesting difference comes to light. As pointed out earlier in this chapter, the Icelandic horizontal power division is extremely complex, potentially affecting how different groups respond to the question of actor influence. In 2011, both types identified the leader of the executive board as the most influential actor, with the city managers remaining consistent in their perception in 2019 and the executive mayors changing their tone and now identifying their own position as most influential. However, what both Tables 6.1 and 6.2 reveal is the strong position of politics and political leaders within the Icelandic system, suggesting a tendency towards a 'strong man' culture where there is a strong local leader who fronts the community publicly and is able to make decisions in an efficient and preferably expeditious way.

⁷The old council leader type of MCEO generally did not answer these questions, highlighting the simple form of organization of these very small municipalities.

Two oppositional ideas remain prevalent in Iceland in relation to the role of the MCEO. One argument goes that it is more efficient to employ an executive mayor for the role of MCEO, while the other posits that hiring a city manager will provide professional status to the role of MCEO. Both sides argue that their approach is more democratic. However, embedded in both arguments is the belief that the actor trumps the structure—in other words, individuals are able to bend the MCEO position to their will. However, when we look at the MCEOs' perceptions of the ideal politician in Table 6.3, we see remarkable similarities between the two groups of actors, both in relation to their notion of the ideal politician and their own leadership priorities. Both types placed heavy emphasis on roles that focus on the community and working on behalf of the community for the ideal politician. Nevertheless, it is interesting that only around half of the two types of respondents believed that politicians should be spokespersons for their own political parties. This suggests that local politics are not strongly influenced by national politics, an argument advanced in another context (Kristinsson, 2010). Another interesting point is that neither type (especially the city managers) thought that the ideal politician should be a spokesperson vis-à-vis the press. This last point is interesting, as being a spokesperson of a local community is often viewed as an essential role of local politicians. However, it is normal for Icelandic MCEOs of all types to be spokespersons for their municipality.

Table 6.4 presents the leadership priorities of different types of MCEO, again showing remarkable similarities. In relation to administration, the findings suggest that the structure of the MCEO position may be determined by something other than the individual. Regarding advice to politicians, Icelandic MCEOs are generally reluctant to mix openly with the political majority, although they are more likely to do so in relation to technical advice. Political majorities in local councils often consist of coalition government. Thus, it is not uncommon for the executive mayor to be the leader of one party and the leader of the council or executive board to be the leader of a different party. This may partially explain why executive mayors do not necessarily like to give advice to other political leaders in their own local government.

However, there is a major difference between the priorities of the executive mayor and the city manager in relation to the question of developing and implementing norms concerning the proper roles of politicians vis-àvis bureaucrats. Executive mayors emphasized this considerably more than the city managers. As such, it is important to remember that the proximity

 Table 6.3
 Ideal politician perceptions of Icelandic MCEOs in 2019

| | All responses | Executive mayor | City manager |
|--|----------------------------------|----------------------------|----------------------------|
| | Governmental roles | | |
| Governor | | | |
| Decide on major policy principles Have a vision of the way in which the municipality should develop in the long run Stabilizer | 82.4 (18.1) -H 89.4 (17.1) -H | 86.5(16.5) 88.4(16.5) | 84.7 (16.6) 91.4 (16.4) |
| Create stability for the administration Formulate exact and unambiguous goals for the administration Administrator | 69.4 (22.2) -M 73.4 (20.0) -H | 71.1 (17.2) 78.8 (17.2) | 71.9 (22.4) 73.7 (20.1) |
| Lay down rules and routines for the administration | 57.3 (20.5) -M | 63.4 (16.5) | 55.1 (21.5) |
| Taking decisions concerning specific cases | 70.6 (21.7) -H | 71.1 (20) | 69.3 (23.6) |
| | Linkage roles | | |
| Ambassador | | | |
| Represent the municipality to the outside world | 69.5 (21.1)- M | 69.2 (20.8) | 68.9 (20.7) |
| Defend decisions and policies externally | 75.4 (19.2) -H | 75 (17.6) | 78.6 (19) |
| Be a spokesperson vis-à-vis the press Procure resources from upper-level government | 53.7 (22.7)- M 72.7 (19.1) -H | 57.6 (25.7) 69.2 (25.3) | 51.8 (21.4) 73.7 (23) |
| Representative | 01 ((10 5) 11 | 02 ((12) | 02.2 (21.0) |
| Be informed about citizens views Implement the programme on which s/he has been elected | 81.6 (19.5) -H 69.6 (16.3) -M | 82.6 (12) 75 (14.4) | 82.3 (21.8) 69.2 (16.6) |
| Be a spokesperson for a local groups or individuals who have issues pending decision by the authority | 40.1 (24.7) -L | 40.3 (31.5) | 37.8 (22.4) |
| Be a spokesperson for their political party | 46.3 (24.5) -L | 50 (28.8) | 47.3 (22.3) |
| N | 64 | 13 | 41 |

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 6.4 Perceived leadership priorities of Icelandic MCEOs in 2019

| | All responses | Executive mayor | City manager |
|---|----------------|--------------------|-----------------|
| Administration | | | |
| Guide subordinates | 62.2 (24.2) -M | 61.5(29.9) | 64.6 (20.8) |
| Fiscal management | 77.4 (22.7) -H | 75 (20.4) | 75.6 (24.0) |
| Enforce rules | 76.9 (21.0) -H | 78.8 (13.8) | 78 (23.1) |
| Establish new routines | 61.8 (23.1) -M | 61.5 (19.4) | 67.0 (21.2) |
| Advice to politicians | | | |
| Technical advice to mayor/leader of the council | 66.4 (24.1) -M | 59 (20.2) | 67 (24.6) |
| Technical advice to executive board leader | 62.2 (26.8) -M | 56.8 (27.6) | 62.9 (26.2) |
| Political advice to mayor/leader of the council | 45.5 (34.1) -L | 47.2 (29.1) | 45.6 (35.7) |
| Political advice to leader of the executive board | 44.6 (31.8) -L | 47.5 (32.2) | 44.2 (32.6) |
| Develop and implement norms concerning the proper roles of politicians vis-à-vis the administration | 50 (22.9) -M | 82.6 (15.7) | 53.1 (22.7) |
| Influence decision-making Integration and cooperation | 72.6 (22.8) -H | 82.6 (12) | 71.9 (32.1) |
| Solve problems and conflicts of human relationships | 71.7 (23.7) -H | 75 (17.6) | 73.7 (22.1) |
| Stimulate cooperation between departments | 67.2 (23.5) -M | 76.9 (18.9) | 67.5 (20.5) |
| Be informed about the viewpoints of the employees Innovation | 62.2 (24.2) -M | 50 (20.4) | 61.8 (26.5) |
| Formulate visions | 80.5 (21.1) -H | 84.6 (19.1) | 82.9 (18.9) |
| Informed about citizens' viewpoint | 79.3 (17.6) -H | 82.6 (15.7) | 79.2 (18.4) |
| Attract external resources | 67.2 (21.1) -M | 65.9 (28) | 68.7 (19.4) |
| Improve efficiency | 88.3 (15.4) -H | 84.6 (16.2) | 90.8 (14.5) |
| N | 64 | 13 | 41 |

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

between administration and politics is much greater and more obscure than at the national level. Moreover, it has been argued that politicians tend to meddle with administrative tasks (Rósinberg, 2022). Previous research has also shown that because executive mayors are often accused of political interference, they tend to overemphasize the separation between themselves as politicians on one hand and the head of administration on the other (Hlynsdóttir, 2016a). In relation to integration and cooperation, both types are very similar in terms of ideas, although executive mayors are less likely to place emphasis on being informed about employee viewpoints. Finally, both types position innovation high on the agenda, although attracting external resources is the least preferred priority of this group.

6.7 The Chief Executive Position in Hindsight

The analysis of the Icelandic MCEO shows that the position of elected politicians is very strong within the Icelandic system. Thus, although the position of the city manager has gained popularity, this type of manager is not seen as very influential compared to the other types of chief executives or political leaders in the council. However, the overall views of MCEOs are surprisingly similar on what an ideal politician should be doing or how their leadership prioritizes. Consequently, these findings support previous findings on the role of the MCEO as essentially a management role, with the main perceptual differences between the various types being how they view the interaction between administration and politics and the power-play between these two areas of local governance.

Overall, there seems to be a much clearer division in the other Nordic countries (at least in form) between the local government administration and the elected representative arm of local government (Sletnes, 2015). One reason for this confusion in the Icelandic system is that the legal articles used to define the role of mayors in the Norwegian and Danish cases are used to define the MCEO role in the Icelandic case. The Icelandic Act separates the roles of the city manager and executive mayor with a single sentence: 'the municipal administrator shall attend meetings of the council, where he/she has the right to speak and to propose motions, but not the right to vote unless he/she is an elected member of the council'. Consequently, from the beginning, the main aim in the development of the MCEO position has been to maintain the influence of elected members over the administration. This tendency is especially visible in the government form of executive mayor. The other issue is economic in nature, as most municipalities in Iceland were and are small by any comparison,

and the position of the MCEO is normally the costliest within the system. It may be argued that this did not pose problems early on; however, as more tasks have been delegated onto the local level, the stakes have become higher and the flaws in the system have become more obvious. This has led to increased criticism from the public, resulting in increased demand of more 'professionalism' at the local level (Hlynsdóttir, 2016b).

In general, the Icelandic local government administration is still very much influenced by the logic of traditional public administration, while later ideas of new public management or neo-Weberian ideas are less visible at the apex of local government. In sum, political MCEOs (the executive mayor and the old type of council leader) are an anomaly in the Nordic institutional context. The Icelandic city manager type of MCEO is much closer to the MCEOs of the other Nordic countries. There is a strong public sentiment in favour of the more professional type over the more political variant. Nevertheless, larger municipalities and cities still have a preference for politicians serving as MCEOs, a trend that seems to be on the rise again following the 2022 local elections. Thus, the ideological debate between advocates of different schools of thought on the political–administrative organization in Iceland is far from over.

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CHAPTER 7

The Contemporary Norwegian Municipal CEO

Dag Olaf Torjesen, Harald Torsteinsen, Hans Petter Saxi, Charlotte Kiland, and Tor-Ivar Karlsen

7.1 Introduction, Data, and Method

The aim of this chapter is to present a portrait of the contemporary municipal chief executive officer (MCEO)¹ in Norway. In the first section, we present our data and research approach. In the second section, we describe

¹The Norwegian title is Rådmann, Administrasjonssjef or Kommunedirektør.

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the main characteristics of the Norwegian municipal sector and changes in the organizational context. In the third section, we explore changes in MCEO biographies, tasks, priorities, and contact patterns. In the fourth section, we describe changes regarding how Norwegian MCEOs conduct their roles and how they perceive the influence of different actors. Finally, we take a closer look at what characterizes the interaction and dynamics between Norwegian mayors and MCEOs.

The chapter is based on two data sources. First, we use findings from a leadership study, the UDiTE project (Union des Dirigeants Territoriaux de I'Europe), where the respondents were MCEOs from 14 countries (Magnier & Klausen, 1998). The common international questionnaire consisted of 54 core questions. The Norwegian part of the UDiTE survey was conducted in January 1997 and achieved a very high response rate (75%), providing a representative sample of Norwegian municipalities at that time (Baldersheim & Øgård, 1998). Second, a survey (TopNordic) was conducted among top managers and MCEOs in Norwegian municipalities in 2017 (Karlsen et al., 2017).² The questionnaire included many of the UDiTE questions and was based on a Danish survey from May 2016 (Bertelsen & Balle Hansen, 2016). Due to linguistic and cultural similarities between Denmark and Norway, the questionnaire was directly translated into Norwegian in a collaboration between the Danish and Norwegian research teams. After pretesting and adjustments, the questionnaire was administered as a web-based survey to top managers (n = 1527) in all 428 Norwegian municipalities between 15 March and 30 April 2017. The data file consists of information from 647 respondents (response rate 42.4%) from 317 municipalities (74.4%). After selecting the MCEOs (level 1 managers) and excluding level 2 and level 3 managers, we were left with 174 MCEOs, yielding a response rate of 38.4%, which was representative of Norwegian municipalities.³ In addition to our primary survey data, we interpreted and compared our data with findings from

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²See Appendix for the Nordic MCEO survey questions.

³We performed a sensitivity analysis of responders versus non-responders and found no differences in municipality centrality (p = .299), municipal population size (p = .505), or region (p = .919).

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previous and recent local government research on MCEOs in Norway (Baldersheim & Øgård, 1998; Baldersheim et al., 2021; Kjølholdt, 1992; Willumsen et al., 2014).

7.2 THE NORWEGIAN MUNICIPAL SECTOR: INSTITUTIONAL ARRANGEMENTS AND CHANGES IN THE ORGANIZATIONAL CONTEXT

Since the 1960s, municipalities have been the prime authority for implementing national welfare expansion (Rose & Ståhlberg, 2005). In many respects, the Norwegian welfare state is a local welfare state, as local government accounts for up to one-third of total government expenditures⁴ and employs more than 50% of the total public labour force⁵ (OECD, 2021; Statistics Norway, 2018). Norway and the other Nordic countries are decentralized unitary states, and one of the main features of the Norwegian government is its high degree of decentralization of service provision (Baldersheim et al., 2019). In 2016, an amendment of the Norwegian Constitution gave citizens the explicit right to govern their own local affairs through democratically elected local bodies (§ 49), and in 2018, this right was expanded and formally included in the first two chapters of the Local Government (LG) Act (Prop. 46 L 2017–2018). However, since 1837, the unwritten principle of local self-government has been strong, becoming constitutional in character (Larsen & Offerdal, 2000; Smith, 2003). Thus, the formalization of this principle in the Norwegian Constitution in 2016 did not change much, but it was still seen as an important step in securing local self-government against state intrusion in the future.

Most MCEOs in Norway lead relatively small organizations compared to their neighbours in Denmark and Sweden and to a lesser extent Finland (see Chap. 1). The first amalgamation reform in the mid-1960s reduced the number of municipalities from 744 to 454. In the modest 2020 reform, the number dropped from 428 to 356 municipalities. The amalgamation reform had an impact on MCEOs' professional lives—since many of them lost their positions in the wake of the amalgamations. Many of them also continued to lead in the many municipalities that did not merge. The

⁴However, it accounts for 50% of total public consumption (Statistics Norway, 2018).

⁵ Fifty-six percent measured by the share of public expenditures and 63% measured by the share of public employees. This accounts for one-fifth of the total Norwegian labour force (Statistics Norway, 2018).

median population size of municipalities in Norway is now 5163 (2021), and 51% of municipalities have less than 5000 inhabitants (2021). The size of Norwegian municipalities has been the subject of heated political debate in Norway for the last 20 years, and despite or because of the last amalgamation, it will probably remain so in the years to come.

Compared with the other Nordic countries, Norway has a strong oil-lubricated economy and spends more money than its neighbours on the public sector.⁶ However, local government has been under increasing economic pressure in recent years. An important explanation for this development is that legal individual rights and high-quality services for citizens have not always been followed up with funding from the national government (Haveri, 2015). Unlike its Nordic neighbours, Sweden and Denmark, local Norwegian authorities are largely unable to set the rate of local income taxation (Rose & Ståhlberg, 2005, p. 87). For MCEOs, this has a significant impact on their room for manoeuvre. On one hand, they must comply with policy demands, national legislation, and standardization requirements, as mandated by the central government. On the other hand, they must adapt to local needs and limitations.

The position of today's MCEO is a rather new phenomenon in Norwegian history. Norwegian municipalities were not allowed to recruit their own top administrators until 1922. Before then, the central government appointed its own officials, called magistrates, to administrate the municipality's affairs, in addition to taking care of various central government tasks in the local community (Torjesen, 2022). In the period 1922-1980, only urban municipalities (i.e. 10,000 inhabitants or more) were required to appoint an MCEO, while rural municipalities had to seek the national government's permission to do so. However, an amendment in 1980 of the 1954 Local Government Act (LG Act) removed this differentiation and made it mandatory for all municipalities to recruit their own MCEOs (Bugge, 1986). Until 1992, the MCEOs held a rather strong, independent, and protected position. For instance, if the municipal council decided to fire the MCEO, he (usually) or she could appeal this decision to the Ministry of Local Government. With the passing of the LG Act of 1992, this right of appeal was removed. The law also sought to draw a clearer line between politics and administration, reducing the MCEO's political role while strengthening their administrative position (Baldersheim, 1993).

⁶Norway spent 36,239 USD per capita on the public sector in 2021. In contrast, Denmark, Finland, Sweden, and Iceland, respectively, spent 30,584, 28,278, 27,985, and 25,518. The average for the 35 OECD countries was 19,035 USD (OECD, 2021, p. 8).

The Norwegian MCEO position, similar to that of Finland, has been classified as a council–manager form of government, where all executive functions are placed in the hands of a professional administrator (Blair & Janousek, 2014; Mouritzen & Svara, 2002, pp. 55–66). In this Weberian model, emphasis is placed on professionalism, with limited political leadership. The local government system in Norway has been classified as an aldermanic model, which means that the municipal council elects a municipal executive committee with a minimum of five members based on proportional representation (see Fig. 7.1). This political organization is a clear expression of the consensus-oriented character of local government politics in Norway (Baldersheim, 1992). The LG Act of 1992 and, even

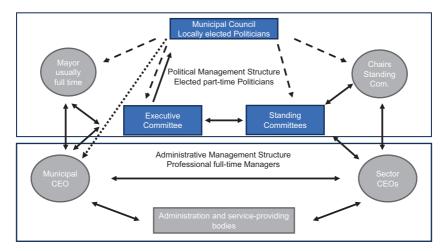


Fig. 7.1 The Norwegian local government political-administrative system *Note: Dotted arrows* from the municipal council indicate that the mayor, the executive committee, the standing committees, and their chairs are all elected by the majority of the municipal council after the election. *Two-way arrows* indicate triangles of frequent interaction related to decision-making and coordination. *One-way arrows* indicate the typical decision-making process. Arrow with small dots indicates that the MCEO is appointed by the municipal council. The same body has the authority to set him or her aside

⁷There are three exceptions to this, the capital of Oslo, the city of Bergen and the city of Trondheim, which introduced a parliamentarian governance model in 1986, 2000 and 2024, respectively (Bukve & Saxi, 2017). Parliamentarism implies that the MCEO is replaced by a political body, the municipal cabinet. The cabinet holds executive power. In principle, it can be dismissed from office at any time by a vote of no confidence (Saxi, 2018).

stronger, the new LG Act of 2018 confer full responsibility for the municipal administration to MCEOs, including the recruitment and hiring of administrative staff. In contrast to Denmark and Sweden, mayors in Norway formally play a rather weak role as council leaders (Goldsmith & Larsen, 2004; Mouritzen & Svara, 2002; Navarro et al., 2018). If the mayor wants to investigate matters in the administration, they must do so through the MCEO, as shown in Fig. 7.1.

During the 1980s, almost all Norwegian municipalities adopted the principal standing committee model (PSCM) to rationalize and coordinate the political steering structure. This model consisted of four permanent political committees (hovedutvalg), education and kindergartens, social and health politics, culture and leisure, and technical affairs (Baldersheim & Øgård, 1998; Stava, 1993). The tasks of the former specialized bodies were distributed among the new committees. Further, the administration was divided into four departments (etater) mirroring the four permanent committees. The standing committee system stimulated the creation of strong alliances between politicians and administration within the four policy fields, and the department heads became so strong that they challenged the coordinating and strategic position of the municipal council and the MCEO (Stava, 1993). Once a committee had made its decision, the role of the municipal council was reduced to rubber-stamping. If the departments overspent, there was not much the MCEO could do about it.

7.2.1 The Local Government Act (1992)

In the late 1980s and early 1990s, financial constraints became more severe, and the PSCM was increasingly conceived of as problematic, including for the national economy. The LG Act of 1992 was the first step in adjusting the power imbalance between the strategic top and the operative committee level. First, special laws (laws on education, social welfare, health, etc.) had previously held formal priority over the general LG Act, giving the committees exclusive power over their respective policy fields. The LG Act of 1992 upended this legal hierarchy by giving priority to the general law and the municipal council. Second, the LG Act (1992) had a dual impact on the MCEO position. On one hand, the law removed the MCEO's formerly strong and independent position, which had protected them from being dismissed by the council. Therefore, the political influence of the MCEO was reduced. On the other hand, the law gave the

MCEO the formal position as the top leader of the municipal administration (Baldersheim & Øgård, 1998). The main intention behind both of these changes was to make a clearer distinction between politics and administration and define the municipal council as the power centre of local government. Thus, formally, the position of the MCEO was weakened politically but strengthened administratively.

The second step on the road to strengthening the strategic level was the gradual removal of the PSCM during the 1990s and the beginning of the new millennium (Monkerud et al., 2016). Today, political committees do not mirror the various specialist departments as they used to. They often have shorter agendas and less decisional power. In addition, inspired by business enterprise models, administrative reforms have led to a rather fragmented organizational structure, one emphasizing single-purpose service-providing entities and the 'let the managers manage' philosophy (Torsteinsen, 2012).

The extent to which these changes strengthened the position of the municipal council and clarified the role of the MCEO as the top leader of the municipal administration is, however, an empirical question. Research findings have indicated that new public management reforms have led to increased fragmentation and coordination challenges for strategic leadership in local government (Torsteinsen, 2012). In addition, in the last 20 years, corporatization (i.e. moving or establishing service-providing bodies outside the formal authority of the MCEO and giving them separate legal personality) has amplified these challenges (Berge & Torsteinsen, 2022; Jacobsen & Kiland, 2017). Multiple owners, numerous subsidiaries, and several cross-ownerships sometimes transform municipal companies into complex enterprises, reducing the power of the MCEO and making their governance tasks even more demanding. Lately, however, elements of this reform have been partially reversed by merging and thereby reducing the number of service-providing entities inside local government, thus somewhat contracting the control span of the MCEO (Olsen & Torsteinsen, 2012). So far, there has been no clear reversal in the corporatization trend (Klausen & Torsteinsen, 2023).

7.2.2 MCEO Duties and Relationships with the Political Leadership

Unlike the situation in other Nordic countries (Denmark and Sweden) where the committee–leader form is applied, the Norwegian system uses

the council–manager form. Comparative empirical studies in Europe have found the highest degree of MCEO influence in countries with the council–manager form (Alba & Navarro, 2006; Navarro et al., 2018). Emphasis is placed on the MCEO's professionalism, political neutrality, and the responsibility to serve all members of the council and community. Through professionalism, the MCEO has the responsibility to ensure that issues related to political decision-making are sufficiently assessed professionally, legally, and economically before they are presented to the executive committee. In accordance with the LG Act, the proposal is then submitted for a final decision to the municipal council. As the yellow arrow in Fig. 7.1 indicates, the council has instructional authority over the MCEO, and the MCEO is responsible for properly implementing all council decisions.

The mayor, however, cannot interfere with the administration without special delegation from the council. The mayor's main tasks are to set the agenda, chair the council and executive committee meetings, and serve as the legal representative and official signatory on behalf of the municipality (Aarsæther et al., 2013). Most mayors work full time, even in small municipalities, and have impact caused by capacity (Goldsmith & Larsen, 2004). The mayor's power depends primarily on their ability to set the agenda, mobilize resources, build external networks, and build consensus and coalitions across political parties. It is therefore crucial for the mayor to cooperate and complement the MCEO—which gives the mayor access to privileged information that can garner support for policy proposals and lend them legitimacy in the eyes of citizens (Bjørnå & Mikalsen, 2015; Horrigmo & Kiland, 2011; Mouritzen & Svara, 2002).

7.3 Who Are the MCEOs: Changes in Biographies

In Table 7.1, we compiled data from the UDiTE study in 1997 with our own survey data (Karlsen et al., 2017) on the biographical characteristics of MCEOs. First, we observe that MCEOs are middle-aged and that they seem to have become even older over the last 20 years. The average age has increased by 6.4 years, from 48.2 in 1997 to 54.4 in 2017. Thus, these are middle-aged MCEOs, most of whom are men.

The second biographical change shown in the data is the increase in academic education among MCEOs. Nearly 70% of these leaders now hold a master's degree. Twenty years ago, nearly 22% had less than 12 years of education. The proportion with a law degree 20 years ago was almost 22%, while slightly less than 8% have this degree today. Furthermore,

Table 7.1 Biographic changes (1998–2017) among Norwegian local government MCEOs

| | 1997 | | 2017 | |
|---|---------|---------|-------|---------|
| Female gender, n (%) | 23 | (7.0) | 44 | (29.3) |
| Age | | | | |
| Mean (SD) | 48.2 | (7.4) | 54.7 | (6.4) |
| Median (IQR) | 48.0 | (43-53) | 55 | (50-60) |
| Min-Max | 28 - 70 | | 38-67 | |
| Level of education, n (%) | | | | |
| Primary/secondary (≤12 years) | 22 | (7.1) | 0 | (0) |
| University/university college (≤4 years) | 102 | (33) | 46 | (30.3) |
| University/university college (>5 years) | 185 | (59.9) | 106 | (69.7) |
| Type of education, n (%) | | | | |
| Law | 69 | (21.8) | 12 | (7.9) |
| Economics/finance | 39 | (12.3) | 59 | (38.8) |
| Political science | 37 | (11.7) | 37 | (24.3) |
| Technical degree | 19 | (6.0) | 6 | (3.9) |
| Other | 152 | (48.1) | 38 | (25.0) |
| Years in current position | | , , | | , |
| Mean (SD) | 7.2 | (6.8) | 4.9 | (4.5) |
| Median (IQR) | 6 | (2-10) | 3 | (2-7) |
| Min-Max | 0-37 | , , | 0-23 | , , |
| Former position, n (%) | | | | |
| Managerial position in the same community | 71 | (22.3) | 52 | (35.9) |
| Managerial position in another community | 136 | (42.6) | 54 | (37.2) |
| Position at county or regional level | 18 | (5.6) | 12 | (8.3) |
| Position at central level | 8 | (2.5) | 3 | (2.1) |
| Position in private sector | 23 | (7.2) | 11 | (7.6) |
| Other positions | 63 | (19.7) | 13 | (9.0) |
| N | 324 | . , | 174 | . / |

there has been a large influx of MCEOs with an educational background in economics, political science, or another social science. The fraction of MCEOs with an economics degree has increased significantly from 12% in 1997 to 38.8% in 2017, representing the highest proportion of any discipline. MCEOs with an educational background in political or social science notably increased from 11.7% in 1997 to 24.3% in 2017.

Third, our data also reveal that 73% of MCEOs were recruited to an MCEO position internally or from another municipality. Thus, MCEOs normally have long careers in the municipal sector, averaging almost 19 years, often working as middle managers in the technical, social/health,

culture, or school sectors prior to applying for the MCEO position. Of those recruited from outside the municipal sector, just 7.6% come from the private sector. The local government MCEO may also be a demanding executive position, with many considerations and requirements. Although most of them (73%) had normal working hours (less than 50 hours a week), 23% of them reported being in the office from 50 to 60 hours per week, while 4% reported that they worked more than 60 hours per week. In a survey conducted on behalf of the Norwegian Association of Local and Regional Authorities (KS), 16% of MCEOs planned to quit their jobs within the next year. It is likely that many MCEOs hold positions that leave little room for manoeuvre. The leader of Human Resource Norway made the following statement to the KS newspaper9 about the high number of MCEOs planning to quit:

They wish to contribute to the society's best, but they are in a great hurry to respond to citizens' and politicians' demands with probably little room to make real priorities—which indicates that this position is an exposed position.

7.3.1 The Increasing Number of Female MCEOs

There has been an important and conspicuous biographic change concerning the gender distribution among MCEOs, as the proportion of women has increased significantly in the last 20 years. Every third MCEO (29.3%) is now a woman compared to only 7 out of 100 in 1997. Our findings correspond with those of the study of Baldersheim et al. (2021), where the proportion of women was reported to be 31%. In comparison, only one out of 374 MCEOs was female in 1985/1986 (Baldersheim, 1993). Norway is generally highly regarded among the leading countries in the world in terms of gender equality, which means that women are well included among the political and administrative elites in the public sector (Teigen & Skjeie, 2017). Gender equality has long been a stated goal in Norwegian public administration policy. A gender-neutral MCEO title (administrasjonssjef or kommunedirektør vs. the previous rådmann) was

⁸ Most Norwegian MCEOs have permanent positions (87%), and only 8.4% are employed on fixed-term contracts (Baldersheim et al., 2021, p. 32).

⁹ Kommunal Rapport, the weekly newspaper of the Norwegian Association of Local and Regional Authorities (KS). https://kommunal-rapport.no/ledelse/2018/07/1-av-5-radmenn-vil-slutte-i-jobben.

introduced in the LG Act of 1992 and repeated in the LG Act of 2018.¹⁰ Rules and instructions along with external and political control systems limit the use of discretion and the impact of social biography. However, more women in MCEO positions will probably translate into a new leadership dynamic in this formerly male bastion (Collinson, 2020; Hlynsdóttir, 2020).

7.4 Priorities of Tasks

In 2017, we asked Norwegian MCEOs what they paid attention to. Their responses were given in the following order, as shown in Table 7.2:

- 1. Ensure that rules and regulations are followed
- 2. Financial management, accounting, and budgets
- 3. Make sure that resources are used efficiently
- 4. Develop and implement norms concerning the proper roles of politicians vis-à-vis the administration
- 5. Stimulate cooperation between departments

Ensuring that rules and regulations are followed (effect size 2.05) as well as fiscal management, accounting, and budgetary control (effect size 0.86) received significantly more attention in 2017 than in 1997. According to Kjølholdt (1992), these findings were ranked highly among Norwegian MCEOs in the 1980s, but according to Baldersheim (1993), other issues had higher rankings, especially community development and general governance roles. However, according to Baldersheim (1993), the focus on rules and economy, denoted as 'the guardian role', seemed to receive more attention among MCEOs in smaller municipalities.

Nevertheless, the contemporary Norwegian MCEOs has an economic focus, as reflected in the fact that 'fiscal management, accounting, and budgetary control' are ranked highly as priority number two, in addition to 'make sure that resources are used efficiently' as priority number three. The economic focus is also reflected in many of the MCEOs' formal education in economics and administration. Given that Norwegian municipalities struggle to take care of an increasing burden of new mandatory welfare and health tasks—that is, more legally based rights given to citizens, in addition to a growing elderly population—it is likely that

¹⁰The old male title (rådmann) is still in use, although less so.

Table 7.2 Norwegian MCEOs priority of tasks

| Year | 1997 (n = 3 | | 2017 (n = 1 | 74) | Effect size for difference |
|---|----------------|---------|----------------|----------|-------------------------------|
| | mean | (SD) | mean | (SD) | - |
| Administration | | | | | |
| Guide subordinates | 48.2 | (17.8) | 49.1 | (26.1) | 0.04 |
| Fiscal Management, accounting, and budgetary control | 65.8 | (22.6) | 85.1 | (22.1) | 0.86 |
| Ensure that rules and regulations are followed | 52.9 | (20.1) | 87.8 | (13.9) | 2.05 |
| Develop and implement new routines and work method Advice to Politicians | 66.1 | (19.2) | 63.5 | (28.1) | 0.11 |
| Give the mayor legal, economic, and technical advice | 64.2 | (21.9) | 57.8 | (28.5) | 0.25 |
| Develop and implement norms concerning the proper roles of politicians vis-à-vis the administration | 72.5 | (20.0) | 81.0 | (23.7) | 0.39 |
| Integration and Cooperation | | (3.5.0) | = 0.0 | (25.0) | 0.25 |
| Solve problems and conflicts of human relationships | 68.0 | (17.8) | 59.9 | (25.8) | 0.37 |
| Stimulate cooperation between departments | 80.0 | (16.0) | 80.1 | (18.6) | 0.01 |
| Be informed about the viewpoints of the employees | 64.9 | (16.1) | 52.7 | (26.6) | 0.57 |
| Innovation | | (30.4) | | /- / - \ | |
| Formulate visions | 72.5 | (18.4) | | , , | |
| Attract external resources | 66.8 | (20.7) | | \ / | |
| Make sure that resources are used efficiency | 84.0 | (15.4) | 83.9 | (18.6) | 0.01 |

Mean (SD) scores calculated from Likert scale scores; 'No emphasis' (value = 0), 'Slightly emphasized' (value = 25), 'Somewhat emphasized' (value = 50), 'Much emphasized' (value = 75) and 'Very much emphasized' (value = 100). Effect size = Cohen's delta values (mean difference divided by pooled mean standard deviation. Values 0.2–0.49 = small difference, values 0.5–0.79 = medium difference, values > 0.8 = large difference)

procedural requirements, regulations, and financial discipline are given high and increasing priority on the MCEO agenda. This can also be explained by the fact that the municipality, and then the MCEO, can be held accountable to the courts if individual rights are not met (Feiring, 2006; NOU, 2003, p. 19). However, attention to integrative tasks, that is, the stimulation of cooperation between departments, appeared high in both 1997 and 2017 (means 80.0 and 80.1), as shown in Table 7.2.

7.5 CONTACT PATTERNS

As Table 7.3 reveals, the most frequent contact pattern was the daily contact between the MCEO and the mayor (mean 95.3). The high contact frequency was natural and expected because in the Norwegian system, it is natural and expected that contact between the political and administrative spheres should go through the hub of the mayor and MCEO.

In second place came the MCEO's daily internal contact with municipal department heads (level 2 managers). Contact with labour union representatives was ranked as relatively high (mean 54.2) and increased significantly from 1997 to 2017 (effect size 1.2). Norwegian local government seemed to retain the Nordic corporative model—where

| Table 7.3 | Contact | patterns | of Norw | regian | MCEOs |
|-----------|---------|----------|---------|--------|--------------|
| | | | | | |

| | $ 1997 \\ (n = 3) $ | 24) | 2017 $(n=1$ | 74) | Effect size for difference |
|--|-------------------------|--------|-------------|--------|-------------------------------|
| | Mean | (SD) | Mean | (SD) | |
| The mayor | 95.6 | (9.7) | 95.3 | (12.9) | 0.0 |
| Heads of departments | 89.5 | (13.7) | 92.8 | (14.4) | 0.2 |
| Citizens | 61.9 | (27.8) | 60.0 | (29.2) | 0.1 |
| Journalists, media | 51.5 | (22.2) | 47.8 | (22.4) | 0.2 |
| Chief executives in other municipalities | 37.9 | (17.2) | 40.6 | (26.9) | 0.1 |
| Regional government officials | 21.7 | (18.0) | 34.2 | (20.3) | 0.7 |
| Central government officials | 24.8 | (17.0) | 13.3 | (19.4) | 0.6 |
| Officials from the national association of local authorities | 20.6 | (17.6) | 26.7 | (19.7) | 0.3 |
| Labour unions representatives | 30.2 | (19.0) | 54.2 | (21.4) | 1.2 |
| Private business interests | 36.0 | (21.1) | 43.4 | (24.5) | 0.3 |
| Political committee leaders | | | 43.6 | (23.1) | |
| Operative managers | | | 60.6 | (27.0) | |
| Managers of inter-municipal entities | | | 35.6 | (22.9) | |
| Others employees in other municipalities | | | 34.0 | (27.1) | |

Mean (SD) scores calculated from Likert scale sores; 'Not relevant' (value = 0), 'Seldom or no contact' (value = 25), 'Monthly contact' (value = 50), 'Weekly contact' (value = 75), and 'Daily contact' (value = 100). Effect size = Cohen's delta values (mean difference divided by pooled mean standard deviation. Values 0.2–0.49 = small difference, values 0.5–0.79 = medium difference, values > 0.8 = large difference)

¹¹In many Norwegian municipalities with only two managerial levels, the municipal director is not a separate managerial level and is part of the MCEO's team (i.e. level 1).

consultations between employers and civil servant unions are widespread (Monkerud et al., 2016; Torsteinsen, 1992). Contact with citizens was also quite frequent (mean 60.0). Handling journalists and media took up a great deal of MCEOs' time and attention (mean 47.8), whereas contact with the business community was slightly less frequent (mean 43.6). Contact with leaders from political committees seemed to occur relatively frequently (mean 43.6). Some MCEOs reported daily or weekly contact with the managers of inter-municipal cooperation (IMC) or enterprises (mean 35). Contact with IMCs and companies thus appeared to be moderate. Inter-municipal cooperation is widespread among the many small Norwegian municipalities in their efforts to increase capacity, competence, and economies of scale (Arntsen et al., 2018). However, these enterprises and IMCs are autonomous bodies and exist at arm's length from the formal authority of the MCEO. Thus, we observed a reluctance to intervene directly in the daily affairs of an enterprise or IMC (Aars & Ringkjøb, 2011; Klausen & Torsteinsen, 2023). When we consider the contact patterns, we can conclude that there was stability over time (1997–2017), with little change to be observed. One exception was the increased contact pattern with trade unions (effect size 1.2) and regional authorities (effect size 0.7).

7.6 Perceptions on Actors' Influence and the Ideal Politician

As Table 7.4 reveals, the MCEO was perceived to have the highest influence on local policymaking in 2017, moving from third place in 1997. At the same time, the mayor's influence seems to have also increased: ranked fourth in 1997 and second in 2017. The change in favour of the MCEO could be a consequence of the revision of the LG Act in 1992 and 2018—where all responsibility for the preparation of political issues was concentrated in the hands of the MCEO. The strengthening of the MCEO's influence was reported in a recent study focusing on Norwegian municipal administration (Jacobsen et al., 2021).

Furthermore, the political majority group was ranked significantly lower in 2017, from first to fourth place. Another interesting change seems to be increased influence from media (effect size 1.3) and trade unions (effect size 1.8) and the eye-catching reduction in upper-level government influence from first to fifth place.

| Table 7.4 | Influence of diffe | erent actors on lo | cal policymaking |
|-----------|--------------------|--------------------|------------------|
| | | | |

| | 1997 $(n = 3)$ | 24) | Ranking | 2017 $(n = 1$ | 74) | Ranking | Effect size for difference |
|-----------------------------|----------------|--------|---------|---------------|--------|---------|-------------------------------|
| | mean | (SD) | | mean | (SD) | | |
| Political majority | 71.5 | (17.2) | 2 | 87.2 | (18.2) | 4 | 0.9 |
| MCEO | 65.8 | (16.2) | 3 | 92.2 | (15.2) | 1 | 1.7 |
| Mayor | 63.6 | (19.2) | 4 | 91.9 | (16.8) | 2 | 1.6 |
| Department heads | 52.5 | (16.0) | 5 | 89.3 | (14.6) | 3 | 2.4 |
| Private business interests | 50.0 | (16.2) | 6 | 55.7 | (21.2) | 10 | 0.3 |
| The local political parties | 49.0 | (18.1) | 7 | 56.9 | (17.8) | 9 | 0.4 |
| Committee leaders | 42.3 | (18.5) | 8 | 66.2 | (23.6) | 6 | 1.1 |
| Upper-level government | 80.3 | (22.4) | 1 | 74.0 | (24.3) | 5 | 0.3 |
| Media | 34.7 | (21.3) | 9 | 62.3 | (22.3) | 7 | 1.3 |
| Trade unions | 27.2 | (15.0) | 10 | 58.5 | (20.1) | 8 | 1.8 |
| Voluntary organizations | 26.5 | (15.5) | 11 | 49.1 | (18.5) | 11 | 1.3 |

Mean (SD) scores calculated from Likert scale scores; 'No influence' (value = 0), 'Slightly influential' (value = 25), 'Somewhat influential' (value = 50), 'Influential' (value = 75) and 'Very influential' (value = 100). Effect size = Cohen's delta values (mean difference divided by pooled mean standard deviation. Values 0.2–0.49 = small difference, values 0.5–0.79 = medium difference, values > 0.8 = large difference)

7.7 THE IDEAL POLITICIAN: MCEO VIEWS ON THE ROLES OF POLITICIANS

As depicted in Table 7.2, the MCEOs awarded high priority to the following task: 'Develop and implement norms concerning the proper roles of politicians vis-à-vis the administration'. To do this, they must reveal their norms about politicians and the relationship between politics and administration. To measure MCEOs' perceptions about political–administrative relations, a set of variables under the framework of 'the ideal politician' have been used in several seminal studies (Baldersheim & Øgård, 1998; Magnier & Klausen, 1998; Mouritzen & Svara, 2002). Table 7.5 includes both the responses relating to each variable in 1997 and 2017 and the grouping of these variables in five distinct roles: governor, stabilizer, administrator, ambassador, and representative.

Table 7.5 The Norwegian MCEOs views on the politicians' roles

| | 1998 (| n = 324 | 2017 (| n = 174 | Effect size |
|---|--------|---------|--------|---------|-------------|
| | mean | (SD) | mean | (SD) | - |
| Governmental roles | | | | | |
| Governor | | | | | |
| Decide on major policy principles | 73.9 | (21.6) | 80.8 | (22.1) | 0.3 |
| Visionary | 87.2 | (14.7) | 89.2 | (17.6) | 0.1 |
| Stabilizer | | | | | |
| Create stability for the administration | 72.9 | (20.0) | 79.6 | (20.4) | 0.3 |
| Formulate exact and unambiguous goals | 79.3 | (20.0) | 80.6 | (21.4) | 0.1 |
| Administrator | | | | | |
| Lay down rules and routines | 32.6 | (25.5) | 44.8 | (29.5) | 0.5 |
| Taking decisions concerning specific cases | 29.6 | (21.2) | 39.8 | (26.9) | 0.4 |
| Linkage roles | | | | | |
| Ambassador | | | | | |
| Represent the municipality | 71.2 | (18.5) | 82.9 | (17.9) | 0.6 |
| Defend decisions and policies externally | 76.2 | (18.4) | 88.5 | (16.8) | 0.7 |
| Be a spokesperson in the press | 71.0 | (22.1) | 72.5 | (23.9) | 0.1 |
| Procure resources | 71.0 | (22.1) | 79.5 | (30.0) | 0.3 |
| Representative | | | | | |
| Be informed about citizens' views | 77.7 | (15.3) | 79.0 | (20.1) | 0.1 |
| Implement the political program | 53.4 | (18.9) | 63.3 | (24.4) | 0.5 |
| Be a spokesperson for local groups | 26.6 | (17.3) | 41.5 | (25.4) | 0.7 |
| Be a spokesperson for their political party | 50.0 | (22.0) | 62.6 | (23.8) | 0.6 |

Mean (SD) scores calculated from Likert scale scores; 'No importance' (value = 0), 'Slightly important' (value = 25), 'Somewhat important' (value = 50), 'Important' (value = 75) and 'Very important' (value = 100). Effect size = Cohen's delta values (mean difference divided by pooled mean standard deviation. Values 0.2–0.49 = small difference, values 0.5–0.79 = medium difference, values > 0.8 = large difference)

The most preferred role for the local politicians, as perceived by the MCEOs, was that of governor. The two indicators measuring this role—means of 73.9 in 1997 and 80.9 in 2017—indicate that most MCEOs agreed that an important role was to decide on major policy principles'. The means for the other statement ('Have visions of how the municipality will develop') were 87.2 and 89.2 in 1997 and 2017, respectively.

The ambassador role seemed to be the second most important role for the local politicians, as assessed by the MCEOs, including to 'Defend the authorities' decisions and policies externally' (means 72.2 and 88.5) and 'Represent the municipality' (means 71.2 and 82.9). The stabilizer role was the third most popular in terms of MCEO perceptions. The task

'Create stability for the administration' attracted means of 72.9 and 79.6. In support of the statement 'Formulate exact and unambiguous goals for the administration', the means were 79.3 in 1997 and 80.6 in 2017.

The least important role for the politicians, according to the MCEOs, was to 'Lay down rules and routines for the administration', with means of 32.6 in 1997 and 44.8 in 2017. The MCEOs did not want political interference in administrative matters, and the separation norm appeared to be paramount, which also seemed to be expressed by the low score on the next claim: 'Taking decisions concerning specific cases' (means of 29.6 in 1997 and 39.8 in 2017). This role arguably belongs to the administrative domain. Therefore, it is logical that the top administrator would express scepticism towards politicians seeking to intervene in administrative processes on behalf of individual citizens, although as ombudsmen, they may legitimately ask the MCEO for information about specific cases.

Political representation can be expressed in two roles, that of the ambassador (who represents the municipality) and that of the representative (who is spokesperson for parts of the municipality, such as a local group or political party; however, MCEOs do not provide much support for the representative role, with means of 26.6 in 1997 and 41.5 in 2017 on the variable: 'Be a spokesperson for local groups or individuals who have issues pending decisions by the authority'. When the mayor acts as an ombudsman on behalf of citizens, it can lead to involvement in the administration's affairs, leading to tensions between the MCEO and the mayor. Therefore, it is likely that this explains the low numbers. Furthermore, the task 'Be a spokesperson for their political party' did not receive high support from the top administrators, with means of 50 in 1997 and 62.6 in 2017. The task to 'Implement the programme on which he/she has been elected' is not a crucial criterion for the evaluation of mayors. In this dataset, there was limited support for this statement, with means of 53.4 in 1997 and 63.3 in 2017. Here, it is perhaps an expression of the norm that the mayor should be the unifying figure of the entire council and not primarily promote his own party programme. However, there seemed to be higher support among MCEOs that politicians should be 'Informed about citizens views', with means of 77.7 in 1997 and 79 in 2017, which is not very surprising. Regarding the MCEOs' views on the roles of politicians, our data reveal surprising stability and little change from 1997 to 2017.

7.8 Perceptions of the Mayor's Work and Political Administrative Relations

According to Svara (2001, 2006a, 2006b), previous empirical studies have revealed that overlapping roles between top administrators and officials are common in countries using the council-manager form (Alford et al., 2017; Demir, 2009; Nalbandian, 2006). Recent Norwegian studies have confirmed the same tendency and characterized the relationship between local politicians and administrators as mainly cooperative (Baldersheim et al., 2021; Jacobsen, 2007; Lo & Vabo, 2020; Willumsen et al., 2014). However, the more the mayor relies on political parties as his/her power base, the less significant the cooperation. This corresponds to findings about increasing political fragmentation (Baldersheim et al., 2021; Jacobsen, 2020), where it is neither a sharp separation nor a total mix between the two spheres. The relationship is characterized by an apex: The closer to the centre of the politico-administrative system, the stronger the contact, interaction, and cooperation; the more peripheral, the less the contact and interaction. Norwegian MCEOs are not afraid of promoting their professional views; however, they are reluctant to get involved in activities that can be interpreted as being part of a political game. The relationship is described primarily by what Mouritzen and Svara (2002) denoted as 'neutral competence'. Furthermore, it is common for MCEOs to prefer politicians to keep a distance from the administration while they themselves emphasize their non-partisanship and neutrality (Willumsen et al., 2014). Our 2017 survey confirmed much of the same pattern. In Table 7.6 most MCEOs emphasized separation between politics and administration (mean 81.0) as well as their role to ensure that political decisions are implemented loyally and quickly (mean 88.8). The mayor's work, however, appeared to be characterized by loyalty and trust in the administration (mean 82.6).12

To a lesser extent was the belief that 'The mayor uses administrative top managers as political sparring partners' (mean 44.3), as shown in Table 7.6. This relative low score aligns with the MCEOs' perception of the separation norm, which seemed to be strong (mean 81.0), as shown in Table 7.6. 'Give advice on legal, financial, and technical issues' seemed to be modestly important (mean 57.8). Exercising a professional, neutral, and loyal

¹² Unfortunately, we only have data from 2017.

Table 7.6 Perceptions of the mayor's work and political administrative relations

| 2017 (n = 124) | Mean | (SD) |
|---|------|--------|
| How will you describe the mayor's way of conducting her/his work | 67.1 | (24.6) |
| activities? | | |
| The mayor concentrates on overall political issues rather than administrative details | | |
| The mayor uses administrative top managers as political sparring partners | 44.3 | (30.1) |
| The mayor's work is characterized by loyalty and trust in the | 82.6 | (20.9) |
| administration | | |
| MCEO's perceptions about | 81.0 | (23.7) |
| political administrative relations | | |
| Separate between politics and administration | | |
| Give advice on legal, financial, and technical issues | 57.8 | (28.5) |
| Ensure that political decisions are implemented loyally and quickly | 88.8 | (17.4) |

Mean (SD) scores calculated from Likert scale scores; 'No relevance' (value = 0), 'Slightly relevant' (value = 25), 'Somewhat relevant' (value = 50), 'Relevant' (value = 75) and 'Very relevant' (value = 100)

role was thus fundamental in how Norwegian MCEOs perceived their performance of their leadership role.

7.8.1 Increased Influence of the MCEO?

In consensus-oriented Norwegian municipalities, with low levels of political conflict, there is evidence indicating a shift in power in favour of administration (Jacobsen et al., 2021). As shown in Table 7.4, our data reveal that the MCEO now ranks highest in terms of influence in the municipality. The strong MCEO position could be interpreted in light of a new trend whereby the influence of local politicians has diminished with the introduction of disaggregated and relatively autonomous service-providing entities—organized on the basis of a two-level authority model (Torsteinsen, 2006). In addition, an even more important factor could be that budget processes in Norwegian municipalities seem to have become more centralized in the last decades, which has given more power to the MCEO, both in relation to the administrative service apparatus and the political sphere (Monkerud et al., 2016).

The strong MCEO position would in any way depend on a smooth complementary cooperation with the mayor (Demir, 2009; Lo & Vabo, 2020). Consequently, the mayor and MCEO are expected to take a more

active role in promoting the interests of the community, which require 'that they pull the load together, like a pair of horses'. It is also obvious that when the MCEO gives advice and assessments regarding the consequences of policy alternatives, he or she is suggesting what the municipal council should decide. Therefore, the ideal MCEO must be both politically sensitive and decidedly neutral.

Today, local government must deal with many new issues or wicked problems that involve participation and engagement of various stakeholders, disciplines, sectors, and funding sources (Bjørnå, 2014; Kernaghan et al., 2000). Local government has become more open to the environment, not least because of the increased importance of partnership, intermunicipal cooperation, private-public partnership, community building, and job creation, including networking activities with authorities at the state and regional levels. This has led to an increase in a new form of decision-making—local governance (Monkerud et al., 2016). Many of these networking tasks are delegated from the council to the MCEO, eliciting discussions about whether these sprawling governance networks are hollowing out democracy in local government (Jacobsen, 2015). These shifts in responsibility have placed significant pressure on traditional local government and the roles of political and administrative leaders and the relations between them. Consequently, the role of the MCEO in contemporary local government involves having to ensure a balance between the 'old' way of MCEOs, that is, formally staying at arm's length from mayors and exercising non-partisanship and neutrality, and a 'modern' way involving partnership, influence, and facilitation leadership, where the relationship between the MCEO and the mayor can be described as 'gears that work together' throughout the political process: from initiative to implementation (Lo & Vabo, 2020). The 'modern' MCEO is somehow expected to be an organizational actor who leverages resources to create new institutions or transform existing ones, often referred to as an institutional entrepreneur (Hardy & Maguire, 2008). Institutional entrepreneurship is the result of the 'paradoxical' integration of the two concepts of institution and entrepreneurship. It combines institutions—providing continuity and stability of organizational processes and constraining actors' behaviour—with entrepreneurship, which is a creative force shaping and transforming institutions themselves. Thus, the 'modern' MCEO is expected to take a more active role in promoting the interests of the community, often as a kind of 'stablemate' for the mayor. What is crucial is that when the mayor and MCEO do have a good and trustworthy

relationship, this will strengthen the power and impact for both. However, a recent study indicated that MCEOs also adhere to political signals in clear-cut administrative affairs, a trend described as 'deep politicisation' (Jacobsen et al., 2021). In these cases, the MCEO may risk sacrificing his/her professional independence and authority for political loyalty. We are not convinced that this is a desirable or beneficial development for a healthy and democratic local government. However, in the event of conflict with the mayor and the municipal council, only the MCEO can lose, as indicated in the increase in MCEO turnover (Baldersheim et al., 2021; Willumsen et al., 2014).

7.9 Concluding Discussion

In this chapter, we described several aspects and changes in the Norwegian municipal sector that can help us understand the contexts that influence MCEOs and their profession. Based on primary and secondary data, we discovered both changes and stability regarding MCEOs biography and influence and how they conduct their role in the present Norwegian municipal landscape.

Over the last decades, the most striking biographical change has been the increasing number of women in MCEO positions. Twenty years ago, the proportion of female MCEOs was only 7%; today, it has increased to 30%. Although Norway is deemed among the leading countries in the world in terms of gender equality, this development has been more precipitous than many observers would have expected. The trend is also reflected in the LG Act (1992 and 2018), where the MCEO is given a new gender-neutral title. A similar development can be observed in the increase in female mayors.

Second, another feature of today's MCEOs is the increased diversification or plurality regarding their educational background. In contrast to the past when the dominant educational groups were lawyers and candidates from the Municipal Academy, today's MCEOs have degrees in economics, business or public administration, social sciences, engineering, professional education in health or social care, medicine, or teaching. However, a common denominator is that nearly 40% have higher education qualifications and diplomas or undertaken courses in the field of economics and administration. The change in CEOs' educational profile arguably reflects a stronger focus on economic performance management in Norwegian municipalities. In addition, the supply and demand for

management and leadership education have grown rapidly in the last 30 years in Norway, as in many other countries (Sahlin-Andersson & Engwall, 2002).

Third, the time it takes to reach the position of MCEO has scarcely changed, with an average (mostly the internal municipal sector) career pattern of almost 20 years. Regardless of gender, we still face mostly middle-aged MCEOs—and they are getting older—now with an average age of 54 years.

Fourth, the extent to which contextual factors such as new legislation, amalgamation reform, and demographic changes will have an impact on the role and function of the MCEO remains uncertain. Theoretically, one could assume that an increase in size and autonomy would make it easier for municipalities to increase their capacity to act in a way that corresponds with local problems and citizen preferences (Baldersheim, 2018). As such, increased municipal size could potentially strengthen MCEOs' ability to act; however, in 2024, more than half of Norwegian municipalities will still have fewer than 5000 inhabitants. Therefore, the factors most likely explaining the strengthened position to the Norwegian MCEO are regulative mechanisms and the impact from new legislation in 1992 and 2018.

Finally, to contribute to community development, MCEOs are expected to be innovators interacting with the municipal environment and upperlevel government. Norwegian local government also seems to be developing into a more complex multi-level network comprising multiple autonomous service-providing entities, requiring MCEOs to be capable of cooperating with other public authorities, civic society, and business organizations. In addition, as institutional entrepreneurs, MCEOs have to perform roles such as boundary spanners, coordinators, negotiators, and brokers (Van Meerkerk & Edelenbos, 2018). They must also conduct their work and comply with traditional local government values based on democracy, hierarchical governance, formal laws, and regulations. Thus, 'modern' Norwegian MCEOs face the challenges and dilemmas of handling complex and contradictory roles and expectations.

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CHAPTER 8

Twenty-Five Years of the Swedish Municipal CEO

Anna Cregård

8.1 Introduction

This chapter focuses on the Swedish municipal CEO (MCEO) and changes in the role and its context over 25 years. Building on extensive data from six surveys¹ conducted every five years and sent to all MCEOs in Sweden, the changes in the performance of the role are discussed in the context of changes in demands and constraints from a longitudinal perspective. The main question answered in the chapter is as follows: How have major changes in terms of context and background affected the role of the Swedish MCEO?

The bulk of the data presented here comes from six exhaustive surveys addressed to every MCEO in Sweden, that is, the most senior official in Sweden's 290 municipalities. The first survey was conducted in 1995 and

¹See Appendix for the Nordic MCEO survey questions.

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was part of the European Federation of Local Government Chief Executives (UDiTE) study (Klausen & Magnier, 1998; Mouritzen & Svara, 2002). The survey has been repeated every five years ever since, with the most recent one in 2020. The response rate has been high in all the surveys (ranging between 72 and 78%).

The next section addresses developments in the Swedish municipal context, the first being a more long-term perspective so as to later focus more on the last 25 years. This is followed by a section on the background of the Swedish MCEO. The sections thereafter examine changes in the role based on prioritization relating to tasks (what) and actors (how) and the reasons for leaving the job. In the last section, the role of the Swedish MCEO is discussed in terms of stability and institutionalization as well as minor, long-term change.

8.2 CONTEXT AND HISTORICAL BACKGROUND

People and their actions are always interpreted and evaluated in a complex context (Goffman, 1959/2021). In this book (see Chap. 2 by Hansen and Solli), this is described as the embedded demands—constraints—choices model (see also Stewart, 1982a, 1982b; Stewart & Fondas, 1994) and is relevant for understanding the role of the MCEO—how it is interpreted and how this interpretation has changed. Various internal and external factors have the potential to influence the MCEO landscape, and the discussion below concerning the context of the role is based partly on available data and partly on the overall governance ideas that have permeated Swedish municipalities at different times. The section begins with an overview of the development of Swedish municipalities from their establishment to the present day and ends by focusing on a typical Swedish municipal organization and the position of the MCEO.

Municipalities were established in Sweden by law in 1862 and were created based on the classification used by the Lutheran state church. Local self-government was confirmed in the municipal regulations of 1862 and viewed as important for the inhabitants' responsibility for and influence over common local issues. It has been enshrined in the Swedish Constitution since 1974. Around 2500 municipalities of various kinds were formed based on their size and rights in the country, called *stad* (city), *köping* (borough), and *landskommun* (rural municipality). The right to vote was based on the amount of taxes paid, and women were allowed to vote if they paid taxes. By enforcing this law, the abolishment of the four estates was initiated.

The activities performed by municipalities were, for the most part, very limited in nature, and elected representatives handled most tasks. Things looked somewhat different in the large cities where there were a few officials. It was not until 1931 that it became formally acceptable to hire administrators in municipalities (Bergevärn & Olson, 1987). Nevertheless, by this time, even the smallest municipalities had hired employees to, for instance, manage accounting and budgets. In 1943, the municipal division was examined, and the investigator found that most municipalities were far too small to be able to carry out the increasingly comprehensive tasks imposed on municipalities in the emerging welfare society. However, it was not until 1952 that general mergers were initiated, with mostly rural municipalities being merged, resulting in just over 800 larger municipalities. In the 1971 municipal reform, the various municipal types were abolished, and primary local-level municipalities were introduced (distinguished from secondary local authority, which then constituted the regional level). The municipalities were given equal rights, and some tasks that had been allocated to the cities were transferred to the central government administration, such as some of those within the judicial system. At the same time, further mergers were carried out. Today, Sweden has 290 municipalities. There are not many discussions concerning further mergers at the municipality level; however, there are discussions relating to the regional level. Nevertheless, the current discussion more often concerns the parts of municipalities that want to break free.

Today's municipalities vary significantly in size, in terms of both land area and population. Kiruna, which is Sweden's largest municipality by area, is 19,163 square kilometres, while Sundbyberg is barely 9 square kilometres. In December 2022, municipal populations varied from 2372 people in Bjurholm to 984,748 in Stockholm (Statistics Sweden²). The total population of Sweden at the end of 2022 was about 10.5 million people.

The public sector in Sweden is largely based on municipalities and county councils. According to *The Economy Report* from the Swedish Association of Local Authorities and Regions (SALAR), in October 2020, municipalities and county councils employed more than 1.2 million

²http://www.statistikdatabasen.scb.se/pxweb/sv/ssd/START_BE_BE0101_BE010 1A/?rxid=e67d909b-1ada-4703-8d17-6d613980114b (retrieved July 4, 2021).

people and had a combined budget of approximately 1108 billion SEK,³ of which municipalities accounted for approximately 715 billion. Thus, municipalities are important in Sweden, as they are responsible for a large proportion of a comprehensive welfare system.

During the 25 years in focus here, the new public management (NPM) era has had a significant influence on the Swedish welfare model in the context of municipalities and has been the subject of substantial criticism. What has been described as NPM has also changed over time. In recent years, the number of governance mechanisms and organizational methods has also increased, creating numerous local solutions to the challenges facing municipalities (Hansen, 2010, 2011). According to Lapsley (2017), three waves of public sector reforms have been simultaneously ongoing for a long time in Sweden: public administration (PA), NPM, and new public sector governance (NPSG). During the last 25 years, all these waves have been more or less noticeable in municipalities and usually co-exist. Based on Lapsley's analysis, the start of this 25-year period was characterized more by public administration, less by NPM, and hardly anything at all in the area of NPSG, although as time went by there has been a greater focus on NPM and NPSG in practice (see also Table 2.1 in this book). While PA is characterized by bureaucracy, NPM is characterized by managerialism, radical decentralization (such as outsourcing), and a view of the municipality as an organization that should and could be run like a company on a market. Furthermore, the influence of the professions (e.g. teachers, social workers, and nurses) within municipalities has been weakened in favour of the more top-down managerial control system (see Wenglén, 2017 for a discussion).

As mentioned in the introductory chapter (see Fig. 1.2), traditional public administration and NPM merged into a hybrid with co-existing and developing interpretations regarding how Swedish local government should be run. Also, NPSG emphasizes networks and partnerships as a counterforce to an overly one-eyed focus on organizational boundaries and financial results as an effect of comprehensive performance measurements undertaken in NPM. Although the ideas and thoughts behind NPSG may have taken hold in parts of the municipal sphere, however, it remains unclear the extent to which they have been transformed into

³https://webbutik.skr.se/bilder/artiklar/pdf/7585-559-2.pdf?issuusl=ignore; https://skr.se/skr/ekonomijuridik/ekonomi/sektornisiffror/tabellertillsektornisiffror.35770.html (retrieved July 4, 2021).

practical implementation (Cregård et al., 2023; Lindberg et al., 2015; Pollitt & Bouckaert, 2017; Strokosch & Osborne, 2020; Vabø et al., 2022).

In the last 25 years, it is not an exaggeration to say that many municipalities have made tremendous efforts in the competitive tendering of public activities, performance and efficiency measurements, the creation of markets, and the division between the political and bureaucratic spheres (Bäck, 2003). Swedish municipalities were also early and eager adopters of the perceived values and ideals of the private sector (Blomqvist, 2004; Lapuente & Van de Walle, 2020). The corresponding effects on municipal activities and the municipal organization have been substantial, but so too has the critique. Therefore, since the 1990s, Swedish municipalities have introduced far-reaching reforms in the spirit of NPM while also trying to deal with the associated negative effects and tackle extensive societal changes.

In the Nordic region, many of the major societal issues are addressed at the local level, and in Sweden, municipalities have far-reaching responsibility for welfare issues in the broadest sense, as explained by Hlynsdóttir et al. (this book). Swedish municipalities face essentially the same challenges, albeit under dissimilar conditions. While there are metropolitan municipalities experiencing challenges due to a lack of both housing and competent labour in a rapid growth in both population and the business sector, there are also municipalities experiencing a rapid decrease in both population and resources. The differences can be found between urban and rural areas, the south and north, and coastal and inland areas (see maps in the introductory chapter). In addition to creating inequality, this also means that municipal politicians and civil servants have different conditions for interaction, strategic development, and leadership.

According to SALAR (2020), demographic development represents a challenge for the entire country, albeit in different ways. While the proportion of people aged 80 and over increases the most in rural municipalities, the proportion of people of working age increases the most in metropolitan municipalities—much of it due to immigration. At the beginning of the 2020s, approximately one-third of the nurses and care assistants in the welfare services were of a foreign background, and SALAR predicts that immigration will account for all of Sweden's total increase in people of working age in the next 10-year period. Thus, the number of people born in Sweden will decrease. SALAR also indicates that municipal costs have increased by approximately 0.5–1% per year on average, beyond what can be explained by increased needs due to demographic change. In

other words, the number of municipal employees has increased steadily, and according to Hall (2021), in recent years, the increase has mainly been reported among qualified administrators. These are experts in, for example, HR, communication, strategic planning, and finance. The increase in qualified experts in administrative and planning activities means more actors in the strategic arena. At the same time, the increased focus on performance measurements has resulted in additional focus on accountability and responsibility for the municipal organization's managers and leaders.

Swedish municipalities may be (and are) organized in different ways, but they all build on party-based representative democracy. Figure 8.1 displays a basic and relatively common organization. The members of the municipal council are nominated by the parties and decide on the most important issues, such as taxation. The executive committee reflects the municipal council's mandates, but it is the majority that appoints the chair and vice chair of all committees in the local government (Montin, 2015). From time to time, the concept of the majority becomes a complex matter in many municipalities, ranging from a strong and long-term single party

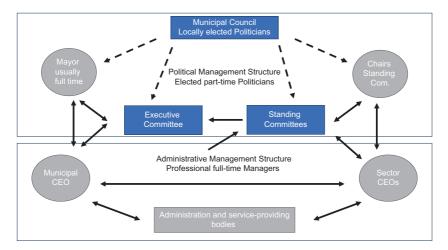


Fig. 8.1 The Swedish municipal organization—a traditional template *Note: Dotted arrows* from the municipal council indicate that the mayor, the executive committee, the standing committees, and their chairs are all elected by municipal council after the election. *The two-way arrows* indicate triangles of frequent interaction related to decision-making and coordination. *One-way arrows* indicate the typical decision-making process

majority, over a fluctuating assembly majority from left to right, to small minority control. The executive committee generally has a prominent role, and the chair of the executive committee is usually a full-time politician. In Sweden, there is no formally appointed mayor, but due to the visibility and influence of the chair of the executive committee, it is relevant to talk about a mayoral role (Bäck, 2005) in, for example, country comparisons, which is part of the premise of this book.

For the MCEO, the journey began when elected representatives no longer had enough time to lead and administer the municipality. In Sweden, the origin of the MCEO is in the municipalities themselves (Cregård & Solli, 2012b). Traditionally, neither the role of MCEO nor its relation to administration or politics was the subject of formal, legal regulation (Cregård & Solli, 2008). In the previous Swedish Local Government Act (1991), the role was mentioned only in terms of being non-eligible for political assignments in the municipality. For many years, both SALAR and the MCEO association (Kommundirektörsföreningen⁴) offered advice and organized seminars to support the clarification of roles between MCEOs and leading politicians. Municipalities have organized the administration and its management in different ways, and at the end of the twentieth century, it was not uncommon for them to lack the MCEO position. In the survey from 1995, 14% of the responding MCEOs stated that the position was newly established, which means that they were the first MCEO in the municipality.

However, through the introduction of the new Swedish Local Government Act (2017), the role of MCEO came to be more regulated. The new law clarifies that municipalities must have an MCEO who is subordinate to the municipality's executive committee. He or she is responsible for managing the administration. Furthermore, the new law states that the executive committee shall determine how the MCEO shall lead the administration and clarify his or her other duties in instructions put in writing. As in the previous law, it is also stated that the MCEO is not eligible for political assignments in the municipality. Just as before, both SALAR and the MCEO association offer seminars, guidance, and templates for how to formulate written instructions. The MCEO association

⁴The Association of MCEOs is a non-profit and is politically and union-independent. According to the association's website, its goal is to create networks, promote professional development, and strengthen the professional role. kommundirektorsforeningen.se (retrieved December 15, 2021).

also supports their members in difficult issues, both regarding the development of the professional role and other joint development issues. Thus, although the role of MCEO is still weakly regulated by the legislator, it has now been established that it must be formalized and in what areas. However, the local government itself decides the way in which this is done. The next section captures the respondents' background, which can be viewed as an indication of what is perceived as desirable when hiring an MCEO; thus, it is connected to the discussion regarding constraints and demands

8.3 Background of the MCEO

MCEOs have grown older since the first survey (see Table 8.1) was conducted. During the first half of the study period, the average MCEO age increased at a rapid rate but levelled off during the latter half. Since the survey in 2005, the average age has been 56–57 years. Although MCEOs have grown older, their average time in the position has become shorter. Between 1995 and 2020, this has fallen from a mean of 7.0 years to a mean of 4.6 years. This means that, on average, someone working as an MCEO in 1995 began their job at the age of 43, whereas the corresponding age in 2020 was about 50.

| Table 8.1 | Background | of Swedish | MCEOs |
|-----------|------------|------------|-------|
|-----------|------------|------------|-------|

| | 1995 | 2000 | 2005 | 2010 | 2015 | 2020 |
|---|--------------|--------------|--------------|--------------|--------------|--------------|
| Mean/median age | 50/50 | 52/52 | 55/56 | 56/57 | 56/57 | 55/56 |
| (SD) | (5.63) | (5.40) | (5.43) | (6.67) | (6.33) | (6.84) |
| Years in present position: | 7.0/5.0 | 6.5/5.0 | 6.2/5.0 | 6.2/4.0 | 5.2/3.5 | 4.6/4.0 |
| Mean/median | | | | | | |
| Females/males | 18/206 | 28/184 | 38/179 | 59/159 | 76/132 | 85/123 |
| Per cent females | 8% | 13% | 18% | 27% | 37% | 41% |
| Education in social science and/or law ^a | 101% | 93% | 84% | 54% | 51% | 44% |
| N (number of municipalities) | 221 (288) | 212 (289) | 217 (290) | 210 (290) | 201 (290) | 208 (290) |
| | | | | | | |

^aThe question about education changed into 'main focus of education' in 2010 and forward. In the surveys of 1995, 2000, and 2005, the respondents were asked to state education, which means that they had the opportunity to state several, hence the high figure for, for example, 1995. The figures between 1995 and 2005 on the one hand, and 2010 and 2020 on the other, are thus not completely comparable

The proportion of women consistently increased by 1% each year between 1995 and 2005, after which the rate increased by 2% per year up to the survey in 2015. In the last survey (2020), the rate of increase levelled off (but was still almost 1% per year). In 1995, the proportion of women MCEOs was 8%, while it was 41% in 2020, which means that Swedish municipalities have now reached a 40/60 gender balance among MCEOs. This is in line with the emphasis on gender equality in the Nordic—and especially the Swedish—local government model (see discussion in Hlynsdóttir et al., this book).

In general, MCEOs tend to be educated, particularly in the latter surveys. In 1995, 77% had attended more than three years of university education. Ten years later, the proportion of MCEOs with such an extensive education background was 83%. Another ten years later, the corresponding figure was 98%. On average, they had four years of university education in 2020. The most significant change between 1995 and 2020 is that the proportion of individuals educated in law, public administration, or political science had decreased. In the era of economism (Rombach & Berglund, 2005), one might think that the proportion of those with a degree in economics, finance, or business administration would increase. This proportion did in fact increase for some time, but in 2020, the numbers had declined moderately. Overall, this constitutes a marginal change in the direction of increasingly different educational backgrounds.

There is considerable variation in terms of what MCEOs used to do before their current position, from a municipal unit manager to an army major. There is a decreasing trend in the number of financial managers, HR managers, lawyers, and planners and an increasing trend in municipal department managers and MCEOs. More than 80% of the MCEOs were employed in the municipal sector in their previous job, which has varied very little over the years. There were few MCEOs from the central government sector in 1995 (6%) and even fewer in 2020 (2%). Six per cent of MCEOs were earlier employed in the private sector in both 1995 and 2020, and the share of those in the regional/county council sector increased from 5 to 8% between 1995 and 2020.

Thus far, this review has indicated that the external context has changed considerably in the 25 years studied. Since 1995, the MCEO role has been more regulated, and individuals from other more disparate backgrounds and with a range of experiences held more MCEO positions in 2020. What were the repercussions of these changes on the execution of the role? This is discussed below.

8.4 Changing Priorities

In this section, changes in MCEOs' perceptions of priorities relating to role performance over the last 25 years are presented. First, the MCEOs' task-related priorities are reported (i.e. what to do), followed by their network-related priorities (i.e. how (with whom) to do it).

The MCEO is positioned at what can be described as the golden interface between politics and administration—or as the purple zone, as Alford et al. (2017) called it (see also Brunsson & Jönsson, 1979). The tasks involve managing contact between politicians and civil servants and, thus, working with administrative issues and supporting the political level. The role also includes more general leadership tasks related to achieving development and innovation as well as attaining organizational cooperation. Table 8.2 summarizes answers to the question of what emphasis is given to different tasks as part of daily work, that is, leadership priorities.

First and foremost, Table 8.2 displays remarkable stability between the six measurement points regarding the leadership tasks of high priority (i.e. stimulate cooperation between departments; formulate visions; improve efficiency; influence decision-making process; and develop norms of relationships between administration and politics). Also, giving technical advice to politicians was mainly considered a high-priority function. In terms of the high-priority leadership tasks, the changes between the years are marginal, even though improving efficiency was prioritized more strongly during the period.

At all six measurement points, two leadership tasks were deemed to be of low priority (i.e. giving political advice to politicians and guiding staff). Also, enforcing rules and handling fiscal management received relatively low scores, even if they (especially the latter) were prioritized somewhat more in 2015 and 2020.

The differences among the respondents' priorities did not change significantly over the years. They disagreed the most about giving advice to politicians, both technical (high priority) and political (low priority), and they agreed the most about stimulating cooperation and influencing the decision-making process (both high priorities). Improving efficiency was also something they agreed was of high priority.

The ambivalence towards giving advice to politicians may be understood as complicated. Entering the political arena by giving political advice, for example, to the mayor may jeopardize the basic idea of separation between politics and administration and may be risky for the highest

Table 8.2 Swedish MCEOs' leadership priorities

| | 1995 | | 2000 | | 2005 | | 2010 | | 2015 | | 2020 | |
|--|-------|------|-------|------|-------|------|-------|------|-------|------|-------|------|
| | Mean | SD | Mean | SD | Mean | SD | Меап | SD | Меап | SD | Меап | SD |
| Administration | 43ª | | 44 | | 45 | | 48 | | 53 | | 54 | |
| Guide subordinates | 34 | 12.4 | 36.3 | 13.3 | 35.8 | 12.4 | 37.8 | 12.7 | 43.5 | 13.4 | 43.3 | 14.5 |
| Fiscal management | 37.3 | 14 | 40 | 14 | 43.8 | 15.4 | 45.8 | 14.7 | 52.3 | 14.5 | 58.3 | 17 |
| Enforce rules | 40 | 14.4 | 40.5 | 14 | 41.5 | 13.4 | 45.5 | 13.5 | 52.3 | 12.9 | 51 | 15.6 |
| Establish new routines | 09 | 15.1 | 28 | 14.3 | 57.3 | 15 | 61.5 | 14.5 | 62.3 | 12.7 | 64.3 | 16.1 |
| Advice to politicians | 63 | | 64 | | 99 | | 29 | | 69 | | 70 | |
| Technical advice | 74.3 | 15.9 | 70.5 | 17.1 | 69.3 | 16.3 | 72.8 | 15.6 | 74.5 | 15.9 | 75.6 | 16.6 |
| Political advice to mayor ^b | 32.3 | 15.1 | 35.3 | 15.2 | 38.5 | 17.5 | 40.3 | 17.7 | 41.3 | 16.5 | 43.5 | 18.3 |
| Norms of relationships | 70.5 | 14.7 | 72.8 | 14.1 | 74 | 14.6 | 74.8 | 13.9 | 78.5 | 14.6 | 77.5 | 14.1 |
| Influence decision-making process | 2/ | 13.4 | 78.3 | 11.4 | 80.5 | 11 | 62 | 12.5 | 80.3 | 12.2 | 80.5 | 11.6 |
| Integration and cooperation | 20 | | 69 | | 29 | | 29 | | 89 | | 29 | |
| Solve relationship problems | 61.5 | 15.1 | 09 | 14.1 | 57.3 | 13 | 22 | 13.3 | 57.3 | 14 | 54.8 | 14.2 |
| Stimulate coop. between depart. | 80.8 | 11.9 | 81 | 10.6 | 79.5 | 10.6 | 81.3 | 10.2 | 82.5 | 10.8 | 82.3 | 12.2 |
| Informed about employees' views | 29 | 11.5 | 8.99 | 10.3 | 64.8 | 11.3 | 64 | 11.6 | 64.5 | 12.4 | 65.3 | 12.5 |
| Innovation | 69 | | 69 | | 29 | | 69 | | 20 | | 72 | |
| Formulate visions | 78.3 | 13.5 | 77.5 | 13.1 | 92 | 12.6 | 77.3 | 12.4 | 75.5 | 13.2 | 76.5 | 13 |
| Informed about citizens' views | 62.8 | 13.7 | 64 | 13 | 64 | 13.8 | 8.79 | 12.6 | 68.3 | 12.6 | 69.5 | 13.8 |
| Attract external resources | 26 | 14.9 | 56.3 | 15.5 | 51 | 15 | 50.8 | 14.8 | 51.8 | 15.5 | 55.3 | 15.5 |
| Improve efficiency | 28 | 14 | 77 | 12.6 | 78.5 | 13.1 | 81.8 | 12.2 | 84 | 12.1 | 86.3 | 11.7 |
| N (number of municipalities) | 224 | | 211 | | 213 | | 203 | | 188 | | 205 | |
| | (288) | | (289) | | (290) | | (290) | | (290) | | (290) | |

Note: A scale from 0 (of very little or no importance), 50 (of moderate importance) to 100 (of utmost importance). Less than 50 is considered as low priority, 50-70 as moderate priority, and more than 70 is considered as high priority (in bold). Categories adapted from Mouritzen & Svara, 2002, Chap. 5

^bMayor is defined here as the chairman of the municipal executive committee and political majority leader ^aMean of group of categories

official to engage in—if they are to keep their job (Cregård, 2004). This is not to say that MCEOs refrain from influencing the political arena. Table 8.2 shows that giving technical advice, building relationship norms, and influencing decision-making are high leadership priorities. Furthermore, over the 25-year period, the single most obvious change was the steady increase in the provisions of political advice to the mayor. However, the values remained low even after this increase, and the standard deviation was high, indicating that there was variation in how the MCEOs responded to the question.

Upon merging the tasks into four areas, we could see that *integration* and *cooperation* and *innovation* fluctuated moderately or even marginally during the investigated period. *Administration*, which had the lowest priority in 1995, was also deemed to be of the lowest priority in 2020; however, it did approach the other three combined areas during the 25-year period, scoring between 43 and 54 on average (i.e. from low to moderate priority). In this category, fiscal management was an important reason for the increase, since it recorded the largest increase during the investigated period (from 37.3 to 58.3, i.e. from low to moderate). Also, the category *advice to politicians* (including both technical and political advice and building relationship norms and influencing decision-making) increased in importance during the 25 years.

Table 8.3 presents an alternative way of looking at priorities relating to MCEOs' work, where eight response options were arranged into two ideal categories, that is, focused on the civil servant factor. This draws on Putnam's (1975) categorization of classic political bureaucrats (see also Klausen & Magnier, 1998).

Table 8.3 shows that the classic bureaucrat was less prominent than the political, indicating the intricate position of the Swedish MCEO as close to and sometimes even intertwined with the policy process (Cregård & Solli, 2012a). We can also see that both the political and classic bureaucrats increased in importance—the classic slightly more than the political. The increase is not extensive, but it is interesting that so many categories *increased* (marginally) during the period of investigation—few decreased.

All in all, the task priorities appeared to have changed little over a quarter of a century, and the same tasks were highly prioritized in 1995 and 2020. During the 25 years of stability in the prioritized leadership tasks, there were some minor variations. Above all, the changes consisted of small or moderate increases in importance. Handling fiscal management, enforcing rules, and giving political advice to politicians increased the

| | 1995 | 2000 | 2005 | 2010 | 2015 | 2020 |
|---------------------------------------|------|------|------|------|------|------|
| The classic bureaucrat | 46 | 47 | 48 | 51 | 56 | 57 |
| Guide subordinate staff | 34 | 36 | 36 | 38 | 44 | 43 |
| Fiscal management | 37 | 40 | 44 | 46 | 52 | 58 |
| Enforce rules | 40 | 41 | 42 | 45 | 52 | 51 |
| Provide technical advice to the mayor | 74 | 71 | 69 | 73 | 75 | 76 |
| The political bureaucrat | 62 | 64 | 65 | 66 | 66 | 68 |
| Formulate visions | 78 | 78 | 76 | 77 | 76 | 77 |
| Provide political advice to the mayor | 32 | 35 | 39 | 40 | 41 | 44 |
| Be informed about citizens' views | 63 | 64 | 64 | 68 | 68 | 70 |
| Influence the decision-making process | 76 | 78 | 81 | 79 | 80 | 81 |
| | | | | | | |

 Table 8.3
 The classic versus political bureaucrat

Note: Five-point scale from 0 (of very little or no importance), 50 (of moderate importance) to 100 (of utmost importance). Note also that unlike Putnam's study, efficiency aspects are here related to the bureaucratic sphere

most, and the respondents appeared to be slightly more akin to both political and classic bureaucrats. The variations between the MCEOs also appeared stable.

The MCEOs were asked to indicate how often they met with 16 actors. Measured in terms of frequency, four groups were identified:

- 1. Daily: The MCEOs met most often with the mayor, the financial manager, department managers, and a few other employees. Almost all the respondents met these actors several times a week, and most of them met the actors on a daily basis. This remained stable throughout the period.
- 2. Weekly: The second group included people or groups whom a majority of the MCEOs met at least once a week. This group consisted of other politicians in the municipality (including the opposition leader), municipal citizens, and other MCEOs (since the survey in 2015). According to the surveys, other MCEOs were increasingly among the respondents' frequent contacts. Interestingly, both journalists and private business interests were moving in the other direction, as the MCEOs reportedly met them increasingly infrequently. These changes are noteworthy.
- 3. Monthly: The above-mentioned changes concerning the frequency with which MCEOs met with journalists and private business interests indicate that both of these actors slid down into the third group,

- a group consisting of contacts that the MCEOs would meet with roughly once a month. Other leading actors (e.g. NGOs) were also found in this group of contacts.
- 4. Seldom: In general, most of the MCEOs met with people in the fourth group of contacts from seldom to almost never. This group consisted of officials from other levels of the public government, officials from SALAR, and union representatives. Nevertheless, there were variations among the MCEOs in relation to this group.

Overall, the contact patterns remained stable over the 25 years, especially concerning the most important ones. However, there was some variation between the six surveys: the MCEOs met more frequently with other MCEOs and regional government officials and less often with private business interests, journalists, municipal citizens, officials from SALAR, and central government officials. There was also a declining trend with political opposition leaders. Thus, it appears that the MCEOs were increasingly infrequently involved in work concerning the municipality's relations with the outside world, at least in part. Other MCEOs were of course also part of the outside world but belonged to the same occupation. One question that can be asked is whether the role of MCEO is becoming increasingly focused on the municipal organization as such and has become more of an instrument for the political majority.

8.5 Departure

Background data on the MCEOs show that they remained in the position for gradually shorter periods: from 7.0 years in the 1995 survey to 4.6 years in the one from 2020 (see Table 8.1). One can leave a job for many reasons, and it can be voluntary or otherwise. The reasons for leaving might say something about how the MCEO perceived the role (e.g. was it feasible? Should I leave for a better one?) or how their superiors perceived their performance (e.g. is it good enough?).

It is usually difficult to uncover the real reasons for turnover (Cregård et al., 2017). In the surveys, this difficulty was circumvented by a question concerning the MCEOs' perception of the reason behind their predecessor's departure. The responses are summarized in Table 8.4.

Table 8.4 implies that the increase in turnover was due to both voluntary (e.g. career and workload/pressure too great) and involuntary turnover (e.g. problems cooperating and sickness/death). A clear trend was

Table 8.4 Why did your predecessor quit?

| | 1995 | 2000 | 2005 | 2010 | 2015 | 2020 | Max var Inc/Dec | Inc/Dec ^b |
|---------------------------------------|-----------|-----------|-----------|-----------|-----------|------------|-----------------|----------------------|
| Career | 12 | 14 | 18 | 17 | 16 | 21 | 6 | H 6+ |
| Problems cooperating with politicians | 23 | 29 | 28 | 30 | 33 | 37 | 14 | +14 M |
| Problems cooperating with officials | | 6 | 6 | 12 | 12 | 11 | 4 | +4 M |
| Workload/pressure too | _ | 9 | ∞ | ഹ | 9 | 1 | | H 9- |
| Age/retirement Sickness /death | ω w u | 31 | 26 | 29 7 | 29 | 30 | 6 п | -5 L |
| Does not know | o ro | 9 | , τυ | > 1∼ | 11 |) (| 9 | +2 T |
| Other reason | 13 | 10 | 14 | 9 | 8 | 11 | ∞ | -2 T |
| New position/no predecessor | 14 | ∞ | 10 | w | 7 | 0 | 14 | -14 H |
| N(number of municipalities) | 224 (288) | 211 (289) | 213 (290) | 203 (290) | 188 (290) | 205 (290) | | |

Note: Response in per cent (several options possible)

¹Inc/Dec = increase or decrease from 1995 to 2020 (less than 50% increase or decrease is considered low; 50–70% moderate; more than 70% high) ^aMax var = maximum variation during the 25 years (highest minus lowest)

the managers' perception that their predecessors quit for a new job. There were also signs of problems related to cooperation, particularly in recent years. The respondents indicated that cooperation problems with politicians were the main reason why their predecessors quit. This is important, as there was a noticeable increase in problems cooperating with other officials. It is worth noting that age/retirement was not a dominant factor over the years in explaining turnover among MCEOs, even though MCEOs were getting increasingly older (although there has been a marginal decrease). Other important factors were overly high workload/pressure and sickness/death. Furthermore, as mentioned above, in 1995, it was not uncommon for the position to be new, which was not the case in 2020.

One way of explaining the change in the perceived reasons for the departure of predecessors is through the mismatch between constraints, demands, and choices (see Table 2.3). One suggestion is that the expectations (mainly from politicians who had the mandate to hire and fire) of MCEOs today have changed, although their role performance has not changed to a corresponding extent. Another suggestion is that the small changes observed in the performance of the role (e.g. regarding increasing advice to leading politicians, reduced focus on local business life, and the increased prioritization of fiscal management) created friction in relationships with those who often had the mandate to draw the line between appropriate and inappropriate behaviour and good and bad performance. In addition, the surveys showed that the MCEOs increasingly deemphasized the handling of issues that facilitated interaction between different roles, such as negotiations and conflict resolution. This might well contribute to increased turnover.

Yet another suggestion is that the increasing turnover among MCEOs is part of the role context, that is, the role of MCEO is increasingly perceived as short-lived, where frequent replacements are perceived as reasonable and relevant, especially if the office holder is not seen as sufficiently responsive towards leading politicians. Several of the (increasing) categories characterizing the political bureaucrat (e.g. giving the mayor advice and influencing the decision-making process) might be perceived as requiring interaction between the mayor and the MCEO based on similar political views, and the mayor might perceive that he or she should have 'his or her own' MCEO. If this was the case, the turnover of MCEOs would increase shortly after each election. A review of the number of appointed MCEOs during the period under study showed that it was also

possible to trace such a phenomenon. The number of appointed MCEOs peaked one year after the 1998, 2002, 2006, and 2018 elections but not after the 2010 and 2014 elections. Thus, while the correlation exists, it is not indisputable. It should also be noted that such a development, where the MCEO was more or less formally appointed as the majority's extended arm, would not be regarded as unproblematic in Swedish local government.

An associated development is that of the notion of career. The reasons for termination suggest both voluntary and involuntary departures. The role of MCEO has become more short-term on average; thus, approximately five years in the post could perhaps be considered appropriate or that it is a good idea to swap to another municipality at the time of an election.

8.6 A STABLE ROLE IN A CHANGING CONTEXT?

In this section, the findings are discussed in terms of stability/change and similarity/difference among the MCEOs (see Table 8.5). Furthermore, the signs of change and variation in the empirical material are discussed, including their significance for the Swedish MCEO.

There were several substantial changes in the context of the MCEO over the 25 years under study, which arguably imply demands and constraints on the role. For instance, a large proportion of Swedish municipalities have implemented various forms of governance and management models that aim to increase efficiency or democracy or both (Niklasson, 2016). At the same time, the formal role of the MCEO has been the subject of debate, especially in relation to the political sphere, which has resulted in an increased legal and administrative formalization of the role.

| | Stability over the years | Change over the years |
|------------------------------|--------------------------|---------------------------|
| Similarity between the MCEOs | Leadership priorities | Years in present position |
| | Most important contacts | Years of education |
| Difference between the MCEOs | • | Gender |
| | | Educational background |
| | | Age |

Table 8.5 Stability and change versus similarity and difference

Note: Similarity/difference indicates correspondence between the MCEOs' answers within respective measurement point and is measured through standard deviation. Stability/change indicates variation between respective measurement point and is measured through a five-point scale.

Furthermore, the investigation of the MCEOs' background illustrates different patterns of experiences in 2020 compared to 1995. Is this an indication of a change in requirements and, thus, the demands and constraints faced by the MCEOs in 2020 compared to those from 1995? Alternatively, is the changed background a sign of a desire for increased differentiation without a change in the demands and constraints of the role (e.g. 'it's time for a woman in the top position'; 'it's important to broaden the skills profile to enable more applicants'; etc.)?

In many respects, MCEO performance has not changed very much. The priorities and focus of their daily work have remained relatively stable over the 25-year period. Their priorities indicate that tasks related to administration (e.g. fiscal management and bureaucratic regulation) and advice to politicians (including political advice) have increased in importance; however, the increases were generally moderate or small. The combination of tasks into classic and political bureaucrats showed that both increased slightly. Thus, according to the surveys, the 'what' in the role of the Swedish MCEO has not changed very much, nor have the standard deviations in the answers increased or decreased significantly; that is, the differences between the managers' responses were roughly the same over the years. This means that the additional legal and administrative regulation has not had much of an impact in this respect, at least not yet.

Turning to the 'how', that is, the network used for performing the job, the main actors remained the same over the 25 years: the mayor, financial manager, department heads, and a couple of other municipal employees were the most prioritized actors, as the MCEOs met with them daily. However, there were some minor changes in the network among the not-so-important actors. The MCEOs seemed to deprioritize actors outside the actual municipal organization, such as journalists, private business interests, and opposition politicians. However, the decrease was also marginal in this respect. At the same time, the MCEOs met more frequently with MCEOs and regional government officials from other municipalities.

Although there were several minor indications that the role of the MCEO has changed in some ways, it largely remained the same over the 25 years; it was mainly the context, the background, and the departure that seemed to have changed more considerably. Thus, the role performance, at least in terms of task- and contact-related priorities, seemed institutionalized, and the linkage between the discussed context, background, and performance seemed relatively weak.

How can we understand the stability of the role performance of MCEOs? One explanation could be that the constraints and demands examined here have not been the most relevant for the Swedish MCEO's role performance. Additional contextual factors might create stability in the role (i.e. something that resists changes in governance due to, for instance, NPM and that does not appear to be significantly affected by the age, gender, or years in the MCEO position). One such factor could be a consistent common principle of division of labour between politicians and civil servants, developed from within the municipal organization. A substantial number of MCEOs came from the municipal sector itself—predominantly as managers close to the political arena. Administrative expectations to fulfil the values of loyalty, neutrality, and professional independence (Jacobsen, 1960) are difficult to achieve because, among other things, they may come into conflict with each other. Here, continuous dialogue is required and an awareness of the division of labour—values that need to be balanced in everyday life. Jacobsen et al. (2021) discussed the cooperation and mutual understanding at the intersection of administration and politics (see also Brunsson & Jönsson, 1979). They investigated the relationship between MCEOs and the political leadership in Norwegian municipalities and concluded that there was a clear line between the two in many respects. According to the MCEOs, political loyalty and giving in to political pressure were irrelevant or even inappropriate. The authors call this perception institutionalized. They also conclude that many municipalities are small-sized, which means that dialogue and cooperation are a natural way of working together. In a study on Swedish middle managers in local government, Åström et al. (2022, p. 1036) found that 'it seems to be perfectly possible for public managers to support the principle of neutrality and still be deeply involved in policy politics'. However, they also indicated that the intersection of politics and administration (the top position) was a complex matter that needed to be developed into a nuanced understanding of neutrality alongside politicians (see also Brorström & Norbäck, 2020).

Another interesting contextual factor is the MCEO association. It is plausible that because of the association's strong and broad membership among Swedish MCEOs, it influences the perceptions and, therefore, the negotiations around the division of labour between administration and politics. The association is given higher priority and is actively working to strengthen the role and perhaps maintain stability. Furthermore, the association offers knowledge and advice in the form of templates and

information in order to spread a common view in the local government sector of what an MCEO is and what they do, including targeting politicians. It could mean that the association supports a common and long-term view of how an MCEO should act—perhaps not as the only influencing factor but as a factor that reinforces an already pervasive thought about the proper performance of MCEOs. Also SALAR offers education and programmes for politicians and top-level officials.

A quarter of a century is a long time—and this time has been permeated by the influences of NPM, its advocacy, and resistance, and it is reasonable that a role—even if broadly characterized by stability—also has some variations. In the extensive empirical material available on the Swedish MCEOs, some results point out that, from a long-term perspective, the role is slowly developing more towards administration, with a focus on the internal organization and its effectiveness. This may be compared to the general development of the civil servant in the state apparatus:

Nowadays, the public servant is definitely not an old-fashioned bureaucrat, but nor have the influences of NPM made him/her a fully fledged manager. Instead, the contemporary Swedish public servant is perhaps best characterized as a 'private servant'. (Ehn, 2016, p. 344)

The MCEO role appears to have become more professionalized—with the benefit of the MCEO association and the fact that MCEOs are increasingly meeting each other. They spend more time meeting their own people and can therefore further develop a common jurisdiction—a professional, strategic, and administrative municipal top leadership. This change also includes MCEOs leaving certain tasks to other professional managers in the municipality who handle external issues, such as communication with journalists and meetings with business interests. Furthermore, greater importance was placed on financial and performance management and technical advice to politicians. If the role of MCEO develops towards more general, professional, and administrative leadership, the position itself may be regarded as a step in this career, and it would come as no surprise when the manager decides to leave for a new position—a point indicated in the MCEOs' responses to questions concerning predecessors' previous jobs.

The potential development towards a so-called private servant was, however, not the only one indicated. There were also some minor indications that the role was becoming increasingly political. One such

indication was that political advice to politicians increased somewhat in priority. It should be pointed out, however, that the MCEOs did not fully agree. Another indication was that the MCEOs met less frequently with the political opposition. Therefore, it is interesting that cooperation problems with politicians are an increasingly common reason for the termination of the respondents' predecessors. Further, there was some linkage between elections and turnover and Swedish MCEOs, perhaps suggesting that when the political majority is replaced, so too is the MCEO. Askim et al. (2021) stated that one reason for a new political party to take greater control over the administration is a distrust concerning its willingness to comply with the new order, especially if the new party is in fact new or has been in opposition for some time. The increase in what is called the political bureaucrat in Table 8.3 provides a glimpse of the future MCEO. However, whether this MCEO will develop towards a more private servant and fully fledged manager, or an extended arm of politics remains to be seen.

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CHAPTER 9

The Nordic Municipal CEO Model: Stability in Change

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9.1 Introduction

To outsiders, Nordic local governments appear very similar across countries, almost identical. This impression often leads scholars to overlook important country differences. For example, since the 1960s, the Danish system has repeatedly been restructured both territorially and administratively in order to increase the efficiency and effectiveness of local government. Although amalgamation and efficient service provision have been

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on the agenda in all the Nordic states, none of them have diverged as far from their origin after World War II as Denmark.

In assessing this development on a spectrum, the Icelandic system still holds on to its very traditional community origin, rooted in pre-World War II practices, and plays a decidedly smaller role (although growing) in providing welfare services than the other Nordic local government systems. Consequently, the balance between management and community leadership is still tilted towards community leadership, while the Danish municipal chief executive officer (MCEO), for example, is primarily a strategic manager and political-administrative coordinator. In general, the management part of the Nordic MCEO's position has been growing in concordance with the growing number of tasks, which has led to a strengthening and clarification of the Swedish Local Government Act (no. 2017:725, chapter 7, paragraph 1-3) of the MCEO's role as a leader and manager. We still do not know how the Finnish or Norwegian MCEO role will be affected by the ongoing changes at the local level.

The term 'Nordic' in Nordic local government comes with a certain level of generalization which may lead to simplification in relation to the position of the MCEO, as there are considerable differences both between and within countries, especially in relation to the size of municipalities.

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Consequently, there is significant within-country variation in the role of the MCEO, especially in Finland and Norway, where the differences in municipal size are most extreme, ranging from a few hundred inhabitants to hundreds of thousands.

The chapter begins by applying the MCEO model of embeddedness to the Nordic MCEO position by discussing each of the seven conditions of the model through the lens of the demands–constraints–choices framework. The third section discusses the findings in relation to the four questions presented in the introductory chapter of the book (Hansen et al.), followed by a concluding section.

9.2 THE NORDIC MCEO MODEL OF EMBEDDEDNESS

As the country chapters in this volume made clear, the MCEO is a key actor in the coordination of Nordic local government systems. While Chap. 3 (see Hlynsdóttir et al.) presented an overview of what is meant by the Nordic model of local government, the question of what this model means for the Nordic MCEO has been less clear. The main purpose of this book was to address this question from different angles by focusing on two approaches, the first of which was to introduce the country-specific contexts of the MCEO in each of the five Nordic countries. The second was to introduce a new conceptual model for the Nordic MCEO—the embedded demands—constraints—choices model of the MCEO position. The model was introduced in Chap. 2 (Hansen and Solli) and again

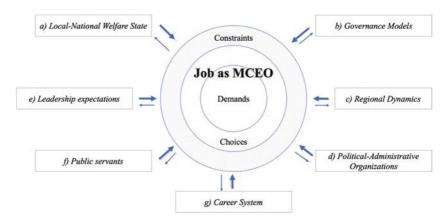


Fig. 9.1 The embedded demands-constraints-choices model of the MCEO position

presented in Fig. 9.1. It is based on the demands, constraints, and choices model advanced by Stewart (1982a, 1982b). The original model was extended to cover the entangled institutional web of the Nordic MCEO's position. Seven contextual conditions were identified for the model: the local–national welfare state, the governance model, regional dynamics, political–administrative organizations, leadership expectations, public servants, and career paths. MCEOs' choices in the context of each of the conditions are affected by *demands* (i.e. the things that MCEOs must do), *constraints* (i.e. the internal and external limitations to what the MCEO can do), and *choices* (i.e. the opportunities for individual choices within the given context).

The following sections will discuss the role of the Nordic MCEO in relation to each of the seven conditions and how the MCEO is challenged by the demands, constraints, and choices embedded in each of the conditions.

9.2.1 Local-National Welfare States

As pointed out in Chap. 2 (Hansen and Solli), there must be a balance between the local government's role in providing services according to national policies and adapting these policies to local circumstances. Helping to provide and coordinate this balance is one of the key tasks of the Nordic MCEO. All the Nordic states have gone to great lengths to decentralize tasks onto the local level and, thus, have created entities capable of providing extensive services to their citizens. One of the key ingredients of successful decentralization is the level of autonomy that local governments have over their fiscal, political, and administrative organizations. The level of delegation is high throughout the Nordic countries, which demands greater professional capacity from MCEOs, as it increases the complexity of the position.

This brings both formal and informal constraints, and we see clear tendencies of increased levels of regulation, auditing, and strict guidelines in all the Nordic countries. Nonetheless, Iceland remains the least regulated, as the law only provides a loose framework for local government, giving municipalities great leeway in political, fiscal, and administrative matters (Baldersheim et al., 2019). This makes Iceland an anomaly in the system of co-operative governance introduced by Baldersheim et al. (2017), which views Nordic local government as a co-operative tool to achieve national policies at the local level. Given the high level of decentralization in all the Nordic countries, the differences between individual countries

are, nevertheless, fine-tuned as Nordic local governments generally enjoy a relatively high level of autonomy (see Hlynsdóttir et al., this volume). Some of these differences lie in the level of institutionalization of the MCEO position. The position of the Finnish MCEO has been institutionalized for the last century, while the role of the Swedish MCEO has only recently been formally clarified. The legal framework for the position also varies, as Danish law does not mention the MCEO, making the role much less formally institutionalized than in the Norwegian system. Moreover, according to Sletnes et al. (2013), the Finnish and Norwegian local government acts contain the largest number of provisions of all the Nordic countries concerning the MCEO. Additionally, the implementation of a regional level in Finland in 2023 will undoubtedly change the role of the Finnish MCEO, which has traditionally been one of the most powerful MCEO positions of the five countries.

9.2.2 Governance Model

The country case chapters in this volume demonstrate that there are many similarities between Nordic local governments. However, institutional logics in local government have evolved in various ways in the respective countries. The mutual point of departure is the traditional public administration model discussed in Chap. 1 (Hansen et al.), which emphasizes the power of the directly elected municipal council, the rule of law, and the neutral public servant (Baldersheim et al., 2017). Until the latter part of the twentieth century, this was the main logic behind all local governments in the Nordic countries. New challenges and ideas gradually emerged and altered how municipalities were organized and administered. In sum, the traditional model of governance has not disappeared; it has been supplemented by other models. The most notable of these new ideas is the neo-liberal new public management (NPM) paradigm, which provides a toolbox of ideas and approaches, such as improved managerial autonomy, the use of performance management, citizens' involvement, innovation, transparency, openness, as well as outsourcing, marketization, and corporatization (Hansen, 2011; Pollitt & Bouckaert, 2017). NPM has affected the organization of municipalities in all five countries, although perhaps Denmark and Sweden were under a stronger influence for a longer period than the remaining three countries. The least affected has been the Icelandic local government system, which held onto its traditional public administration roots until only very recently (Hlynsdóttir, 2020).

This suggests that the modern outcome of the Nordic local government organization is more akin to the neo-Weberian state model than the NPM framework. The more recent approaches of new public governance, which advocate widespread collaboration, co-creation, and digitalization, are, therefore, important additions to the local government toolbox rather than novel approaches (Hansen et al., 2020; Pollitt & Bouckaert, 2017; Torfing et al., 2020).

Consequently, in the modern approach to local government, the traditional public administration model has been supplemented by tools from other institutional logics (see Hansen and Solli, this volume). We can talk of a hybrid organization (Hallonsten & Thomasson, 2023), as it gives the MCEO more choices in relation to management and organization. At the same time, it constrains the manoeuvrability of the MCEO, albeit in very different ways. The traditional model was centred on the political arm, while the modern approaches are more focused on the professional capacity of management and leadership. The MCEO has become more specialized, as demonstrated in their level of education and the organization of local government becoming more management oriented. The increased professional capacity of the MCEO has fuelled the traditional tensions between the political and administrative arms. For example, this is demonstrated in the increased turnover of MCEOs throughout the Nordic countries, as the elected municipal council still has the final say in their hiring or firing. Thus, if there is a difference of opinion about the professionally orientated MCEO and the elected council, the MCEO must abide by the council's decision. The Swedish case is a good example of this trend, as research findings suggest that increased conflict between the MCEO and the political arm is an important reason why MCEOs leave their position (see Cregård, this volume).

9.2.3 Regional Dynamics and Disparities

Similar to the situation in many other European countries, there has been a gradual population movement from the periphery to capital or city regions. The Nordic region is no exception, with the population of the capital city regions ranging between 21% of the population in the Stockholm metropolitan area, 28% in the wider Helsinki and Oslo areas, and 35% in the Greater Copenhagen area. The most extreme case is the capital region of Reykjavík in Iceland, consisting of 65% of the population. These population dynamics have led to profound changes in the local

government systems of all five countries. The municipal systems are occasionally being rearranged through top-down amalgamations, such as in Denmark in 1970 and 2007, Sweden in 1952 and 1971, and Norway in 1964, or more informal incentives to merge, such as in Iceland (from 1994 onwards) and Norway between 2018 and 2020 and the nationally guided bottom-up reform in Finland in 2007–2013. Moreover, changes have also been introduced on a regional basis, with new tiers being added (e.g. in Finland in 2023) or partially removed (e.g. in Denmark in 2007).

With increased decentralization and more tasks and responsibilities being transferred to the local level, the pressure for territorial and functional reorganization grows. This is then heightened through large demographic displacement, as increasing numbers of people move from the northern regions to the southern parts and from inland to coastal areas. Currently, this development has led to a serious lack of competent labour, hampering the ongoing economic growth and reindustrialization in northern Scandinavia, especially in Sweden. Thus, the role of the Nordic MCEO is frequently that of a change manager. However, there is a major difference between the change management expected of MCEOs in the northern regions compared to those in the southern regions. In many cases, the MCEOs in the northern part of Norway have more in common with their counterparts in the northern parts of Finland or Sweden than MCEOs in the Oslo region. Although the demand side of the embedded model is usually strongly related to the local government system in place, and the constraints and choices of the MCEO role are often more related to other conditions, such as financial or territorial conditions. Thus, an MCEO in a more financially stable and accessible municipality is less constrained and has more choices than their counterparts in more financially or territorially challenging situations. Consequently, MCEOs' benefits may differ radically. For example, the lowest paid MCEOs in Sweden in 2019 were stationed in the northern part and earned about 35% of what their counterparts in Stockholm earned (Helte & Halth, 2019). The regional context thus affects expectations, opportunities, and status—and probably also attractiveness.

9.2.4 Political-Administrative Organizations

The formal relationship between different actors at the municipal administrative apex, sometimes referred to as horizontal power relations, was discussed in Chap. 3 (Hlynsdóttir et al., this volume). Conversely, the

informal power structure is embedded in the institutional logics and is best demonstrated in the MCEOs' views on the influence of different actors within the organization. The original UDiTE study referred to this as the influence of local government officials (Mouritzen & Svara, 2002, p. 201), and the main objective was to evaluate whether and how administrative authorities were able to shape policy decisions at the local level.

By exploring the generic models demonstrated in each country chapter, we see strong similarities between the formal organizations of the political-administrative relationship across the Nordic countries. Based on the formal role of the MCEO and, thus, its formal constraints, we see a clear demand in all Nordic countries that the MCEO serves the municipal council. However, the extent of the dependency varies significantly. The Finnish and Norwegian cases exemplify systems where the formal separation of politics and administration is an essential component. Recent Norwegian studies characterize the relationship between local politicians and administrators as mainly co-operative (Baldersheim et al., 2021; Lo & Vabo, 2020). Consequently, MCEOs in Norway and Finland have more choices and are less constrained by political considerations than, for example, Danish or Swedish MCEOs. However, we also witness substantial changes within these systems over the period in question, as both Norwegian and Finnish MCEOs are currently being fired more frequently from their position, making their position more sensitive to political changes in the council than at the beginning of the time period. In the Finnish case, some of the largest cities have applied the committee-leader system (Mouritzen & Svara, 2002), which puts a politician into the role of the MCEO, similar to the Icelandic executive mayor (see Hlynsdóttir, this volume).

There are considerable differences in terms of informal constraints. For example, both the Icelandic and Danish cases stress political leadership where the local council and political leaders (usually the mayor) are in a key position to influence the scope and condition of the MCEO's role. This partly explains the increasingly high MCEO turnover rates in the Danish case and the increased turnover in the Icelandic case. The Swedish case differs somewhat from the other four cases, as the position of the MCEO as the sole administrative head was only recently established. Moreover, political leadership is more dispersed in the Swedish case than in the other four states, although turnover has also been on the rise there. The turnover of Nordic MCEOs has increased on average, becoming increasingly similar across the countries. This signals that the formal

MCEO position is similar across countries, as shown in the generic model in Chap. 1 (Hansen et al.) and applied in the country case chapters; furthermore, the informal traditions have a considerable effect on MCEOs' scope of action, thereby influencing the development of the position. This is especially true in relation to size, as small municipalities tend to be less rigorous in their organization, often giving MCEOs more freedom while also restraining them through local political traditions.

In reviewing the survey results presented in the five country case studies, we see how the division of tasks and power between the MCEO, as the head of the administration, and politicians has evolved and changed since the 1990s. There is a tension between those who believe that elected politicians should rule or at least strongly guide the implementation of tasks and those who believe that this is best left in the hands of a professional MCEO, where rules relating to professional merits safeguard citizens (Goldsmith & Larsen, 2004). If we explore the power relations in the generic model (see Hansen et al., this volume, Fig. 1.3) of the Nordic municipal political–administrative system from the perspective of the MCEO, we see that MCEOs view the mayor as the most influential actor, substantiating reports by Mouritzen and Svara (2002) in their original study of leadership at the apex. The MCEO is also rated highly in terms of influence, except for Iceland, but it should be noted that the mean indices are generally lower in the Icelandic measurements (Table 9.1).

Other actors, such as committee chairs, also seemed to have great influence—apart from Iceland where this actor had a low ranking. Department heads also consistently received relatively high average values in the most recent survey, although this is somewhat lower in Sweden. Thus, Nordic MCEOs emphasize the strong influence of the mayor and MCEO at the apex of Nordic municipalities, suggesting a high concentration of power at the top of the decision-making ladder. Therefore, the top leaders have much more influence within the system compared to middle managers. This suggests that even though the generic model of the Nordic political-administrative system has strong formal similarities across countries, individual systems give leeway to less systematic constraints and more room for individual choices for the mayor and MCEO. As demonstrated in the country chapters external actors are generally perceived to have low levels of influence, the exception being actors in upper-level government. MCEOs in Denmark, Finland, and Norway tend to rank them as actors with high influence; those in Sweden as medium-influence actors; and those in Iceland as low-influence actors. Thus, Danish, Finnish, and

| Country | Den | mark | Fini | land | Icel | and^a | Nor | way | Swe | $den^{\rm b}$ |
|------------------------|------|------|------|------|------|---------|------|-----------|------|---------------|
| Year | 1995 | 2016 | 1996 | 2019 | 2011 | 2019 | 1997 | 2017 | 1995 | 2020 |
| Mayor | 91 | 98 | 71 | 94 | 84 | 81 | 64 | 92 | 93 | 93 |
| Executive mayor | _ | _ | _ | _ | 90 | 83 | _ | _ | _ | _ |
| Committee chairs | 73 | 82 | 52 | 65 | 58 | 45 | 42 | 66 | 72 | 73 |
| MCEO | 72 | 86 | 90 | 91 | 72 | 58 | 66 | 92 | 67 | 76 |
| Department heads | 71 | 70 | 78 | 82 | _ | 51 | 53 | 89 | 70 | 67 |
| Upper-level government | 68 | 75 | 78 | 76 | - | 48 | 80 | 74 | 64 | 67 |
| N | 200 | 60 | 324 | 114 | 62 | 66 | 324 | 174 | 223 | 185 |

Table 9.1 Nordic MCEOs' perceptions of actor influence

Note: Country mean values. A 5-point scale from 0 (of very little or no importance), 50 (of moderate importance), to 100 (of utmost importance); mean values interpreted roughly as Low = less than 50, Medium = 50-70, High = more than 70 (Bold)

Norwegian MCEOs are highly influenced by upper-level government actors, while Icelandic MCEOs are not. The findings support the notion that political leadership remains central to Nordic local government, with professional leadership manifested in the administrative echelon being secondary in local decision-making.

9.2.5 Leadership Expectations

The autonomy of both local government and the MCEO is constrained by geographical territory. The MCEO has a clear role within a given territory, but there are also limits regarding how much the MCEO can do to act on behalf of the municipality. Inter-municipal cooperation may give the MCEO some policymaking influence over other municipalities; however, it is difficult to measure the extent of this influence. Still, as the law often provides a loose role description, this gives the MCEO considerable choice in how, when, and where to act. This is especially visible in relation to their leadership priorities.

Several typologies were derived from the findings of the original UDiTE study, one of which was based on MCEO leadership priorities and role in policymaking. The four roles were identified as the 'policy innovator' (i.e.

^aWhen the Icelandic MCEO is hired from outside the council, the role of mayor falls onto the council leader; in other cases the mayor is an executive mayor, also serving as MCEO

^bIn the Swedish case the mayor corresponds to the chair of the executive committee

the MCEO's role in fostering change), 'political advisor' (i.e. providing the political arm with guidance), 'classical administrator' (i.e. the emphasis on generic administrative tasks), and 'organizational integrator' (i.e. an emphasis on cooperation and human resources within the organization) (Mouritzen & Svara, 2002). The findings of the country case studies demonstrate that all four roles were deemed important by the MCEOs, although their relative importance differed between countries and at different points (years).

As indicated in our country cases, the role of Nordic MCEOs includes participation in the most strategic issues for their municipalities. Additionally, they are expected to lead municipal development and innovation and work closely with the political leadership, leading to a paradoxical institutional entrepreneurship and fostering both the reproduction of municipal institutions and the nurturing of an entrepreneurial role, as discussed in the Norwegian country chapter (Torjesen et al.).

However, while leadership expectations unite Nordic MCEOs and thus point towards a strategic and influential top leader, there are also some differences between the countries, especially in terms of how the managers prioritize fiscal management and rule enforcement—two classical administrator tasks (Table 9.2). Fiscal management is a high priority issue in Finland, Iceland, and Norway but less so in Denmark and Sweden. Rule enforcement divides the countries into Denmark, Finland, and Sweden on the one hand (lower priority) and Iceland and Norway on the other (higher priority). The closer we get to the present, Nordic MCEOs award higher priority to both fiscal management and rule enforcement. One explanation for this may be that Nordic municipalities have been hit by the transformation of public organizations to fit the ideology of a network society, a risk society, and an audit society, which in recent decades has increased the influence of the technical expert, sometimes referred to as a technostructure (Esmark, 2017).

The technical expert (Galbraith, 1967/2007) views the organization as a system that needs to function well through the creation and fortification of routines and processes—that is, formal and informal institutional rules. The technical expert is part of, and reinforces, discourses of auditability, transparency, and the organization as a system (Cregård, 2022). Today's municipal organizations must be able to meet the expectations of a rational and auditable organization. According to Elbanna et al. (2016, p. 1020), this has resulted in more 'priority-setting/strategic planning, budgeting and performance reporting functions as key elements of their

Nordic MCEOs' leadership priorities (classical administrator and political advisor) Table 9.2

| Country | Deni | Denmark | Fini | and | Icel | Finland Iceland ^a Norway | Nor | way. | Swe | Sweden | Role type |
|--|------|---------|------|------|------|-------------------------------------|------|---|------|--------|-------------------------|
| Year | 1995 | 2022 | 9661 | 2019 | 2011 | 2019 | 1997 | 1995 2022 1996 2019 2011 2019 1997 2017 1995 2020 | 1995 | 2020 | |
| Fiscal management | 41 | 41 61 | 72 | 87 | ı | 75 | 99 | 85 | 37 | 28 | Classical administrator |
| Ensure that rules and regulations are followed | 33 | 43 | 38 | 21 | I | 77 | 53 | 88 | 40 | 51 | Classical administrator |
| Give the mayor legal, economic, and technical advice | 84 | 73 | 39 | 61 | I | 99 | 64 | 28 | 74 | 2/9 | 76 Political advisor |
| Influence decision-making | 83 | 72 | 81 | 80 | I | 73 | 1 | ı | 92 | 81 | Political advisor |
| Develop norms of the proper roles of politicians vis-à-vis the | 78 | 65 | 65 | 70 | ı | 50 | 73 | 81 | 71 | 78 | Political advisor |
| N | 199 | 81 | 324 | 114 | I | 99 | 324 | 174 | 224 | 205 | |
| | | | | | | | | | | | |

Note: Country mean values. A 5-point scale from 0 (of very little or no importance), 50 (of moderate importance), to 100 (of utmost importance). mean values interpreted roughly as Low = less than 50, Medium = 50–70, High = more than 70 (Bold)

^aIcelandic data for 2011 not available

performance management and accountability frameworks'. The primary representative of administrative and professional organizational governance is expected to embrace these expectations and incorporate them into the leadership role. The Nordic MCEO is embedded in the municipal organization's ideal context of auditability, and it would be surprising if this was not reflected in the findings at least to some extent. An increasing prioritization of rule enforcement and involvement in fiscal management may therefore be seen as compliance with broader organizational and top administrative leadership expectations.

The role of political advisor (Table 9.2) was consistently of highest importance in Sweden followed by Denmark while reports were mixed from the remaining countries. Influencing decision-making was the most important leadership priority of this role in all the countries (Norwegian data not available)

As demonstrated in Table 9.3 the role type of organizational integrator was mostly demonstrated through the task of stimulating cooperation between departments with all MCEOs seeing this of high importance with the exception of the Icelandic MCEOs who gave this task a medium priority. The role of policy innovator was ranked much higher in all the countries with the tasks of formulating visions and efficient use of resources of very high importance. Only the Norwegian MCEO ranked formulating visions of medium importance in the last survey round. This is an interesting indication of the way in which Nordic MCEOs perceive the so-called purple zone, that is, the area between politics and administration where policies are transformed into actual municipal services and regulations (Alford et al., 2017). While stimulating cooperation between departments and improving efficiency (Table 9.3) are tasks that traditionally fall within an administration's area of responsibility, formulating visions (Table 9.3) and influencing decision-making (Table 9.2) may be considered close to the political sphere. Therefore, MCEOs view the work of nurturing relations with politicians as important, both for their own role and for organizational functioning.

Other across-country differences from our findings include how the MCEOs prioritized giving technical advice to politicians and solving problems and conflicts regarding human relationships. How managers prioritize also fluctuated over the years. The findings indicate that the position of Nordic MCEO includes a great variety of tasks where the manager has the capacity to combine different types of roles and prioritize among leadership tasks depending on the perceived situation and context. The above

Table 9.3 Nordic MCEOs' leadership priorities (organizational integrator and policy innovator)

| | | | | | | | , | | | | |
|---|------|---|-------|-------|-------|------|------|----------|------|------|---|
| Country | Депл | nark | Finl | and | Icelo | ınd | Nor | way | Swe | den | Denmark Finland Iceland Norway Sweden Role type |
| Year | 1995 | 1995 2022 1996 2019 2011 2019 1997 2017 1995 2020 | 9661 | 2019 | 2011 | 2019 | 1997 | 2017 | 1995 | 2020 | |
| Stimulate cooperation between | 82 | 26 | 92 | 76 84 | ı | 29 | 80 | 80 | 81 | 82 | 67 80 80 81 82 Organizational integrator |
| departments Solve problems and conflicts of | 09 | 52 | | 99 25 | I | 71 | 89 | 68 60 62 | 62 | 55 | 55 Organizational integrator |
| Formulate visions | 83 | 72 | 84 | | ı | 81 | 73 | 89 | 78 | 77 | Policy innovator |
| Make sure that resources are used efficiently | 80 | 72 | 77 | 83 | I | 88 | 84 | 84 | 78 | 86 | 84 84 78 86 Policy innovator |
| Informed about citizens' views | 69 | 69 61 | 71 | 72 | ı | 79 | 89 | 09 | 63 | 70 | Policy innovator |
| N | 199 | 81 | 324] | 114 | I | 99 | 324 | 174 | 224 | 205 | 324 174 224 205 |
| | | | | | | | | | | | |

Note: Country mean values. A 5-point scale from 0 (of very little or no importance), 50 (of moderate importance), to 100 (of utmost importance); mean values interpreted roughly as Low = less than 50, Medium = 50-70, High = more than 70 (Bold) ^aIcelandic data for 2011 not available

discussion also demonstrates that the space for manoeuvre in relation to constraints and choices is not the same across the Nordic countries, and a closer look at the findings reveal evidence of differences within the respective countries. The fact that the MCEOs placed different levels of emphasis on different tasks shows that they did have considerable space to choose how they prioritized their tasks. However, there were trends and similarities in the changes in perceptions of expectations that made it interesting to talk about a Nordic leadership role influenced and adjusted by a common societal discourse.

9.2.6 Public Servants

An important part of the MCEO's role is how they interact with other parts of the organization, of which politicians are of great importance. As demonstrated in the country cases, there is a crucial relation between political and bureaucratic roles at the local level. This is especially true for the Icelandic case, where politicians frequently assume the role of the MCEO. Thus, how MCEOs view their own leadership role must be discussed in relation to their overall perception of what the ideal politician looks like. The original model of the ideal politician (Klausen & Magnier, 1998; Mouritzen & Svara, 2002) distinguishes between five governmental roles for political leaders: governor, stabilizer, administrator, ambassador, and representative. The model can be seen as an indirect indicator of how MCEOs view their own role (Mouritzen & Svara, 2002).

In line with findings from Mouritzen and Svara, MCEOs view the governor role of local politicians as highly important. In other words, politicians must be able to act strategically. A comparison across countries and years revealed that this role was highly prominent, with its importance remaining stable over the years. Except for the Norwegian case, the MCEOs viewed the role of stabilizer in the context of creating stability for the administration and formulating goals of medium importance for the ideal politician. The Norwegian MCEOs awarded a high ranking to this role throughout the period in question.

The role of administrator generally had a low mean value, except for decision-making concerning specific cases where the Icelandic MCEOs ranked this role between moderate and high.

The importance of the ambassadorial role increased throughout the period in most cases; however, there were some interesting country variations. The MCEOs believed that it was clearly the mayor's role to represent the municipality to the outside world, that is, defending decisions and policies externally. The mayor was expected to communicate with the media in Norway, where this is of high importance, but it received a medium ranking in Denmark, Finland, Sweden, and Iceland. The countries also differed somewhat when it came to procuring resources from upper-level government, ranked highly for mayors in Iceland, Norway, and Sweden but of medium importance in Denmark and Finland.

The MCEOs' view on the mayor's representative role differed considerably among countries, as demonstrated in Table 9.4. While it was consistently of high importance to be informed about citizens' views, being a spokesperson for local groups or individuals received a consistently low rating. In the Nordic model, therefore, the ideal politicians should not represent individuals or special interests, according to the MCEO, while our findings are mixed concerning the importance for a politician to be a spokesperson for their political party. Based on the medium values, MCEOs from Finland and Iceland find it of low importance, Danish and Norwegian MCEOs of medium importance, and Swedish MCEOs of high importance.

Based on the survey findings, we can draw some conclusions about the demands, constraints, and choices faced by the Nordic MCEO. On the one hand, we see that overall, the MCEOs viewed the ideal political role as strategic for setting policies and seeking access to upper-level government to procure resources, which placed constraints on their role. On the other hand, they may have more possibilities to choose different strategies in relation to representing the municipality to the outside world, especially in Denmark, Finland, and Iceland.

9.2.7 Career System

The position of the Nordic MCEO can be traced to its origin in the late nineteenth and early twentieth centuries. However, the development and traditions of the position as an administrative career vary considerably among the countries. Career systems are generally based on the possibility of vertical and horizontal promotion. Vertical promotion means that it is possible for an individual to move up the ranks from lower-level management to a higher level, with the position of the MCEO as a culmination of success. Further, vertical promotion involves moving into the same position in a larger municipality with more authority and prestige. Career systems may have a clear entry point, such as whether a specific educational

Table 9.4 Nordic MCEOs' view of the ideal politician based on five role categories

| Country | Den | mark | Fini | and | Icel | and^a | Nor | way | Swe | eden |
|--|-----------|------|------|------|------|---------|-----------|------|------|------|
| Year | 1995 | 2022 | 1996 | 2019 | 2011 | 2019 | 1997 | 2017 | 1995 | 2020 |
| Governor | | | | | | | | | | |
| Decide on mayor policy principles | 84 | 77 | 68 | 92 | - | 82 | 74 | 81 | 81 | 79 |
| Have a vision of the way in which the municipality should develop in the long run Stabilizer | 84 | 87 | 84 | 94 | - | 89 | 87 | 89 | 91 | 95 |
| Create stability for the administration | 59 | 59 | 67 | 79 | - | 70 | 73 | 80 | 56 | 64 |
| Formulate exact and unambiguous goals for the administration Administrator | 65 | 70 | 52 | 60 | - | 73 | 79 | 81 | 53 | 60 |
| Lay down rules and routines for the administration | 20 | 25 | 21 | 37 | - | 57 | 33 | 45 | 16 | 22 |
| Taking decisions concerning specific cases Ambassador | 17 | 24 | 57 | 54 | - | 71 | 30 | 40 | 35 | 48 |
| Represent the municipality to the outside world | 73 | 64 | 60 | 70 | - | 70 | 71 | 83 | 82 | 86 |
| Defend decisions and policies externally | 74 | 70 | 67 | 78 | - | 75 | 76 | 89 | 81 | 83 |
| Be a spokesperson vis-à-vis the press | 70 | 66 | 45 | 60 | - | 54 | 71 | 73 | 68 | 78 |
| Procure resources from upper-level governments Representative | 54 | 49 | 44 | 70 | - | 73 | 71 | 80 | 67 | 71 |
| Be informed about citizens' views | 84 | 73 | 75 | 79 | - | 82 | 78 | 79 | 87 | 83 |
| Implement the programme on which he/she has been elected | 56 | 57 | 25 | 30 | - | 70 | 53 | 63 | 70 | 74 |

(continued)

| Table 9.4 (c | continued) |
|--------------|------------|
|--------------|------------|

| Country | Den | mark | Fini | land | Icel | and^a | Nor | way | Swe | eden |
|---|------|------|------|------|------|---------|------|------|------|------|
| Year | 1995 | 2022 | 1996 | 2019 | 2011 | 2019 | 1997 | 2017 | 1995 | 2020 |
| Be a spokesperson for local groups or individuals who have issues pending decision by the authority | 26 | 25 | 33 | 47 | - | 40 | 27 | 42 | 23 | 29 |
| Be a spokesperson for their political party | 61 | 66 | 33 | 32 | - | 46 | 51 | 63 | 71 | 73 |
| N | 199 | 81 | 324 | 114 | - | 64 | 324 | 174 | 224 | 189 |

Note: Country mean values. A 5-point scale from 0 (of very little or no importance), 50 (of moderate importance), to 100 (of utmost importance). Mean values interpreted roughly as Low = less than 50, Medium = 50-70, High = more than 70 (Bold)

Role categories adapted from Mouritzen and Svara (2002, Chap. 7)

qualification is needed for a possible career. The US city manager system is a good example of a formalized career system, where most city managers attend specific study programmes and move upwards in a linear way from a small city to a larger one (Holman, 2017).

Nordic municipalities do not have formalized career systems, but the Danish case is probably the closest of the Nordic cases to an idea of a clearcut career system. Most Danish MCEOs begin by moving upwards within one municipality, and if fortunate, they move on to a larger and more lucrative municipality. The system is incremental, as MCEOs from a very small municipality are normally not hired for a position in a big city; they must first use the mid-sized municipality as a stepping stone. As such, the career trajectory of the Danish MCEO resembles that of a CEO in a private firm, with each municipality creating their own criteria before hiring an MCEO. Another type of this upward mobility is the Swedish case (see Cregård, this volume), where MCEOs are now increasingly being chosen from within municipalities. An examination of the career trajectories of Nordic MCEOs reveals that their career is mostly constrained by informal rules rather than rigid formal rules that limit their choices. Normally, the only demand is that there must be an MCEO position in all municipalities, although this is not a legal obligation in the case of Denmark. However, there are informal constraints such as age and education. There are no

^aIcelandic data for 2011 not available

formal rules for a level or type of education in any of the countries. Nevertheless, there are many informal rules, which may remain stable or change over time. For example, the Finnish case has demonstrated a rather stable educational background from the early 1990s; in the remaining countries, the educational background has moved from technical education or law to a more management and finance orientation.

It is possible to argue that age is a constraint, albeit informal, as the median age for the various countries lay between 50 and 55. Being hired into the MCEO position is a sign of maturity. Moreover, the average MCEO was slightly older at the end of the period than at the beginning. However, the most interesting development in relation to the Nordic MCEO career trajectories was gender. Not so long ago, it was an informal demand that the MCEO had to be male. All things being equal, it is still more difficult for a woman than a man to become an MCEO in most of the Nordic countries. Women are more likely to be hired in smaller municipalities and less prestigious positions; their turnover is generally higher; and there is a lower proportion of long-lasting MCEOs among women than men. However, the differences between the countries were notable, with a significant proportion of the large Swedish municipalities now having a female MCEO. There were also other interesting cross-country differences, as Denmark had by far the lowest proportion of female MCEOs, with only 21% in 2023 compared to 25% in Finland, 30% in Norway, 36% in Iceland, and 41% in Sweden. Numerous international studies have shown that women tend to experience more difficulty in becoming CEOs of high profile and large companies. One explanation is that women are often hired for HR positions without staff authority, making it more difficult for them to accumulate experience for line management positions (Eagly et al., 2014). At this point, it is impossible to verify whether this was the reason for the low proportion of female MCEOs in Denmark. However, this was an anomaly compared to the other Nordic countries, thereby warranting further investigation.

9.3 THE CHARACTERIZATION OF THE NORDIC MUNICIPAL CHIEF EXECUTIVE MODEL

This book explored the role and position of the Nordic MCEO with the aim of establishing a baseline for what it means to be a Nordic MCEO. Goldsmith and Larsen (2004) argued in their article 'Local

Political Leadership: Nordic Style' that local political leadership in the Nordic countries had changed less than in other parts of Europe. Twenty years on, these words still ring true, as this overview and comparison of the working environments of Nordic MCEOs demonstrate remarkable stability over a long period of time. This does not imply that there have been no changes; however, changes have been incremental in nature, with only a few exceptions. In the introductory chapter, we posed four questions related to the characterization of the role and position of the Nordic MCEO.

The first characterization relates to the institutional context of the Nordic municipal administrative system. In the generic model introduced in Chap. 1 (Hansen et al.), which was adapted to individual country case chapters, the formal structure remained relatively stable throughout the period of investigation. There have been substantive territorial reforms and changes in all the countries except Sweden, but the formal institutional structure has remained intact. In general, there was an emphasis on a strong administration and strong administrative leadership collaborating with politically appointed committees and individuals. The same was true for the characteristics of the Nordic municipal political-administrative relations, as the two forms of government suggested by Mouritzen and Svara (2002) based on the original UDiTE study were still visible. Thus, municipalities in Norway, Finland, and to some extent Iceland use a form of government that emphasizes separation between political and administrative leadership, while Denmark, Sweden, and to some extent Iceland have forms of government that expect overlapping political and administrative leadership roles and more political influence over the day-to-day management of the municipality.

If we look at the MCEOs' biographical profile, we see that except for the influx of women into the MCEO position (of which there are some country-specific differences) and an increase in the level of education, it has remained relatively stable across all the countries. It is a position marked by middle-aged and well-educated individuals, and if anything, this trend seems to be strengthening, as MCEOs are now slightly older and their educational profile more homogeneous than before, with the baseline educational qualification being more concentrated in social science, business, and management.

Third, we looked at what characterizes the leadership roles of the MCEO. As demonstrated in the country chapters, we see that their view of their own leadership roles and those around them was also relatively

stable, with only minor changes throughout the period. In general, the MCEOs emphasized good management in close collaboration with citizens and the political arm throughout the period in question.

The final and fourth question sought to understand the relations between the Nordic institutional context, the MCEO biography, and the role perception. Overall, based on our analysis of the country means, the findings show that the MCEOs' between-survey role perception was remarkably stable in all the countries. This is interesting, as one might expect changes such as a large influx of women into the MCEO position or a higher-age profile to have some effect on role perception. However, neither did this seem to be the case, nor did major territorial restructuring seem to have any notable effect on the MCEOs' role perception. Changes in the role perception throughout the period were mostly marginal and seemed to be connected to global trends related to good management practices. Thus, we observed a higher concentration of education in business and management and a greater emphasis on good management practices in all the countries.

This supports a notion of a Nordic model of local governance marked by strong administrative leadership in close collaboration with the political arm and citizens in general. This is further supported by the fact that the model shows a remarkable level of stability over three decades, which, from a global perspective, have been tumultuous regarding local government. Even profound territorial reforms, such as the 2007 Danish case, did not disrupt the core of local government, that is, a focus on good service provision for all citizens.

9.4 Conclusions

This book has undertaken an in-depth exploration of the position of the Nordic municipal chief executive officer in relation to its internal and external environments. The main focus of the book was to provide a thorough and extensive description of the MCEO's position within Nordic local governance. The underlying theme of the book concerned two dimensions: change versus stability on the one hand and similarity versus difference on the other.

The findings from this investigation show that many of the characteristics of the MCEO position remained remarkably stable throughout the decades under investigation. There were some core indicators that were similar across the countries, with the importance of the position being

most significant. The cross-country differences at the beginning of the period could be observed at the end. Moreover, the differences between countries did not seem to increase and were relatively stable throughout the period in question. Thus, the core findings of the UDiTE study from the 1990s still seem to hold almost thirty years on.

This basic stability is an interesting finding, bearing in mind the major global societal changes marking these decades. For example, digitalization in the Nordic municipalities of the 1990s had barely begun, while almost every municipal administrative routine and decision-making process in 2023 was digitalized. Moreover, the management of the financial growth and affluence of the 1990s and early 2000s was substituted by the management of austerity and downsizing after the financial crises in the late 2000s and 2010s. Despite these and other important changes, the main finding, at least in terms of the Nordic municipal political–administrative system, is an astonishing level of stability.

However, there are some interesting contextual changes influencing the Nordic model of governance. For example, the Nordic MCEOs considered that the influence of business and civic society had grown considerably. This development corroborates the impression of an increase in new public governance-inspired practices of cooperation, co-planning, and co-production, especially in Finland and Norway. Findings from a recent Norwegian study confirmed this trend (Monkerud et al., 2016). Consequently, the attention of MCEOs has increasingly moved beyond the borders of the municipal organization and the municipal territory, thus including an increasing number of actors and issues. This suggests an increasing level of complexity in the MCEO role. The increased outsourcing and corporatization of municipal tasks and services create a more complex and hybrid municipal service provision through a network of relations with separate and independent actors. Therein lies the true challenge of the Nordic MCEO position, as power is more concentrated at the apex, while more tasks and authorities are delegated to other actors and agencies. The paradox of the situation is that it has made the Nordic MCEO very powerful while also weakening their local powerbase. Furthermore, it seems that external governance models such as NPM, while important, have left the core of the political-administrative system in local government largely intact. New managerial tools such as performance management, marketization, and management by contract also influence the substance of municipal decision-making and, thus, the work of the MCEO. Notions from the NPM toolbox, such as time-limited contracts,

have also influenced the basic public service bargain of MCEOs and made it more insecure, although there is the aspect of better pay in most of the Nordic countries. Nevertheless, the basic tenets of the formal structure have been surprisingly stable.

This book is only the first step on a journey to fully understand the position of the Nordic MCEO. In this volume, we focused on providing a deep and detailed description of the MCEO, with only marginal use of statistical analysis, thereby leaving more nuanced comparisons for later publications. Consequently, this book neither explored the survey findings to their fullest nor did it aim to. Still, during our analysis, we also came to realize some of the survey's shortcomings. A good example of such shortcomings is the issue of gender. An analysis of the country data showed only marginal differences between female and male MCEOs in relation to role perception. However, previous studies (e.g. Hlynsdóttir, 2020) have found evidence of gender differences in how women and men are recruited to the position of MCEO and how and why they leave the position. This suggests that a more focused and nuanced survey is needed to capture gender differences in the Nordic setting.

Perhaps the main finding of our book, and its true paradox, is that while the comparison with the UDiTE survey from the 1990s seems to reveal a stable system marked only by incremental changes, we also know that Nordic local governments and governance have undergone profound change in the last three decades. Our analysis of the Nordic MCEO model of embeddedness shows that in order to capture more fine-tuned differences in systems, such as those in the Nordics, and global influences, a broader and more extensive investigation is needed.

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Appendix: Questionnaire for Nordic MCEOs

Please indicate the number of inhabitants in your municipality:

Below 1000 inhabitants
1000–2000 inhabitants
2000–5000 inhabitants
5000–10,000 inhabitants
10,000–15,000 inhabitants
15,000–20,000 inhabitants
20,000–30,000 inhabitants
30,000–50,000 inhabitants
50,000–100,000 inhabitants
100,000–200,000 inhabitants
200,000–500,000 inhabitants
Above 500,000 inhabitants

When were you born? Year Are you

Male Female

| How | many | years | full-time | education | have | you | had | (including | pri- |
|------|--------|-------|-----------|-----------|------|-----|-----|------------|------|
| mary | school |)? | | | | | | | |

___years

Please state your education (more than one entry if necessary) University degree:

Law

Economics/finance
Political science/administration
Technical degree (engineer, architect)
Natural science
Humanities, history etc.
Other university degrees

Please state:

Other education

Please state:

What was your last job before your present post? Please give details: title, place of employment and number of years employed:

For how many years have you held your present position?

___years

Please estimate the number of hours you work in a typical week:

hours

Chief executives must necessarily decide the priority of various tasks. Please indicate how much emphasis you in your daily work put on each of the tasks listed below. Make your entries on a scale from 1 (attach very little or no importance to) to 5 (attach utmost importance to).

| | | Of very little or no importance | Of little importance | Of mode-rate importance | Very important | Of utmost importance |
|-----|---|---------------------------------------|-------------------------|-------------------------------|-------------------|-------------------------|
| | | 1 | 2 | 3 | 4 | 5 |
| 1. | Solve problems and conflicts of human relationships | G | G | G | G | G |
| 2. | Stimulate cooperation between departments | G | G | G | G | G |
| 3. | Formulate ideas | G | G | G | G | G |
| 4. | Guide subordinate staff in day-to-day handling of cases | G | G | G | G | G |
| 5. | Promote and encourage new projects in the community | G | G | G | G | G |
| 6. | Be informed about the viewpoints of the employees | G | G | G | G | G |
| 7. | Develop and implement new routines and work methods | G | G | G | G | G |
| 8. | Manage economic affairs, accounts and budgetary control | G | G | G | G | G |
| 9. | Ensure that rules and regulations are followed | G | G | G | G | G |
| 10. | Give the mayor legal, economical and other kinds of technical advice | G | G | G | G | G |
| 11. | | G | G | G | G | G |

(continued)

(continued)

| | | Of very little or no importance | Of little importance | Of mode-rate importance | Very important | Of utmost importance | |
|-----|---|---------------------------------------|-------------------------|-------------------------------|-------------------|-------------------------|--|
| | | 1 | 2 | 3 | 4 | 5 | |
| 12. | Be informed about citizens' viewpoints | G | G | G | G | G | |
| 13. | Develop and implement norms concerning the proper roles of politicians vis-à-vis the bureaucrats | G | G | G | G | G | |
| 14. | Influence decision-making processes in order to secure sensible and efficient solutions | G | G | G | G | G | |
| 15. | Attract resources from external sources like the national/regional government, funds, private investors and business | G | G | G | G | G | |
| 16. | Make sure that resources are used efficiently | G | G | G | G | G | |

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? Please make your entry on a scale from 1 (very little or no importance) to 5 (of utmost importance).

| | | Of very little or no importance | Of little importance | Of mode-rate importance | Very important | Of utmost importance |
|-----|--|---------------------------------------|-------------------------|-------------------------------|-------------------|-------------------------|
| | | 1 | 2 | 3 | 4 | 5 |
| 1. | Be informed about citizens' views | G | G | G | G | G |
| 2. | Represent the municipality to the outside world | G | G | G | G | G |
| 3. | Create stability for the administration | G | G | G | G | G |
| 4. | Formulate exact and unambiguous goals for the administration | G | G | G | G | G |
| 5. | Defend the authorities' decisions and policies externally | G | G | G | G | G |
| 6. | Implement the programme on which he/she has been elected | G | G | G | G | G |
| 7. | Be a spokesperson for local groups or individuals who have issues pending decision by the authority | G | G | G | G | G |
| 8. | Decide on major policy principles | G | G | G | G | G |
| 9. | Be a spokesperson for their political party | G | G | G | G | G |
| 10. | Have a vision of the way in which the municipality will develop in the long run | G | G | G | G | G |
| 11. | Lay down rules and routines for the administration | G | G | G | G | G |

(continued)

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(continued)

| | | Of very little or no importance | Of little importance | Of mode-rate importance | Very important | Of utmost importance |
|-----|--|---------------------------------------|-------------------------|-------------------------------|-------------------|-------------------------|
| | | 1 | 2 | 3 | 4 | 5 |
| 12. | Taking decisions concerning specific cases | G | G | G | G | G |
| 13. | Be a spokesperson vis-à-vis the press | G | G | G | G | G |
| 14. | Procure resources from upper-level governments | G | G | G | G | G |

Many actors may influence local policymaking. Please indicate how influential the following actors are regarding the activities of the municipality. Make your entries on a scale from 1 (high influence) to 5 (no influence).

| | | High influence | | | | No influence |
|-----|-----------------------------------|----------------|---|---|---|--------------|
| | | 1 | 2 | 3 | 4 | 5 |
| 1. | The mayor | G | G | G | G | G |
| 2. | Private business interests | G | G | G | G | G |
| 3. | The committee chairs | G | G | G | G | G |
| 4. | The local political parties | G | G | G | G | G |
| 5. | The department heads | G | G | G | G | G |
| 6. | The media | G | G | G | G | G |
| 7. | The majority group on the council | G | G | G | G | G |
| 8. | The chief executive officer | G | G | G | G | G |
| 9. | Trade union leaders | G | G | G | G | G |
| 10. | Upper-level governments | G | G | G | G | G |
| 11. | Users/clients | G | G | G | G | G |
| 12. | Voluntary associations | G | G | G | G | G |

INDEX¹

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C
A
                                         Career, 44, 45, 92–95, 103, 120, 149,
Administration, 2, 12, 15, 20, 31, 33,
    36, 39, 40, 42–44, 47, 64, 67,
                                             151, 169, 182, 202, 205, 208,
    71–73, 83, 85, 88, 90–92, 98,
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¹ Note: Page numbers followed by 'n' refer to notes.

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