

# Regional Political Leadership in Sweden and Finland: Do Institutional Conditions Affect Influence Over Regional Development?

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## Abstract

Leading regional development is a key task for regional council representatives. Regional councils are responsible for fostering self-sufficient strategic development in cooperation with a range of stakeholders, including businesses, universities, NGOs and public authorities. However, little attention has been paid to investigating the conditions for regional political leadership, and the relationship between the regional councils' institutional capacity and politicians' perceived influence on regional development is somewhat unexplored. The aim of this article is thus to study whether institutional conditions affect the perceived influence of politicians.

A comparison is made in three types of regional councils in Sweden and Finland, employing a survey of 930 representatives. These councils share a similar responsibility for regional development, but they operate within different institutional conditions. Findings show that institutional conditions matter to some extent, with a higher institutional capacity strengthening the assembly's position and increasing perceived influence at an individual level, though not necessarily increasing the regional councils' possibilities to exercise strategic leadership. Moreover, regional councils with a higher institutional capacity are more autonomous organisations, while a lower degree of authority makes the regional councils more dependent on the state level.

## Introduction

Leading regional development is an important task for elected politicians in regional governments as place-based leadership is an essential determinant for regional development in contemporary growth dynamics (Keating, 1998; Legendijk, 2005; Beer & Clower, 2014). Regions have become the main economic actors in the globalised world, and this encourages them to pursue their global interests (Ohmae, 1995; Porter, 1998; Herrschel & Newman, 2017). Regional policies have consequently become more focused on growth and development over time (Bachtler & Yuill, 2001; Lindqvist, 2010; Nilsson, 2012).

In the Nordic countries, the regional councils<sup>1</sup> are responsible for governing regional development (Pierre, 2013; Langeland, 2013). Their political representatives map out the strategic direction of the region by creating strategies that promote growth and development. The strategies generally concern issues related to business or employment, public health, research and education, infrastructure, public transport or tourism. When formulating these strategies, the regional councils collaborate with a range of stakeholders, including businesses and industries, universities, municipalities, NGOs and public authorities (Hedin, Dahlström & Metzger, 2010). The growing importance of collaborative governance in regional development has created a new role for political representatives. They are no longer viewed solely as decision-makers, but must often act as regional leaders. This calls for a discussion of regional political leadership.

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The scope of political leadership has mainly been viewed as a reflection of the regional government's institutional capacity. Studies have consequently focused on comparing formal powers of regional governments (e.g. Hooghe, Marks & Schakel, 2010; Heinelt & Bertrana, 2011). However, Lidström & Roos (2016) have discovered two important findings related to previous studies. First, different ways of measuring the formal powers of regional governments have resulted in different conclusions concerning their institutional capacity. This suggests that there is no objective way to measure formal powers. Second, formal powers do not correlate with the assumed powers of regional politicians. This means that institutional capacity is not the only factor explaining assumed power, and that regional political leadership is not a mere reflection of institutional capacity. Lidström & Roos (2016) suggest that further studies should consider politicians' subjective perceptions of power as a complement to measurements of formal powers. The link between institutional capacity and politicians' subjective perceptions of power is not clear, and this study endeavours to explore this connection more closely.

This article looks into whether the regional councils' institutional conditions affect how politicians perceive their influence on regional development. The research question is do institutional conditions affect regional politicians' influence on regional development? The aim is to determine whether different degrees of institutional capacity foster different perceptions of influence among politicians. This is studied empirically through a comparison of regional councils in Sweden and Finland. The data derives from a survey conducted among 930 political representatives in 2018.

Institutional conditions clearly differ between the regional councils in these countries. Swedish regional councils generally have a higher degree of authority than Finnish regional councils (Hooghe et al, 2010). In 2018, Sweden had a fragmented subnational level with two types of decision-making bodies managing regional development issues. Most Swedish regions had a directly elected regional council (regionkommun) responsible for regional development, but in some regions an indirectly elected cooperative council (regionförbund) managed this task. The directly elected councils have general competence, taxation rights and a broad scope of tasks, while the cooperative councils have fewer tasks and lack these rights. Finnish regional councils (maakuntaliitto) have weaker institutional capacity, as they are indirectly elected decision-making bodies only responsible for regional development and planning. They lack taxation rights and general competence too. The cooperative councils combine elements from Swedish and Finnish regional councils, and they can be seen as a middle way between them in terms of institutional capacity. The institutional characteristics of these three councils is provided later in this article.

This study compares the influence of political representatives on regional development in three regional councils with different institutional conditions. All councils operate in a similar environment, making it a good starting point to explore the connection between institutional capacity and politicians' perception of power in more detail.

## Changing Institutional Conditions in Nordic Regional Councils

One of the largest institutional changes in Europe of the past seventy years has been the establishment of regional governments (Sharpe, 1993). Political decentralisation has furthered regional government reforms in most European countries, which has generally strengthened regional authority (Treisman, 2007; Hooghe, Marks & Schakel, 2010; Bertrana, Egner & Heinelt, 2016). Regional tiers have usually been established as a new political level, including a subnational government with both legislative and executive rights (e.g. Spain, Italy, France, Belgium, Portugal), or as a strengthened county level (e.g. Sweden, Norway, Denmark, the Netherlands, the United Kingdom) (Sharpe, 1993). The degree of autonomy and the range of responsibilities varies greatly among the European regions.

All Nordic countries are unitary states with a strong local level and extensive welfare services, but subnational government structures are organised differently. Sweden, Denmark and Norway have a three-tier-system with national, regional and local governments, while Finland and Iceland have adopted a two-tier system solely with national and local governments. This has resulted in two models of organising the regional level, the Scandinavian model and the Finnish model (Sandberg, 2009).<sup>2</sup>

Scandinavian regional councils have traditionally had greater institutional capacity due to direct elections, taxation rights, general competence and a broader scope of tasks. Politicians are elected to the assembly through general elections, and they are responsible for several policy areas, including hospitals and health care, secondary education, public transportation and roads (Torfing, Lidström & Røiseland, 2015). In Finland, functionally specialised intermunicipal cooperation authorities have handled regional tasks (Sandberg, 2009; Koskela, 2005; Mykkänen, 2012). These authorities lack taxation rights and general competence, because they are owned and financed by the municipalities. Finnish regional representatives are elected indirectly through the municipalities. All municipalities have to be members of intermunicipal cooperation authorities for health care (hospital districts) and regional development and planning (regional councils). Finnish regional councils' responsibilities are consequently limited to regional development and planning.

Several reforms have changed the institutional conditions of Nordic regional councils during the last decades. Denmark reformed the structure of public sector completely in 2007. Five regions replaced the previous 13 amt, and the regional councils have neither taxation rights nor general competence today (Christiansen & Klitgaard, 2008; Vrangbæk, 2010). The Norwegian regional councils are no longer responsible for health care as the health care responsibility was transferred to the state level in 2002 (Byrkjeflot & Neby, 2008; Nilsen & Langset, 2013). Three reforms have been initiated afterwards to strengthen the regional councils and to press county mergers (Blom-Hansen et al 2012; Vebostad, 2013). Mergers were achieved in 2020, when the number of regions were reduced from 19 to 11. Sweden has started several reforms to make the regional level more symmetric and merge regions into larger units (Nilsson,

2016; Mitander 2016; Torfing, Lidström & Røiseland, 2015). The regional organisation was made more symmetric in 2019, but county mergers have still not been achieved. In Finland, the government launched a reform in 2015 that strived to establish an entirely new regional level. The new regions were supposed to overtake the responsibility of several municipal tasks, including health care and social services (Nyholm et al, 2017). The reform failed after the cabinet resigned in 2019, but the current government have continued working on establishing a new regional tier.

Most reforms have strived to achieve county mergers, since most regions are much smaller than the actual size of functional areas today (Langeland, 2013; Denk & Åberg, 2008). Politicians also have better possibilities to govern regional development in geographically larger regions, because this increases their impact on infrastructure (Mitander, 2016). However, these reforms have unintentionally led to a fragmentation of the county councils’ institutional conditions, which raises the question of what institutional capacity actually means for regional political leadership. Table 1 summarizes the various institutional conditions of Nordic regional councils.

Table 1: Institutional conditions of Nordic regional councils

	SWE*	SWE**	FI	DK	NO
General elections	Yes	No	No	Yes	Yes
Taxation rights	Yes	No	No	No	Yes
General competence	Yes	No	No	No	No
Regional mergers	No	No	No	Yes	Yes
Health care tasks	Yes	No	No	Yes	No
Regional development tasks	Yes	Yes	Yes	Yes	Yes

\*Regional councils. \*\*Cooperative councils.

All these characteristics constitute essential institutional conditions that affect the preconditions for governing regional development. The table shows both types of regional councils in Sweden in 2018. Most Swedish regions had a directly elected regional council (*regionkommun*) in charge of both health care and regional development. In six regions, the regional council (*landsting*) only managed health care issues, while cooperative councils (*regionförbund*) were responsible for regional development tasks. Swedish and Finnish regional councils have the most diverse institutional conditions, while the cooperative councils can be seen as hybrid between them. Cooperative councils have similar institutional conditions as Finnish regional councils, but their representatives are chosen indirectly from the formal regional council and the municipalities. The cooperative councils are thus connected both to the regional level and the municipal level, while all regional representatives are chosen from the municipal level in Finland.

This study looks at whether the different institutional conditions in Swedish regional councils, Swedish cooperative councils and Finnish regional councils affect the political representatives’ influence on regional development. It is possible to make some predictions about the results based on the logic that greater formal powers should lead to stronger assumed powers among

politicians. Swedish regional council representatives should perceive the highest influence on regional development, because these councils have the highest institutional capacity. Moreover, their representatives are directly elected, which assumingly gives them a more convincing political mandate. Finnish respondents should perceive the lowest influence, since the Finnish regional level is rather weak and the councils have lower institutional capacity. Cooperative council representatives will probably perceive higher influence than Finnish politicians, since they are connected to a regional level with stronger institutional capacity. Still, their perceived influence should be lower than Swedish regional council representatives' perceived influence. Three hypotheses are formulated based on this logic.

*H1: Swedish regional council representatives will experience the highest influence on regional development*

*H2: Cooperative council representatives will perceive lower influence than Swedish regional council representatives*

*H3: Finnish regional council representatives will perceive the lowest influence on regional development*

## State of the Art

### Regional political leadership in the governance paradigm

The shift from government to governance has gained a great deal of attention in contemporary political science (Rhodes, 1997; Jessop, 1998; Pierre & Peters, 2000; Bonnafous-Boucher, 2005; Bevir, 2010; Bellamy & Palumbo, 2010). The idea implies a shift from traditional sovereign rule to new forms of governance in political decision-making. Governance is a continuing complex interaction between many interdependent actors from public, private and voluntary sectors. These actors collaborate in decision-making in order to strengthen the political capacity (Rhodes, 1997). Governance concentrates on processes and interaction between state and society rather than focus on institutions (Bever, 2010). Collaborative governance and involvement of non-state actors are even seen as necessary in solving complex societal problems (Kooiman, 1993; van Bueren, Klijn & Koppenjan, 2003; Weber & Khademian, 2008).

The related concept multi-level governance has also become widely acknowledged (Hooghe & Marks, 1996). Multi-level governance means that political processes are increasingly influenced by actors from various levels (Piattoni, 2010; Bache & Flinders 2004). Supranational authorities and international organisations pressures decision-making from *above*, local and regional interests influence it from *below*, and increased cooperation with private and voluntary sectors creates pressure from *within*. This creates an environment, where political decision-making is continuously engaging with multiple government levels (Jeffrey, 2000). Many reinforced movements in the 20<sup>th</sup> century enhance multi-level governance processes, e.g. globalisation, regionalism, political decentralisation and European integration, (Keating & Hooghe, 1996).

Regional political leadership is extensively based on collaborative governance. Political processes involve stakeholders from multiple sectors and government levels, such as local governments, government agencies, universities, businesses and NGOs (Pierre & Peters, 2000). They collaborate in a bottom-up manner to achieve regional growth and development (Langeland, 2013). Stough, DeSantis, Stimson & Roberts (2001, 177) describe this leadership as *“the tendency of the community to collaborate across sectors in a sustained, purposeful manner to enhance the economic performance or economic environment of its region”*.

Sørensen, Lidström & Hanssen (2015) claim that regional political leadership has transformed from a traditional sovereign rule to a pluricentric political leadership in the Scandinavian countries, and that regional reforms have made it even more pluricentric. They refer to pluricentric leadership as defined by van Kersbergen and van Waarden (2004) as *“processes in which multiple authoritative centres of power compete and/or collaborate in attempting to realise desired governance performs”*. Pluricentric leadership depends on regional politicians’ abilities to assemble support and resources from influential stakeholders. This approach differs from traditional decision-making, where elected politicians govern more by sovereign rule.

The changing role of the regional councils has also accentuated the shift from sovereign rule to pluricentric leadership. The Scandinavian regional councils were established as service provider organisations in the 1970s, but they have gradually transformed into organisations that coordinate regional development (Hofstad & Hanssen, 2015). Alibegovic & Slijepcevic (2016) claim that many regional development responsibilities are shared between several public authorities, and thus require coordination through governance. Moreover, regional development is a typical wicked problem, i.e. a problem that is hard to recognize, phrase and solve. Collaboration between state actors and non-state actors is often considered necessary for solving such challenges (Kooiman, 1993; Ansell, 2000).

Regional councils in Sweden and Finland have adopted somewhat different leadership approaches due to different institutional conditions. Sovereign rule is generally exercised more in health care policies, while regional development policies tend to be more governance-oriented (Alibegovic & Slijepcevic, 2016). Regional councils often cooperate with stakeholders from private and voluntary sectors in regional development, but still keep health care a public affair. Swedish regional councils have maintained a strong sovereign rule over health care policies, which has been possible due to great formal powers and a solid political mandate. Swedish cooperative councils and Finnish regional councils do not have health care responsibility, which makes them more prone to exercise pluricentric leadership. Finnish regional leadership is probably the most pluricentric, as Finnish regional councils are built upon intermunicipal cooperation and the regional councils cooperate closely with government agencies. Vento & Sjöblom (2018) argue that regional councils and government agencies have a strong interdependence in Finland due to the administrative structure, the fragmented regional level and the exceptionally high trust in administrative institutions. Moreover, both cooperative council representatives

and Finnish regional council representatives lack the strong political mandate that legitimises sovereign rule.

### The role of politicians in regional leadership

Hofstad & Hanssen (2015) have empirically studied the leadership role of regional council representatives in a Nordic context. They view regional political leadership as a concept consisting of three responsibilities or dimensions. The first responsibility is to set a strategic direction for regional development. Politicians must form a consensus with important stakeholders on what future challenges the region faces and agree upon common objectives. These negotiations should be managed through transparent and open processes. The second responsibility is to mobilise regional stakeholders, i.e. actors from public, private and third sector that operate within the region. Politicians should initiate networks by creating arenas for stakeholders to meet and collaborate. Regional councils can function as either leaders or participants in these networks. The third responsibility is to coordinate public authorities and public resources. This includes connecting authorities at different government levels or in various policy fields, and coordinating available resources. Politicians have a strictly strategic leadership in all these dimensions, while the operational work is always in the hands of public managers.

There are strong democratic arguments to why regional council representatives should manage the regional leadership, and why this should not be a task for government agencies (Hofstad & Hanssen, 2015). First, collaboration between politicians and stakeholders fosters a collective understanding of future challenges in the region among concerned actors. Second, politicians and stakeholders formulate and agree upon common goals, when they jointly work on regional development strategies. Third, citizens find strategic decisions more legitimate when they are taken by politicians rather than stipulated by civil servants. Moreover, citizens can show their discontent with the regional leadership and dismiss politicians in general elections.

Governance is essential in Hofstad & Hanssen's (2015) view on regional political leadership. The first dimension concludes that politicians should influence policy-making by forming strategies with stakeholders rather than leading by sovereign rule. The second dimension emphasises collaborative governance by highlighting the crucial involvement of stakeholders. The third dimension raises the importance of multi-level governance by focusing on the coordination of public authorities and available resources. This understanding of regional political leadership was used in the design of this study and all three dimensions are considered in the questionnaire.

## Research Design

### Comparing three regional councils

The aim of the study is to investigate whether the regional councils' institutional conditions affect elected politicians' influence on regional development. This will be compared in three types of regional councils in Sweden and Finland. The comparison undertakes a Most Similar Systems Design (MSSD) logic, which is

suited for comparing cases that are otherwise similar, but differ on one major aspect (Peters, 1998). The differential variable here is the institutional conditions of the regional councils.

As described earlier, Swedish regional councils have high institutional capacity with directly elected politicians, taxation rights, general competence and a broad scope of tasks. Finnish regional councils have lower institutional capacity with indirectly elected politicians and few responsibilities. They lack taxation rights and general competence too. The cooperative councils have indirectly elected members from the regional councils and the municipalities, and their institutional capacity lies in the middle.

Comparing regional councils in different countries comes with its challenges. The MSSD logic presumes that the different institutional conditions of the regional councils will result in different perceptions of influence. Still, other uncontrollable factors may affect the conditions for regional political leadership. This is an inherent difficulty within most comparative studies (Anckar, 2008). However, it is legitimate to compare regional councils in Sweden and Finland. Few countries resemble each other as much as these countries, and they share a similar state structure, culture and traditions (Sandberg & Ståhlberg, 2000). Thus, it is hard to find regional councils with different institutional conditions that still operate within such a similar environment.

### Conducting a survey on strategic regional development

The data was collected through an online survey in April and May 2018. The survey was sent to representatives of regional councils in Sweden and Finland. These politicians were surveyed because they have a formal responsibility for governing regional development. Their task is to set strategic goals and create strategies in collaboration with stakeholders, while implementation is carried out by civil servants. The survey focused on politicians' leadership over regional development, and did not include more specific questions about implementation or outcomes. The study is thus limited to the regional councils' strategic responsibility for regional development.

Sweden had a fragmented regional level in 2018, which consisted of 21 counties. A directly elected regional council (*regionkommun*) was in charge of both health care and regional development in 14 counties. In six counties, cooperative councils (*regionförbund*) managed regional development tasks<sup>3</sup>, while the regional councils (*landsting*) managed health care issues. The survey was consequently sent to the assembly and executive board members in the regional councils in 14 counties, and to the cooperative council members in six counties. Stockholm County is not included in this study, since the regional administrative board was responsible for regional development there. The Swedish regional level was made more symmetric in 2019, when the regional councils became responsible for both health care and regional development in all counties. The cooperative councils were simultaneously abolished. The data from 2018 thus provides a unique opportunity to study the connection between the regional councils' institutional capacity and politicians' perceived influence.

Finland has 18 counties plus the autonomous province of the Åland Islands. The Åland Islands are excluded from this study, since their administration is



organised differently. All 18 counties have an indirectly elected regional council (*maakuntaliitto*), which is responsible for regional development and planning. The only exception is the Kainuu region, where the regional council also manages health care (Haveri et al, 2015). In Finland, the survey was sent to the assembly and executive board members of the regional councils.

The examined population consisted of 2661 politicians. The e-mail addresses of 2511 persons were accessed from official websites, and this constitutes the number of the survey population. The excluded politicians were not accessible or they had quit their mandate of trust. However, more than 94 % of the whole population is covered in the survey population. The survey was active for six weeks and five reminders were sent.

The overall response rate was 37.0%, but the number of respondents were higher in Sweden than in Finland<sup>4</sup>. This difference most likely derives from different attitudes towards survey participation rather than validity issues, since both Swedish and Finnish respondents reveal insightful comments in open survey questions. The questionnaire was also discussed with a Finnish regional politician before the survey was launched to avoid validity problems. Responses vary between the three types of regional councils too. 520 Swedish regional council representatives, 99 cooperative council representatives and 311 Finnish regional council representatives answered the survey in total. There were naturally fewer responses from cooperative council members, because there were only six cooperative councils and they generally had fewer representatives. Overall, the response rates were similar in most regions, and responses were also evenly distributed in proportion to the influence of the political parties in both countries. Although the response rate can be considered low, it still exceeds the response rate in an extensive survey among European regional councillors, where the total response rate reached 12.9% (see Bertrana, Egner & Heinelt, 2016).

## Results

This section presents how the regional councils' institutional capacity affects regional political leadership. This is examined through a comparison of politicians' perceived influence on regional development in three regional councils with different institutional conditions: Swedish regional councils, Swedish cooperative councils and Finnish regional councils.

Politicians' perceived influence over regional development is interesting to study, because it is necessary for politicians to perceive influence in order to exercise strategic leadership. Perceived influence thus reflects how politicians find that they can fulfil this task. The representatives' influence on regional development will be examined on several levels. First, the representatives' views on how much power different government levels exercise over regional development policies is studied. Second, regional politicians' perception of their individual influence versus the regional council's influence on regional development is analysed. Third, the regional council's influence is compared to other stakeholders' influence. It is important to notice that all analyses are based on politicians' opinions and reflect their views. Furthermore, high perceived

influence does not equal high performance or necessarily lead to actual outcomes regarding regional development. Politicians may perceive high influence, but the region may still not perform well in economic growth.

A descriptive presentation of different government level’s influence over regional development policies is initially provided. This analysis compares the situation on country-level, but it does not distinguish between different regional councils. The results in table 2 imply that all government levels are influencing regional development policies to some extent. Respondents find the state level to have the most influence, while they consider local governments to have the least influence. It is apparent that both countries are unitary states with a strong national level.

*Table 2: How much power do the following government levels exercise over regional development policies? (Percentage of respondents who answered 4 or 5)*

	Sweden	Finland	Chi <sup>2</sup>	Sig.
The municipalities	45	52	12.7	**
The regions	67	66	6.2	*
The state	70	87	27.3	**
<i>N</i>	521-523	275-278		

Relationships are significant (\*p<0.05, \*\*p<0.01) with Chi-squared test. The scale ranges from 1 (very little power) to 5 (very great power).

The different institutional conditions of the regional levels in Sweden and Finland cause an obvious difference. Finnish regional politicians rate the state’s power particularly higher than Swedish politicians do. Finnish respondents most likely view the state level as very influential, since government agencies also manage some regional development responsibilities in Finland. The regional councils are directly dependent of regional government agencies, but they are also indirectly dependent of the government and the ministries as regional policies are limited by national legislation in different policy fields. Swedish regions have stronger autonomy and they seem to be able to act more independently from government agencies. Politicians still find the regions to have similar influence on regional development in both countries. The initial results imply that the weaker institutional capacity of the Finnish regional level leaves room for a stronger influence from the state level, whereas the greater institutional capacity of the Swedish regional level enables regions to act more independently.

**The ambiguous effect of institutional capacity**

Respondents’ perceptions of their individual influence versus the regional council’s influence on regional development is presented in table 3. This table distinguishes between the three regional councils to examine the effect of institutional capacity more closely. The extent to which politicians find it possible to influence regional development is similar in all councils. The respondents generally find it possible to influence regional development to some extent, though not to a notably high extent. They do not sense a particularly strong influence on an individual level, but they find the regional council as a collective more influential.

*Table 3: Political influence on regional development (Percentage of respondents who answered 4 or 5)*

	Sweden		Finland	Chi <sup>2</sup>	Sig.
	<i>Regional councils</i>	<i>Coop. councils</i>	<i>Regional councils</i>		
To what extent is it possible to influence regional development?	53	49	50	1.1	
How do you perceive your own influence on regional development policies?	37	38	30	5.4	
How do you perceive the regional council's influence on regional development?	49	42	61	14.5	**
<i>N</i>	<i>476-478</i>	<i>88</i>	<i>294-296</i>		

Relationships are significant (\*p<0.05, \*\*p<0.01) with Chi-squared test. For the first question, the scale ranges from 1 (to a very small extent) to 5 (to a very great extent). For the second and the third question, the scale ranges from 1 (very little influence) to 5 (very great influence).

Swedish regional politicians perceive a stronger influence on an individual level than Finnish respondents do. This holds true both in regional councils and cooperative councils, so the difference in institutional conditions between these councils does not cause any apparent effect. This means that whether a representative is directly or indirectly elected does not necessarily matter for perceived influence on an individual level. For some reason, Finnish politicians still experience lower individual influence. This difference seems to originate from institutional differences on country-level, and could possibly stem from the government agencies' strong influence on regional development in Finland.

Results are more perplex when comparing the regional councils' influence on regional development. Finnish respondents have the highest confidence in the regional council's power to influence regional development, although Finnish regional councils have low institutional capacity. In Sweden, regional council representatives find the council more influential than cooperative council representatives do. These results show the ambiguous effect institutional conditions have on perceived influence. Swedish respondents perceive higher influence at an individual level, but Finnish respondents find the regional council as a collective more powerful. Hence, institutional conditions apparently cause different outcomes, but perceived influence does not necessarily increase with stronger institutional capacity. It is not easy to explain why Finnish respondents perceive the regional councils more influential than other respondents. The question becomes even more difficult to answer since cooperative council representatives perceive the council least influential, although the Finnish regional councils and the cooperative councils have similar institutional characteristics. This data does unfortunately not provide answers to such explorative in-depth questions about the causes and effects of institutional conditions.

How politicians perceive the regional council's influence in relation to other stakeholder's influence is showed in table 4. These results view how powerful

politicians perceive different actors in regional governance, and institutional conditions turns out to have a significant effect here.

*Table 4: To what extent are the following stakeholders influencing regional development? (Percentage of respondents who answered 4 or 5)*

	Sweden		Finland	Chi <sup>2</sup>	Sig.
	<i>Regional councils</i>	<i>Coop. councils</i>	<i>Regional councils</i>		
The regional assembly	44	36	20	70.8	**
The regional council's executive board	62	-	63	9.4	
Committees of the regional council	45	41	20	55.6	**
The regional council's civil servants	60	52	64	7.4	
The municipalities in the region	43	47	51	8.4	
Government agencies	48	54	66	25.8	**
Trade and industry in the region	54	64	60	8.7	
Universities or colleges in the region	46	51	48	1.7	
NGOs in the region	22	23	21	5.0	
<i>N</i>	<i>468-479</i>	<i>86-88</i>	<i>289-295</i>		

Relationships are significant (\*p<0.05, \*\*p<0.01) with Chi-squared test. The scale ranges from 1 (very low influence) to 5 (very high influence).

Politicians estimate the assemblies to have quite low influence on regional development, although the assemblies are the highest decision-making bodies in the regions. Respondents view assemblies and committees most influential in Swedish regional councils and least influential in Finnish regional councils. The fact that the assemblies are elected through general elections in Swedish regional councils probably explains this, since representatives consequently have a more legitimate political mandate. Finnish assemblies have fewer meetings yearly, which also limits their influence. Politicians still find the executive boards to have similar influence in Swedish and Finnish regional councils (cooperative councils have no executive boards). Executive boards are seen as more influential than assemblies, probably because they meet more often and are more involved in operational work. Overall, institutional capacity has an effect on perceived influence of the regional assemblies, but it does not affect the executive board's influence.

Further, Finnish respondents interestingly view civil servants more powerful than other respondents do. Civil servants can probably take a more prominent leadership role in Finnish regional councils, since the political leadership is weaker. Swedish regional council politicians also find civil servants more influential than cooperative council members do. This likely depends on the nature of the responsibilities. The planning responsibility in Finnish regional councils requires a high degree of professional knowledge, which also gives civil servants an influential role. The same holds true for the health care responsibility

in Swedish regional councils, where professional knowledge is also highly important for strategic decisions.

Institutional capacity also affects how politicians view the power of government agencies. Swedish regional council representatives view government agencies the least influential, while Finnish respondents see government agencies most influential. This corresponds well with the results in table 2, which showed that the state level has a stronger influence on regional development in Finland. Similarly, Finnish respondents also find the municipalities more influential.

### Acting autonomously or implementing government policies?

The results have so far implied that stronger institutional conditions make the regional councils able to act more independently, whereas especially Finnish regional councils seem to be quite dependent on government agencies due to weaker institutional capacity. To see if the emerging patterns are consistent, the regional councils' cooperation with different stakeholders is looked at in table 5. This table also reflects the representatives' views, and it should be interpreted as an indicative picture of the regional council's stakeholder cooperation, as representatives are most often not involved in the implementation processes.

*Table 5: To what extent do the regional council collaborate with the following stakeholders regarding regional development? (Percentage of respondents who answered 4 or 5)*

	Sweden		Finland	Chi <sup>2</sup>	Sig.
	Regional councils	Coop. councils	Regional councils		
The municipalities in the region	64	77	53	29.0	**
Government agencies	44	50	64	33.0	**
Other regional councils	40	39	22	30.2	**
Business industry in the region	49	53	49	18.0	**
Universities and colleges in the region	58	54	50	5.8	
NGOs in the region	31	34	19	15.9	**
N	445-452	81-82	280-283		

Relationships are significant (\*p<0.05, \*\*p<0.01) with Chi-squared test. The scale ranges from 1 (to a very little extent) to 5 (to a very great extent) for the first question and from 1 (not important at all) to 5 (very important) for the second question.

This shows that Finnish regional councils clearly cooperate the most with government agencies, while Swedish regional councils cooperate the least with them. Swedish regional councils and cooperative councils cooperate much more with the municipalities than government agencies, so the difference between the countries is apparent. The institutional differences on country-level again seem to be essential. Finnish regional councils naturally have to cooperate with government agencies in certain areas, because government agencies are

responsible for some regional development tasks. The Finnish regional level also lacks taxation rights, which means that regional councils depend on state funding or external funding to realise projects. The weaker institutional conditions of the Finnish regional councils thus make the regions more dependent on government agencies. Swedish regional councils are the most independent organisations, because their formal powers make the regional councils quite influential autonomously. The institutional characteristics build a solid platform for a strong political mandate. One could argue that Swedish regional councils mostly exercise this influence in health care policies, but politicians may actually experience more room for strategic decisions in regional development than in health care. Health care is a financially large responsibility, but the budget is quite fixed to expenses in health care and the taxation is not used as a strategic tool. Swedish regional councils partly depend on external funding for regional development projects too.

Three hypotheses were initially formulated on how the regional councils' institutional capacity would affect politicians' influence on regional development. H1 assumes that politicians representing Swedish regional councils will perceive highest influence, since Swedish regional councils have the greatest institutional capacity. H1 does not hold true. Even though Swedish regional council representatives and cooperative council representatives perceive higher influence at an individual level, Finnish respondents perceive the regional council as a collective more influential than other respondents do. However, stronger institutional capacity obviously strengthens the assembly's position, since the assembly is perceived most powerful in Swedish regional councils and least powerful in Finnish regional councils.

H2 suggests that cooperative council members will perceive lower influence on regional development than Swedish regional council representatives. H2 can be considered mostly true. Cooperative council members perceive similar influence as Swedish regional council members do at an individual level, but they perceive lower influence in all other questions. H3 expects that Finnish regional council representatives will perceive the lowest influence on regional development due to weaker institutional capacity. H3 also turns out to be false, as Finnish respondents actually perceive the regional council as a collective more influential than other respondents do. Executive boards were also perceived equally influential in Swedish and Finnish regional councils. However, the results point out some important notions. Finnish respondents find the state level's power over regional development to be very strong, and they also view government agencies very influential and cooperate closely with them. Moreover, civil servants seem to have a stronger role in Finnish regional councils due to the lack of a strong political leadership. This phenomenon does not occur in Sweden, where the state institutions have less influence on regional development. Therefore, institutional differences on country-level should not be neglected.

## Conclusions

Leading regional development is a key task for regional council representatives. Politicians are increasingly seen as leaders, responsible for fostering self-

sufficient regional development in cooperation with a range of stakeholders. This study has explored how regional councils' institutional capacity affects politicians' influence on regional development. The article has shed some light on this rather unexplored field of research by comparing politicians' perceived influence in three regional councils with different institutional conditions.

The study contributes with several stands on how institutional conditions affect politicians' influence on regional development. Findings show that institutional capacity has a complex effect on perceived influence. Strong institutional capacity does not necessarily lead to strong perceived influence among politicians nor does weaker institutional capacity equal low perceived influence. Swedish regional council and cooperative council members perceive higher influence on regional development at an individual level, but Finnish representatives find the regional council as a collective more influential. Politicians experience the regional council's executive boards equally influential in both Swedish and Finnish regional councils. This supports Lidström & Roos (2016) conclusion that formal powers are not the only factor explaining politicians' perception of assumed powers. Results in this study suggest that the state level's influence on regional development also plays an important role.

Some important conclusions can be made about how institutional conditions of regional councils affect political leadership based on this study. Stronger institutional capacity clearly strengthens the assembly's position. Swedish regional councils representatives view the regional assemblies most influential, while Finnish regional council politicians find them least influential. Moreover, regional councils with stronger institutional conditions can better act as independent organisations. It is obvious that the weaker institutional capacity of the Finnish regional councils makes them more dependent of government agencies, and Finnish respondents consequently find the state level much more influential than other respondents do. The weaker political leadership in Finnish regional councils also give civil servants a more prominent leadership role. These conclusions correspond well with earlier research. Vento & Sjöblom (2018) also highlight that the strong ministerial powers in Finland has fostered a strong technocratic leadership over regional development. Summed up, higher institutional capacity does not always provide better conditions for regional politicians to influence regional development, but it certainly affects whether the regional council can act autonomously or must depend on government agencies for governing regional development. This is the single most import conclusion from this study.

Regional political leadership is a complex research topic, but the growing importance of place-based leadership makes it an important field. Most studies in this field are case studies, often presenting successful cases of regional leadership. However, these studies do not provide any explanations of similarities, differences and their causes. Further research should therefore continue to pursue comparative studies of regional political leadership.

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## Notes

<sup>1</sup> The term county council is also used, both terms are used interchangeably in the text.

<sup>2</sup> Iceland does not have a regional organisation.

<sup>3</sup> The cooperative councils operated in the counties of Blekinge, Dalarna, Kalmar, Södermanland, Värmland and Västerbotten.

<sup>4</sup> In Sweden 45.4% (n = 619) answered the survey, and in Finland 27.1 % (n = 311) answered the survey.