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Finland’s State Regional Administrative Agencies and Their Chief Directors : A North-East European Analogy to the Institution and Position of the French Prefect: Valtion aluehallintovirastot ja niiden ylijohtajat: Pohjoiseurooppalainen analogia Ranskan prefeikteille

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Chapter 17
Finland's State Regional Administrative Agencies and Their Chief Directors. A North-East European Analogy to the Institution and Position of the French Prefect

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Abstract

This chapter examines the closest Finnish analogy to the prefect function in the French tradition of public administration. In Finland this function has since 2010 vested in the institution of the State Regional Administrative Agency (SRAA, *aluehallintovirasto*, *'AVI'*). There are six individual SRAAs, each headed by a Chief Director (*ylijohtaja*) nominated by the government, comprising Finland's closest equivalent to a French prefect. The following main results were achieved. First, despite ambiguity in institutional terminology, classifications, categorizations, boundaries and identities concerning the SRAA, one can discern few true functional or structural deficiencies. Second, as an institution the SRAA comprises a hybrid between an institution of its own and a territorial representative of government ministries and agencies, as each SRAA has responsibilities related to its nominal territory, and specific nationwide responsibilities. Third, tensions between performance and institutional legitimation prevail in the institution of the SRAA but, again, without serious deficiencies. Fourth, the 2010 substitution of the SRAA for the institution of the government Province comprised a radical institutional change. The 2015 to 2019 Finnish government announced radical reforms which would have ended the institution of the SRAA although gathering most of the SRAA functions and some other functions in a new institution. However, this reform was not decided upon before the government term ended, and the subsequent government did not continue the reform. By the end of 2019 and more clearly by mid-2020 it had become clear that the institution of the SRAA was here to stay after all.

Keywords: territorial state administration, performance, legitimation, institutional change

1. Introduction

Comparators exist for the French institution of the prefect in countries with different administrative traditions (Larsson et al. 1999; Marks et al. 2008; Eymeri-Douzans et al. 2013). The purpose of this chapter is to examine the closest Finnish analogy to the prefect function, comprised of the institution of the State Regional Administrative Agency (SRAA, *aluehallintovirasto*, *AVI*), established in 2010. Finland has six SRAAs, each headed by Finland's closest equivalent to the French prefect, a Chief Director (*ylijohtaja*).

This chapter seeks theoretical guidance from the neo-institutional research launched by John W. Meyer (e.g., Meyer and Rowan 1977) and elaborated later on by Meyer and his colleagues (Kruecken and Drori 2009). First, the research approach and the research questions are formulated, and then the research procedure is explicated. The main sections which follow deal with the basic institutionalization of the SRAA; agency related to the institution of the SRAA; tensions between performance and legitimation in the SRAA; and reforms introducing radical institutional change with the SRAA in focus. The final section draws conclusions and implications.

2. A neo-institutional approach and four research questions

2.1. Basic institutionalization

Modern research shares an interest in the basic institutionalization characteristics of the Durkheimian tradition with such foci of attention as the assignment of names, terminologies, classifications and categorizations, boundary-drawing, and institutional identities (Durkheim and Mauss, 1963; Powell and Colyvas 2008; Meyer 2008; Dobbin 2009). Basic institutionalization is important in public administration in such forms as classical bureaucracy and in its present-day hybrid forms (Christensen and Lægreid, 2011). Empirical research has by no means shied away from examining institutional naming and institutional terminologies (Guenther 2009; Pollitt and Hupe 2011), institutional classifications and categorizations, institutional boundary-drawing (Zietsma and Lawrence 2010), and institutional identities (Gioia et al. 2010). The first research question of this article is: *(1) What has the basic institutionalization of the Finnish SRAA (State Regional Administrative Agency) been like?*

2.2. Institutional agency

Institutional agency comprises the capacity to act with which institutional actors are vested. Such practical examples can be given of the origins of such agency as autonomization by means of agentification (Verhoest et al. 2012), and the empowerment of public managers to manage (Eymeri-Douzans and Pierre 2011). Neo-institutionalism examines agency in its different categories (Meyer and Jepperson 2000; Meyer 2008). Besides being an *agent for itself* in some of its own affairs, each institution of public administration including its managers comprises an *agent for others*, such as Parliament and the government. Moreover, these institutions and their managers commonly function as *agents for general standards and principles*, such as human rights, civil liberties, equality, social solidarity, good governance, safety and security, and environmental, social and fiscal sustainability (Brunsson and Jacobsson 2002; Boli 2005; Held 2009). The second question is: *(2) How does the institution of the SRAA combine autonomous 'agency for itself' with 'agency for others' and 'agency for general standards and principles'?*

2.3. Tension between performance and legitimation

Since its advent, neo-institutionalism has examined tensions between performance and legitimation (Meyer and Rowan 1977; Kruecken and Drori 2009). Earlier neo-institutionalism denied that institutional elements only service performance, and emphasized the legitimating roles of these elements, whereas in later neo-institutionalism the conjoint advancement of performance and legitimation has received emphasis (Dirsmith et al. 2000).

Neo-institutionalism has examined other than 'tight coupling' including 'loose coupling' or full 'decoupling' between institutional elements enhancing performance on the one hand, and elements that enhance institutional legitimation in the capacity of 'rationalized myths' on the other (Meyer and Rowan 1977). The notion of 'rationalized myth', transposed from the Durkheimian tradition (Durkheim 2008/1912; Dobbin 2009), distinguishes that which *actually* enhances performance according to ex ante or ex post evidence from that which rather comprises a *rationalized myth* unsupported with solid *ex ante* or *ex post* evidence that performance would be or has actually been achieved. The third research question can be stated: *(3) How have performance and legitimation been related in the Finnish institution of the SRAA, and have 'rationalized myths' been in operation?*

2.4. Institutional change

Earlier neo-institutionalism was criticized for deficiencies in examining institutional change with the possible exception of vegetative change (Clegg 2010). Recent neo-institutionalism acknowledges the change-inducing agency and the change-inducing acts of institutional actors in their interaction with other actors in different types of change including radical variants of change(see Hammerschmid and Meyer 2006).

In considering change, Palonen (2003: 161–169), referring to Skinner (2009), has placed the focus on *conceptual* change. In this perspective, the actor ending up as the winner develops a negatively loaded rhetorical redescription of an existing line of action, institutional arrangement, or the actors involved, and successfully accentuates the superior moral worth of some other line, arrangement or set of actors The importance of conceptual change has not gone unnoticed in neo-institutional research (Hensmans 2003), which is understandable given the concept- and language-dependence of institutions, institutionalization, and institutional change.

Besides formal aspects, elements of substance are possibly transformed in the course of institutional change. Thus the possibility that the ideational fundamentals of institutions of public administration – see, for instance, Lynn 2008/2009; Dunleavy and Margetts 2013; Pollitt and Bouckaert 2017 – may be transformed also has to be acknowledged. A fourth research question can be formulated: *(4) What kind of institutional change occurred at the creation of the Finnish institution of the SRAA in 2010 and has occurred since concerning the SRAA, ideational and ideological changes included?*

3. The study procedure

One method applied in this study comprises documentary analysis, meaning qualitative research *avant la lettre* with distant roots in ancient and classical humanism and more recent roots in the humanistic hermeneutical interpretation of texts in legal or historical research, for instance. Documentary analysis presupposes a critical approach to the evidence value of the sources, in which respect public documents in a democracy generally perform well.

Between June 2012 and November 2018 interviews were made in all six State Regional Administrative Agencies (SRAAs). In some of the SRAAs two consecutive Chief Directors were interviewed. Civil servants from the Ministry of Finance co-ordinating the SRAAs were also interviewed. All interviews built upon a thematic questionnaire (see Appendix). The interviews were taped, depending on interviewee consent. In essence, the method used in the research leading to this chapter is a qualitative thematic procedure. Its foremost guiding element is composed of the neo-institutional theoretical concepts built into the four research questions.

4. The basics of institutionalizing the territorial public administration of the state in Finland

4.1. From Provinces with their Governors to State Regional Administrative Agencies

In 1635, Sweden divided its territory, which in those days also included Finland, into Provinces (*läänit*), each managed by a Crown-appointed Governor. In 1809 Finland received its first traits of statehood, becoming an autonomous Grand-Duchy under the Russian Empire, though the division into Provinces with Governors continued (Table 17.1). The Finnish Provinces never evolved into institutions of power sharing between the state and the provincial voters, unlike in Sweden. Policies to establish regional self-government came to nothing in Finland in the early 1920s except for the archipelago of Åland, which received autonomy in 1918, later receiving constitutional guarantees, and analogous efforts in the 1970s and the early 2000s also faded away (Hepburn 2014; MF 2013).

TABLE 17.1 here

In 1997 the number of Finland's Provinces was reduced from twelve to six (Table 17.1), preceded by the 1995 ascendance of institutions of indirect local government – the Regional Councils, *maakuntien liitot*, 18 in number (see Figure 1) – into official actors in the national implementation of EU regional policies in Finland. At the turn of 2009 and 2010, Finland abolished its Provinces, the functions of their Governors, and the agencies that the Governors had headed, meaning the Provincial Boards (*lääninhallitukset*), which had been a collegial decision-making body chaired by the Governor. At the same time, six State Regional Administrative Agencies (SRAAs, *aluehallintovirastoa*, AVI), each headed by a Chief Director, started their operation throughout mainland Finland. Because of the constitutionally guaranteed autonomy of the Åland archipelago, the reform excluded this archipelago.

4.2. The basics of the institution of the State Regional Administrative Agency

The State Regional Administrative Agency (SRAA) was established to function as a general territorial institution of Finland's government public administration (Figure 17.1). With the exception of splitting the territory of a previous Province in west-central Finland, the SRAAs inherited the territories of the 1997 to 2009 Provinces (Figure 17.2, Table 17.2).

FIGURE 17.1 HERE

The establishment of the institution of the SRAA reshuffled responsibilities between Finland's national government authorities. The SRAAs retained many of the Provinces in social welfare and health, environmental health, the legal protection of citizens, fire and rescue services, competition and consumer affairs, crisis preparedness, and the evaluation of the statutory basic services available to citizens. Unlike the Provinces, the SRAAs received functions in occupational safety and health and in environmental and water policies. However, the SRAAs did not inherit the Provinces' tasks in the transport and communication domain, and first also shed most of the tasks related to education and

culture. Most of the latter functions were moved to another institution also established at the turn of 2009 and 2010, composed of the State Centers for Economic Development, Transport and the Environment (SCEDTE) (Figure 17.1). Moreover, the functions related to the police were diluted in the SRAAs in comparison with the situation in the Provinces, and were removed from the SRAAs altogether in 2014.

FIGURE 17.2 HERE

The SRAAs inherited none of the tasks of the Provinces in regional development, but the Regional Councils (Figure 1) became the official public authorities of regional development and regional planning. In essence, the SRAAs were only supposed to administer, supervise, and control (Act, 2009a, b; Karppi, 2011). It was made *compulsory* for each SRAA to maintain two fields of responsibility composed of tasks related to basic services available for the citizens, legal protection, and the awarding of permits and licenses, on the one hand, and miscellaneous specifically designated services, in addition to crisis preparedness, on the other. Two further fields could *possibly* be established in an SRAA – awarding environmental permits, and occupational health and safety functions. Some SRAAs have all four responsibility fields whereas others have two or three fields. The SRAAs may cooperate with one or more other SRAAs in one or more of their fields of responsibility. Moreover, individual SRAAs have special functions covering all of Finland, thus transcending its territorial base (see Pollitt 2012).

TABLE 17.2 HERE

It is not easy to categorize the SRAA as an institution. Besides the fact that individual SRAAs may have different sets of functions, many of the SRAA functions have a merely loose institutional coupling with each other, which is related to the high number of SRAA hosts. Eight from among the twelve government ministries were given steering tasks concerning the SRAAs (Act 2009b). These ministries were the Ministry of Justice (MoJ), the Ministry of the Interior (MoI), the Ministry of Finance (MF), the Ministry of Education and Culture (MEC), the Ministry of Social Affairs and Health (MSH), the Ministry of Agriculture and Forestry (MAF), the Ministry of Employment and the Economy (MEE), and the Ministry of the Environment (MoE). Certain agencies in the administrative sectors of the ministries also received steering tasks toward the SRAAs, namely the Safety and Chemicals Agency (TUKES, in the sector of MEE), the Supervisory Authority for Welfare and Health (VALVIRA, MSH), the Food Safety Authority (EVIRA, MAF), the Finnish Consumer Agency (MEE), and the Competition Authority (MEE), from among which the last two were merged in 2013 into the Finnish Competition and Consumer Authority (MEE). The MF from among the ministries received the task of co-ordinating the government steering toward the SRAAs.

The hard-to-categorize institutional characteristics of the SRAA may make institutional boundaries difficult to discern. In the interviews, this came up *in abstracto* when considering tensions between the prerogatives of the ministries to prescribe SRAA tasks and the institutional autonomy of the individual SRAAs. *In concreto* challenges have arisen, for instance, from the different territorial divisions within Finland's public administration and the consequent coordination challenges, such as (see Patio 2018):

- the 6 SRAAs,
- the 15 State Centers for Economic Development, Transport and the Environment (SCEDTEs),
- the 13 electoral districts,
- the 12 police districts,
- the 21 hospital districts,
- the 5 Social Insurance Institution districts, and

- the 18 Regional Council territories.

As an exception that confirms the rule of different territorial divisions, the territory of each SRAA includes the entire territory of one or more Regional Councils (Figure 17.2). The identity issues of the SRAAs must be balanced against the good reputation they have accumulated as guardians of legality and legal certainty according to citizen and stakeholder surveys. According to the interviews, it has not been easy for the territorially more heterogenous and population-rich SRAAs to elaborate a strong institutional identity. Identity problems have generally been fewer for SRAAs with more homogeneous regions.

5. The institutional agency carried by the State Regional Administrative Agency (SRAA)

5.1. Agency 'for itself' in the SRAA

What neo-institutionalism calls 'agency for itself' gives rise to some issues in the institution of the SRAA. Since its establishment, each individual SRAA has been responsible for its proper performance, but has had only a limited command over some of the core functions present in its organization. Moreover, while the SRAAs, represented by their Chief Directors, have had appointment powers, these powers have been curtailed as different ministries have retained powers in appointing the heads of some of the specific SRAA functions, whose heads, in turn, have had the powers to appoint their subordinate officials.

Three from among the last five Provincial Governors were appointed SRAA Chief Directors in 2010. Moreover, the long-term practice of observing party allegiance was moderated rather than discontinued in appointing the first Chief Directors. Bit by bit the explicit politicization of Chief Directors' appointments has generally decreased.

5.2. The SRAA as an agent for other agents and as an agent for general standards and principles

Some of the SRAA functions are clearly autonomous, which has given this institution characteristics of a territorial implementation arm of individual ministries and specialized national agencies. The ministries supervising the autonomous SRAA fields were characterized in the interviews as maintaining 'stovepipe' governance organized by sectors of administration, a characteristic which the OECD has criticized in its country analysis of Finland (OECD 2010).

The institution of the SRAA comprises an important representative of general standards and principles. The SRAA Act (Act 2009b, art. 2, my translation) prescribes that 'the SRAAs promote regional equality by means of taking care of functions of the implementation of legislation, steering, and control in the regions'.

The quadrennial joint strategy document for the institution of the SRAA and the institution of the SCEDTE must observe three sets of standards and principles (MF 2011):

- One set concerns *equality* before the law while citizens and companies apply for licenses or permits or file complaints about the quality of public services.
- Another set is focused upon *welfare* with special reference to statutory 'basic services' (*peruspalvelut*) that have to be made available to citizens.
- A third set underlines occupational, environmental and technical *safety* and the crisis preparedness of society.

In 2009, Parliament accepted the government proposal for legislation that created the institution of the SRAA and introduced other changes in territorial public administration (Government 2009; Parliament 2009). Parliament obliged the government to report in about three years' time on the satisfaction of a substantial list of standards and principles. Before the time was due for the government report to Parliament, the government took steps to reorient the reform. The Ministry of Finance commissioned a follow-up study on the reform (Karppi 2011; Karppi et al. 2013). Moreover, in June 2012 a retiring Chief Director of one of the SRAAs was nominated to examine the position and tasks of the State Centers for Economic Development, Transport and the Environment (SCEDTEs). He proposed the transfer of functions of education and culture from the SCEDTEs to the SRAAs, and the reverse transfer of certain functions related to the environment from the SRAAs to the SCEDTEs. Last but not least, he considered the option of merging the SRAAs and the SCEDTEs (Saari 2012). The government report to Parliament on the impact of the 2010 territorial public administration reforms followed in February 2013 (Government 2013). In accordance with the report, the minister in charge announced a legal amendment for moving the functions related to education and culture from the SCEDTEs to the SRAAs (Parliament, 2013a, b). This eventually took place on 1st January 2015.

6. Tensions between performance and legitimation in the institution of the State Regional Administrative Agency (SRAA)

6.1. Performance

The SRAAs were experimenters turned into path-breakers for a new multi-year strategic planning cycle in the Finnish government. In 2013 this type of cycle was extended government-wide. The Ministry of Finance has played the leading role in having the quadrennial strategy document prepared concerning the SRAAs. Moreover, this ministry has signed with each SRAA a document on their performance targets. The strategy document has covered the electoral period of four years, but it has been possible to revise the performance documents biannually.

Most interviewees felt that the SRAAs have had scant resources for their tasks. At their beginning in 2010-11, the SRAAs were obliged to shed ten per cent of their staff years. Since then, the resources of the SRAAs have generally dwindled little by little, although there are signs of improvement in the most strained SRAAs in southern and central-western Finland. As a measure of deregulation, in 2018 the Ministry of Finance substituted the steering of both the funds available and the allowable person-years in each SRAA for mere funds-based steering.

After establishmen of the SRAAs in 2010, it did not take long before indicators were introduced into the processing times of complaints and applications for licenses and permits in order to assess the SRAA supervision and control measures, and to evaluate the SRAA crisis preparedness measures. According to follow-up studies, the awarding of environmental permits and the SRAA activities related to occupational health and safety have worked reasonably well. However, there have been differences with the SRAAs with large, populous and heterogeneous territories comprising the typical problem spots (Government 2013, 95).

6.2. Rationalized myths of legitimation

Meyer and Rowan (1977) proposed that performance measurement and effectiveness evaluation are not necessarily free from 'rationalized myths'. An example came up in the interviews in the evaluation of basic services, which is a function the SRAAs inherited from their predecessor

Provinces. In this evaluation, good coverage and sufficient depth in the evaluation are hard to achieve with consequent risks toward rationalized myth characteristics. Moreover, accountability in as many dimensions and as much depth as requested by Finland's Parliament in the advent of the 2010 territorial public administration reforms (Parliament 2009) threatens to have characteristics of another 'rationalized myth'. A third example of a 'rationalized myth', criticized in the interviews, received its expression in the government 'productivity program' (*tuottavuusohjelma*) of 2003–2011, given that the title concealed serial cutbacks rather than measures aimed at productivity improvement (SAO 2011).

The documentary analysis and the interviews gave substantial evidence of institutional 'loose coupling' between performance and legitimation. Some of the SRAA tasks, such as awarding permits and licenses and processing complaints, emphasize performance, while others such as the evaluation of basic services tend toward legitimation. Another type of loose coupling prevails between those SRAA functions that have autonomy within the SRAAs and those in which the grip of the SRAAs themselves and their Chief Directors is tightest.

From the viewpoint of neo-institutional research on innovations (Lee and Strang 2006), we might expect that the new SRAA structures and procedures would have diffused to Finland from abroad before 2010. However, although solutions in other countries were surveyed in the 2009 government proposal to Parliament (Government 2009), no precedents to speak of were presented. This was also confirmed in the interviews, suggesting that the institution of the SRAA has been home-made rather than imported.

7. Institutional change concerning the State Regional Administrative Agency (SRAA)

7.1. The 2010 creation of the SRAA and its reforms from 2010 to 2018

The creation of the institution of the SRAA represents institutional conceptual change catalyzed by rhetorically sharp criticism toward the preceding institutionalization with Provinces and Provincial Governors. In the interviews it came up that unlike the Provincial Boards, the SRAAs would no longer represent state steering 'from above', but would merely arrange territorial functions of the state under a common umbrella. Each pre-2010 Provincial Governor had been the state's foremost representative in the territory of the Province, whereas one of the interviewees characterized each Chief Director only to be 'the head of one of the territorial agencies of the state among other territorial agencies'. However, the Provincial Governor did not dictate the decisions of the Provincial Board, but was only its chairperson. In an analogous way the Chief Directors of individual SRAAs find in their SRAAs functions which have an autonomous status. Yet despite these qualifications the 2010 institutional change was without doubt radical.

Besides individual measures of decoupling territory and function by means of taking care of certain functions in individual SRAAs by some other SRAA, a more general decoupling measure has been carried out. This measure has removed the tasks of general administration from the individual SRAAs, organizing these tasks into a special subsidiary situated in the organization of one of the SRAAs.

7.2. The institution of the SRAA from 2015 until 2020 and beyond

The institution of the SRAA was four years old in 2014 when a development started that promised to put this institution in a somewhat different context. Finland's government from 2011 to 2014 had a

policy to create a critical mass for the provision of social welfare and health care services by means of merging the 320 municipalities of mainland Finland into 70 larger municipalities. However, as this policy encountered serious obstacles, the government and the opposition parties agreed in spring 2014 that a reform of another kind should be started to turn around social welfare and health care. In its political program the following government, formed in 2015, published its preferred way of implementing this reform. The government wanted to introduce regional self-government countrywide for the first time, and make the self-governing regions rather than the municipalities responsible for social welfare and health care services. This reform was supposed to transform the eighteen Regional Councils from statutory federations of their member municipalities (see Figure 17.1) into statutory institutions with a political mandate received in regional elections. The Regional Councils would have lacked taxing rights of their own, but would have received national government grants (Sjöblom 2018). The foremost functions of the self-governing Regional Councils would have been composed of the entrenched duties of the foremost federations of municipalities, meaning the statutory twenty-one hospital districts running Finland's foremost hospitals. The autonomous archipelago of Åland, which was untouched by the reform, was to be an exception.

In 2018, in connection to its major social welfare and health care and regional self-government reform aims, the Finnish government proposed to Parliament what it wanted to happen to the institution of the SRAA (MF 2017; Government 2018):

- In 2020 a national institution (*Valtion lupa- ja valvontavirasto*, LUOVA, State Permits and Supervision Agency, SPSA) would have been substituted for most SRAA functions.
- In addition, the SPSA would have assumed almost all of the functions of the nationwide government institution Supervisory Authority for Welfare and Health (VALVIRA).
- Moreover, the SPSA would have received the environment-related functions of the State Centers for Economic Development, Transport and the Environment (SCEDTEs).
- The SPSA would also have assumed the functions of the statutory Farmers' Social Insurance Institution (MELA).

The SRAA functions related to safety and security, environmental health care, and alcohol-related supervision would have been moved to the self-governing Regional Councils, as would the transport-related functions of the SCEDTEs. The institution of the SPSA would have widened the decoupling between territoriality and public administration that was well under way in the institution of the SRAA. The SPSA would have been a unitary national authority headed by a Director-General (*pääjohtaja*), there would have been Chief Directors (*ylijohtajat*) for the main SPSA functions, and locally the SPSA possibly would have had a presence with its local offices.

The government which Finland had had since 2015 resigned some weeks before it should have done, but in any case the statutory four-year parliamentary election period was reaching its end in 2019 (FBC 2019). The reason for the resignation was the government's failure to implement its combined reform aiming toward a turnaround in social welfare and health services and toward founding regional self-government in Finland for the first time. The 2015 to 2019 government headed by a prime minister from the Center Party and with the moderate right-wing Coalition Party and the populist right-wing Finns Party as the coalition partners was replaced in 2019 with another government. To this successor government the prime minister came from the Social Democratic Party, and the Center, the Green League, the Left Alliance and the Swedish People's Party were the other coalition parties. This government was replaced at the end of 2019 by a government with a similar coalition but a different prime minister.

By the end of 2019 it was becoming clearer that SRAAs would be likely to stay. A sign sent by the government on this comprised nominating a Chief Director for each SRAA for a period no shorter

than five years from 2020 to 2024 (MF 2019). By mid-2020 the continuation of the institution of the SRAA had been written into the presuppositions of the sitting government concerning the fundamentals of the governmental machinery. This evidence is available in the 15 June 2020 preliminary proposal for new legislation on social welfare and health care services and regional self-government, sent by the government for public comments (Sote-uudistus 2020). The preliminary proposal contemplates the SRAAs crucial roles in controlling the twenty-one new self-governing social welfare and health regions which the government envisages.

7.3. The institution of the SRAA from the viewpoint of ideologies of public administration

The institution of the SRAA hardly has many of the foremost institutional characteristics which would be in line with those promoted according to the ideology of New Public Management (NPM), such as substituting empowered monocrats for other decision makers, introducing numerous efficiency-, productivity-, surplus- or profit-oriented practices, or substituting customers for citizens as important stakeholders. The powers of the SRAAs are curtailed in ways that are not absolutely different from the situation in the pre-2010 Provinces. Moreover, the SRAA functions emphasize implementing government legislation with the stress on equality, welfare and safety and with limited rather than wide civil servant discretion. Rather than NPM, this reflects 'neo-Weberian' interpretations of legalistic bureaucracy, stressing in this case the 'Weberian' rather than the 'neo' (Lynn 2008; Pollitt and Bouckaert 2017).

If one looks for traits in the institution of the SRAA, one can distinguish virtual, digitally supported characteristics transcending geographical location (see Pollitt 2012). Ideationally, the institutional model of the SRAA finds its proper place in the intersection of the public administration ideologies of mild neo-Weberianism and digital-era governance (Dunleavy and Margetts, 2013).

8. Conclusions and implications

The purpose of this chapter has been to examine an analogy to the French prefect institution, namely the Finnish institution of the State Regional Administrative Agency (SRAA). The article suggests the following answers to the four research questions: (1) Although ambiguity has been present in institutional terminology, classifications and categorizations, institutional boundaries, and identities, we can discern few true deficiencies in the basic institutionalization of the SRAA. (2) The SRAA has been comprised of a hybrid between an institution of its own representing the general interest in the sub-national level on the one hand, and acting as a territorial representative of various government ministries and agencies on the other. (3) Tensions between performance and institutional legitimation have prevailed in the institution of the SRAA but, again, this hardly indicates serious deficiencies. (4) The creation of the SRAA in 2010 with its pronounced characteristics of a hybrid institution meant radical institutional change despite the fact that many of the functions it received from the preceding provinces changed only moderately in the process.

The results suggest that once established, a public sector institution may soon develop substantial resilience. This has been the case with the Finnish institution of the SRAA during the ten years that have passed since this institution was founded. Despite that in 2010 this institution had initial image challenges to make itself widely known after replacing the venerable institution of the province, time and again it has become evident that the government could hardly do without the functions that the SRAA handles. Quite many of these functions correspond to what public bureaucracies are traditionally responsible for, namely maintaining legality, and maintaining such important principles as social justice and the equal treatment of citizens. Moreover, as an institution the SRAA hardly represents an institutionally reactionary model but instead quite innovatively combines elements of

territorial public administration with national functions. The management of these national functions has been territorially deconcentrated on account of modern digital technologies more exactly assigning these functions to individual SRAAs in addition to the duties which these SRAAs have in their nominal territories.

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Appendix. English translation of the thematic questionnaire

1. Basic institutionalization

1.1 How has the institution of the SRAA positioned itself within public administration since its foundation?
- Has the SRAA become well known as an institution?
- How has the multi-function character of the SRAA been working?

1.2 How have the territorial, hierarchical, and functional divisions related to the SRAA been working?

1.3 How has the co-operation between the SRAAs and other public authorities been working?

1.4 Has the SRAA carved out an identity of its own?

2. SRAA at the intersection of general principles and procedures and its own management and leadership

2.1 Has the SRAA evolved into an institution proper with
- the authority to carry out its duties?
- the capacity to carry out its tasks?
- sufficient resources?

2.2 Is the SRAA a representative and implementer of norms and interests arising from:
- legislation?
- external steering?
- the territorial point of view?

2.3 SRAAs as a representative of general principles and standards:
- customer and citizen orientation?
- linguistic, ethnic and territorial identity aspects?
- economic efficiency?
- effectiveness?
- specially defined objectives?

3. Relationship between performance and legitimation

3.1 Is it possible to discern SRAA tasks
- accentuating performance?
- accentuating legitimation?

3.2 Are there functions which accentuate both performance and legitimation?

3.3 Can examples be found of institutional “loose coupling” between performance and legitimation?

4. The 2010 formation and the later changes of the institution of the SRAA

4.1 How radical was the transformation from the Provinces to the institution of the SRAA with special reference to:
- external steering?
- management and leadership?

4.2 In institutionalizing the SRAA:
- which global or other models of institutional structures and scripts of institutional procedures were used,
- with what effects?
- with what results?

Table 17.1 Territorial units of general state administration in Finland, 1635–2020

Year	1635	1776	1831	1920	1921
Units	5	6	8	10	9
Average, 1 000 km^2	53	37	45	38	42
Average, 1 000 inhabitants	80	113	172	335	349
Year	1938	1960	1997	2010	2020
Units	10	12	6	7	7
Average, 1 000 km^2	38	28	56	48	48
Average, 1 000 inhabitants	370	370	850	758	790

Notes: The 1635–1997 units were provinces. The units since 2010 comprise State Regional Administrative Agencies and the constitutionally autonomous region of Åland.

Table 17.2 Finland's State Regional Administrative Agencies (SRAAs), 2010s

SRAAs (numbering as in Figure 2)	Land area km^2	Population (2020)	Headquarters location	Branch offices	Regions included	Personnel years (2017)
1 Lapland	92 700	177 012	Rovaniemi	None	1	36
2 Northern Finland	57 000	484 284	Oulu	None	2	132
3 Western and Interior Finland	55 400	1 230 074	Vaasa	2	5	240
4 Eastern Finland	48 500	546 628	Mikkeli	2	3	141
5 South-Western Finland	18 600	695 039	Turku	None	2	121
6 Southern Finland	30 200	2 363 769	Hämeenlinna	2	5	
(7) Åland	1 550	29 931	Maarianhamina	NA	(1)	NA
Total	304 000	5 526 737	6 (7)	6	18 (19)	1 175

Notes: The data derive from the publication SRAAs 2018 and other public domain sources. Åland has no SRAA and instead has a State Administrative Office.

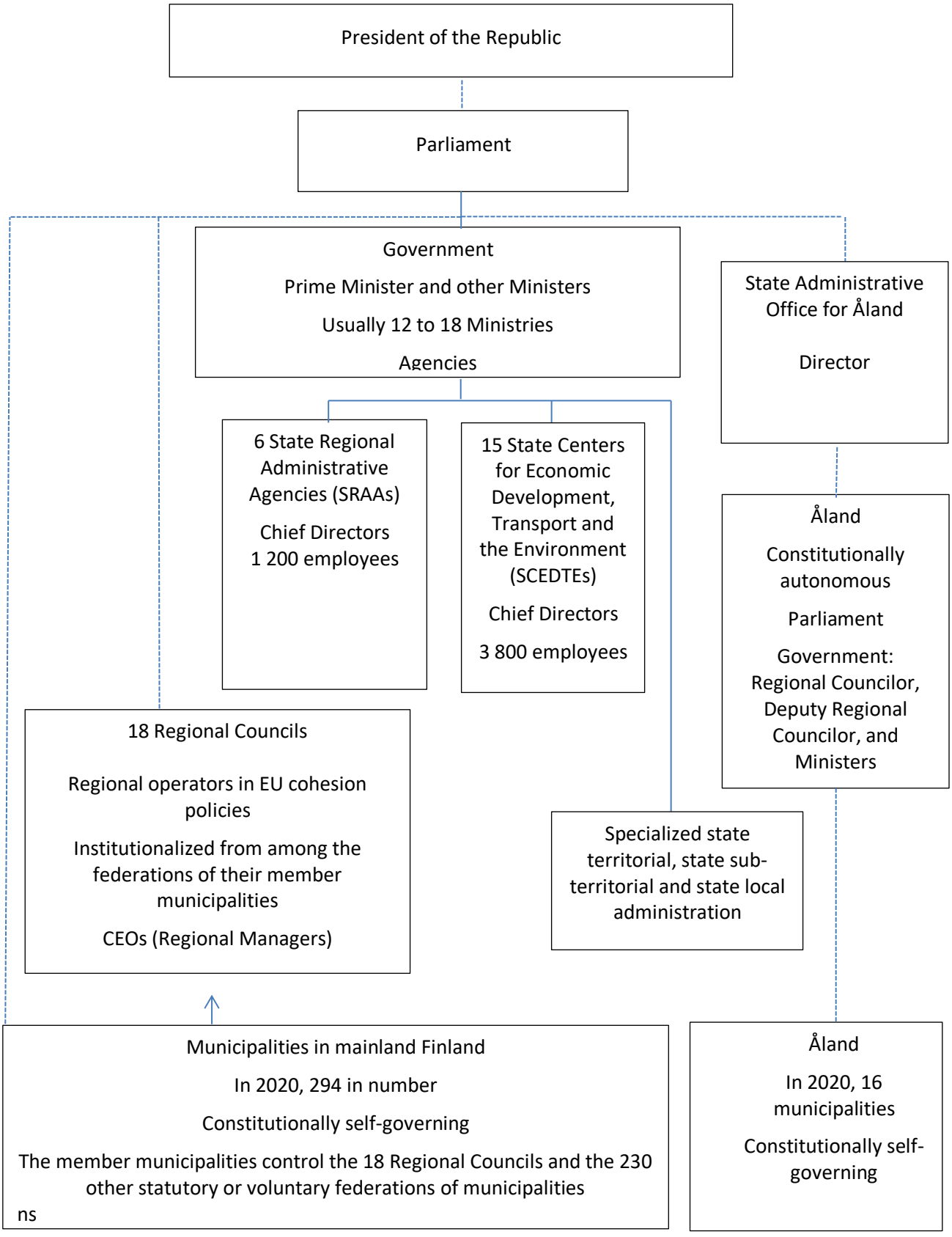


Figure 17.1. Outline of public administration in Finland, 2018

Notes: Continuous line, steering according to line organization principles; continuous line with an arrowhead, bottom-up steering; and broken line, various relationships of supervision, funding, etc.

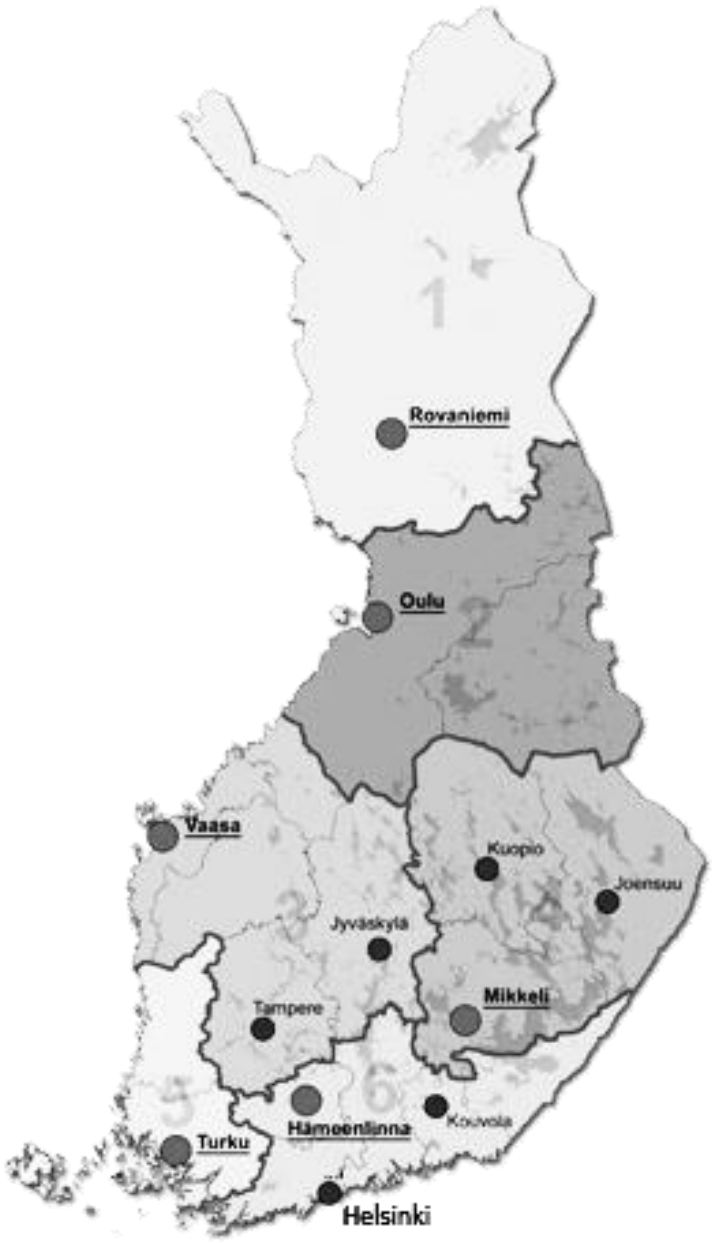


Figure 17.2 The State Regional Administrative Agencies (SRAAs), 2020

Notes: For the SRAA names, see Table 3. The town names underlined indicate SRAA headquarters, and other town names SRAA local branch offices.