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### Forging autonomy in a unitary state

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## **Forging autonomy in a unitary state: the Åland Islands in Finland**

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As one of the most stable unitary states in the world, Finland has largely been overlooked in the literature on multi-level political systems. However, this categorization of Finland neglects the substantial autonomy that has been fought for, and accorded to, the Swedish-speaking Åland Islands over the twentieth century. Åland is the only province that has been granted significant legislative powers vis-à-vis the Autonomy Act (1920) and thereby constitutes a federalized arrangement. It possesses its own regional assembly and executive with extensive powers, and elects a single representative to the Finnish Parliament. As Finnish parties do not compete on the island, this has led to a vertical disconnect between Finnish and Åland governments, straining relations between the two. This article will explore the implications of Åland's autonomy arrangements for the coordination of intergovernmental relations within the centralized Finnish state.

## **Introduction**

Finland has largely been overlooked in the literature on multi-level political systems. This is largely because Finland constitutes one of the most stable unitary states in the world. Despite the creation of regional administrative structures to implement EU Regional Policy in the mid-1990s, Finland ultimately lacks an ‘independent administrative meso-level’ (Kull, 2009: 22). Regional self-government has been a low concern in a country built around a strong central state and thriving municipalities.

However, this categorisation of Finland as a highly centralised, unitary state that lacks ‘real regions’ (Ryynänen 2003) neglects the status of a territorially concentrated and distinct population that possess a substantial degree of autonomy. The Swedish-speaking Åland Islands – an archipelago located in the northern Baltic Sea – are the smallest and wealthiest province in Finland, and the only one that has been granted significant legislative powers. Despite having a population of only 27,000, Åland enjoys many of the trappings of sovereign statehood, with its own national flag, postage stamps, and citizenship laws. Thanks to a decree by the League of Nations in 1920, Åland’s Home Rule is guaranteed by both Finnish and international law, and can only be altered with Åland’s approval.

Åland’s constitutionally embedded autonomy enables us to classify Åland within the ‘federalized’ box of cases examined within this Special issue. Åland’s Autonomy Acts (1920, 1951, 1991) guarantee a non-hierarchical form of ‘partnership’ with Finland, whereby Åland can veto any competence transfer away from it. In other words, Åland is able to escape the constitutional uncertainty of its powers being revoked, as so happens in the case of ‘regionalized’ states which endure a hierarchical relationship with the centre. However, because Finland has not decentralized powers to other regions, Åland is very much an autonomous ‘loner’ in the Finnish unitary

state. As there are no structures of shared rule, and no scope for multilateral negotiation, Åland's relations with Finland are conducted on a bilateral basis.

The special situation of a substate unit possessing constitutionally protected autonomy, but without a guarantee of shared rule at the centre, has led some scholars to create a new type of federalized relationship: a federacy. According to Stepan et al (2011), 'a federacy is a political-administrative unit in an independent unitary state with exclusive power in certain areas, including some legislative power, constitutionally or quasi-constitutionally embedded, that cannot be changed unilaterally and whose inhabitants have full citizenship rights in the otherwise unitary state.' The main point here is that federacies are forged within unitary states and do not affect the constitutional nature of the rest of the state, unlike federations. Interestingly, federacies occur overwhelmingly in islands and archipelagos (Hepburn, 2012), and the Åland Islands are no exception.

The Autonomy Act (1991) that governs the relations between Åland and Finland is a federal-like agreement that sets out the powers that fall within the exclusive authority of Åland, and powers that remain under the domain of Finland. As such, the Act ensures Åland's constitutionally guaranteed autonomy, which can only be amended by a two-third majority of both the Åland and Finnish Parliaments; it cannot be unilaterally altered or revoked. The citizens of Åland enjoy full citizenship rights in the state, can vote in statewide elections and elect a representative to the Finnish parliament. Finland also has a representative in Åland who helps coordinate activities that fall under state powers. Any Finnish laws or policies that pertain to Åland in any way must be explicitly approved by the Åland authorities and if Finland considers a bill that will have an impact on Åland (such as EU membership), Åland

has a right to present its views and may exercise an opt-out or veto. In other words, it is necessary for Finland to gain Åland's consent before it signs international treaties.

Åland's special federalized status within the otherwise unitary Republic of Finland raises interesting questions when considering the effect of the constitutional structures on the coordination of intergovernmental relations (IGR). This article will test the governing hypotheses laid out in the Introduction of this Special Issue.

First, it will examine the dominant mode of coordination that shapes intergovernmental relations between Åland and Finland. Here it is expected that, while Åland clearly falls into the 'federalized' box, which might otherwise indicate reliance on the use of multilateral structures, the special federacy relationship Åland has within the unitary Finnish state means that IGR are conducted on a formal bilateral basis that reflects the non-hierarchical partnership between the units.

Second, the article will examine the patterns of formal competence allocation over time. In this case, it is assumed that Åland's constitutionally guaranteed status ensures a degree of constitutional protection and 'lock-in' on an asymmetrical basis (i.e. there are no other autonomous units in Finland to allocate competences to).

Third, the article examines the extent to which party-political differences dominate the nature of governmental coordination. Because there is no constitutional hierarchy in the system, it is expected that there is little risk in playing out party incongruence or engaging in partisan conflict, as there is no possibility that Finland can 'retaliate' by suspending self-rule or taking back competences from Åland. In addition, because Åland parties are separate from Finnish parties, this will result in complete incongruence in governing coalitions, so that party 'connections' cannot be used as an informal lubricant of IGR.

Research findings draw on a series of interviews conducted with Åland politicians, government officials and academics in June 2010, as well as primary and secondary literature, party documents and newspaper articles.

### **Finnish unitarism and Åland's special status**

Finland is one of the youngest states in Western Europe. Following six centuries as part of the Swedish Empire, Finland became an autonomous Grand Duchy within the Russian Empire in 1809, and won its independence during the Russian Revolution in 1917. Finland's heritage is reflected in its constitution, which acknowledges the country's two national languages – Finnish and Swedish – though Swedish is only spoken by about 5.5% of the population, mainly in the coastal areas and Åland.

Following in the Nordic tradition of administrative governance, Finland can be categorised as a decentralised unitary state (Loughlin, 2000). Since achieving independence in 1917, Finland has combined strong central powers in Helsinki with a flourishing system of local government. Since the 1960s, municipalities have been endowed with a wide range of statutory responsibilities for providing welfare services to citizens, including social welfare, health, education, and environmental protection, in addition to tax-raising powers (Sjöblom, 2011: 243). Like many Nordic states, Finland lacks an elected regional tier of government; responsibilities are vested in municipalities, which cooperate in joint structures at the regional level (Hedegaard and Lindström, 1998: 14). These regional-level institutions were not created until 1995, at which point Finland's membership of the EU forced it to construct institutions at the regional level to administer and implement EU (Kull, 2009: 25). As a result, twenty 'Regional Councils' (RCs) were established in 1994, with responsibility for regional development and the implementation of EU policy.

However, the Finnish RCs are relatively weak; instead of being directly elected, they are comprised of municipal councillors. There has been one exceptional ‘pilot project’ in regional self-government in Kainuu, which was granted a democratically elected Regional Council in 2005 in order to combat slow economic growth (CCRE, 2004). However, despite some demands – in particular by Lapland (Suksi, 2011: 144) – for devolution to the mainland Finnish regions, the Finnish state has been resistant to this.

While regional devolution is virtually absent on the Finnish mainland, it is alive and kicking in the 6,500 islands lying in the centre of the Baltic Sea: the Åland Islands. For over six centuries, Åland belonged to the Sweden Empire (along with Finland) until they were both conquered by the Russian Empire in 1809. When Finland declared independence in 1917, the question emerged as to whether Åland should fall to Finland or its Swedish motherland. The preference of the Swedish-speaking inhabitants of Åland was secession from Finland and incorporation into Sweden; however the Finnish state refused to give Åland up (Ackren and Lindström, 2012). What followed was a conflict known as the ‘Åland Question’, which set the Swedish-oriented Åland irredentist movement against the Finnish authorities. The new League of Nations was called in to decide which country the islands rightfully ‘belonged’ to, eventually deciding that Åland should remain part of Finland but on a demilitarized and neutral basis, and with a degree of autonomy that protected Åland’s Swedish language and culture (Karlsson, 2009: 144). The League of Nations confirmed the autonomy of the Åland Island in 1921 (largely based on the Act on the Self-Government of the Åland Islands that Finland had preemptively passed in 1920), and the final resolution was guaranteed by international law.

As a result of the Act on Self-Government (or ‘Autonomy Act’) of 1920, which was revised and extended in 1951 and 1991, Åland was granted a government,

legislative assembly, and a Governor who is appointed by the Finnish Government. Its competences have been gradually expanded over the years to include most areas of social policy, agriculture, the environment, policing, economic development and limited fiscal powers. Åland enjoys direct representation in the Nordic Council as well as a seat on the European Committee of the Regions, and it is entitled to send one representative to the Finnish Parliament in Helsinki. However, that is where Åland's integration into Finland ends. Åland was never a part of the modern Finnish state: geographically closer to Stockholm, Åland has maintained its Swedish heritage and Finland has never sought to 'integrate' Åland into its socio-cultural or political structures. Åland enjoys a distinct identity, largely owing to the fact that the island is 95% Swedish-speaking. It has developed a separate party system with no formal links to Finnish parties. Finally, Åland has been granted its own form of regional citizenship, whereby one must live there for 5 years in order to own real estate, gain the right to vote or stand as a parliamentary candidate (Hannum 1990: 373).

Having provided a brief overview of Åland's special form of autonomy within the decentralised unitary state of Finland, we are now in a position to test the hypotheses set out at the beginning of this article.

### **Intergovernmental relations: Formalized bilateralism**

Åland's special form of federalized relationship with Finland has particular implications for how intergovernmental relations are conducted. This section examines the first hypothesis presented: that Åland's constitutional status results in formalised, bilateral interactions with Finland, rather than the multilateral form of negotiations typically seen in 'traditional' federations with multiple sub-units. To test



this hypothesis, we will consider the main IGR mechanisms of Ålandic representation in Finnish institutions and Finnish representation in Åland.

Åland's main representation in Finland takes the form of a single electoral constituency for elections to the Finnish Parliament. Åland's MP is required to represent the interests of the Ålandic people in all Finnish affairs; however, they also informally act as an 'ambassador for Åland in all fields' (Interview with Roger Nordlund, former Premier of Åland, 15 June 2010). The responsibility of representing Åland in all Finnish affairs is a challenging one for a single MP in a parliament of 200 members. To partially compensate, Åland's MP has historically been given a position on the powerful Constitution Committee.

According to all of the politicians interviewed for this research, this single seat in the Parliament is inadequate to have a real influence over Finnish affairs.

Åland-specific concerns are rarely considered in the workings of the Finnish Parliament, and there is a lack of knowledge within Finnish political circles as to the nature of the Åland federacy arrangement. According to one scholar, "in many ways the question of Åland and the situation on Åland is not a regular part of politics in Finland" (Interview with Sia Spiliopoulou Åkermark, 16 June 2010). Åland issues are not a part of Finnish mainstream politics; like the constitutional settlement, Åland concerns have been effectively separated from Finland. Despite this, there are no demands for increased representation of Åland in Helsinki. Åland's parties prefer to further increase Åland's self-rule rather than seeking a stronger voice at the centre.

In addition to its token MP in Helsinki, Åland may submit initiatives on reserved matters to the Finnish Government, which must then present them to the Finnish Parliament for consideration (Daftary, 2000: 17-18). This is slightly more

effective channel of influence in the Parliament than a single Ålandic vote on Finnish affairs, as it involves securing the voice of the Finnish Government.

Finally, the most powerful means by which Åland can make its interests known at the Finnish level is through a special opt-out/veto that Åland enjoys in relation to international affairs. According to the Autonomy Act (1991, section 58), the Åland government may propose negotiations on a treaty with a foreign state to the Finnish Government. Furthermore, the Åland government should be informed of any international treaties negotiated by Finland that have an impact on Ålandic matters, and it should have an opportunity to participate in such negotiations (Åkermark, 2009). Finally, if Finland signs an international treaty that contains any provisions that directly affect Åland's sphere of competence, Finland must obtain the consent of the Åland regional parliament before that treaty can come into being.

These rights of negotiation on international treaties give Åland – with its tiny population of 27,000 and limited representation at the 'centre' of Finnish politics – an important degree of influence on Finnish foreign affairs. This was the case when Finland joined the European Union in 1995, for which Finland had to obtain Åland's consent and make special provisions concerning Åland's special status. For instance, the Premier of the Åland Government is entitled to be heard by the Cabinet Committee on European Union Affairs in the Finnish Parliament on matters that fall within Åland's competence or whenever matters are otherwise of particular importance to Åland (Ministry of Foreign Affairs in Finland, 2012). However, despite additional protocols to enable Åland input into Finland's negotiating line on the EU, there are also significant hurdles to effective representation on European matters, which are discussed in the next section.

Turning now to Finnish representation in Åland, the primary channel of representation is the role of the (provincial) Governor. The Governor of Åland is appointed by the President of Finland following agreement with the Speaker of the Åland *Lagting*. The Governor is tasked with representing the Finnish Government and the President of the Republic, and is responsible for coordinating the activities of the Finnish State on the Åland Islands. This includes heading the State Department of Åland, which coordinates shared Åland—Finland strategies for monitoring language interests, education within the State administration, and public services. The Governor of Åland also occasionally acts as bilateral mediator between Åland and Finland, for instance by engaging in disputes about ‘overlapping’ policy areas (Åkermark, 2009). For legislative issues, the Governor uses the Åland Delegation to mediate disputes.

The *Åland Delegation* is a joint organ of Åland and Finland. It was created in the first Autonomy Act in 1920 and its initial task was to calculate the sum of money to be transferred from Finland to Åland; today its responsibilities are much greater and it has developed an important dispute resolution function. (Åkermark, 2009). According to the Autonomy Act, all legislation passed by the Parliament of Åland must be approved by the President of Finland within a period of four months. The President may use veto powers if a law exceeds Åland’s legislative competence, or if it affects the security of the country. Therefore, Åland is ‘subject to clear though limited supervision by the centre’ (Datfary, 2000: 17), though this right remains very much a formality that is unused. In order to avoid a veto, before any draft legislation is presented to the President, it must be sent to the Åland Delegation, which reports on whether the *Lagting* has exceeded its authority when adopting legislation. This report is sent to the Supreme Court, which in turn sends its view to the President of Finland.

This Delegation has been so far effective in preventing any major disputes from breaking out between Åland and Finland.

From this brief summary of Åland-Finland relations, we can surmise that IGR are handled on a formalized bilateral basis between Åland and Finland, which accords to the special nature of the Åland federacy arrangement. However, ‘the very idea of a partnership...which prevails in today’s debate in multi-level governance...is not much discussed in either Helsinki or Mariehamn’ (Karlsson, 2009: 145). This is primarily because there are few coordinating mechanisms--let alone opportunities for partnership--between Helsinki and Mariehamn. This is reflected in the paucity of informal relations, such as meetings between the heads of the governments. For instance, the Finnish PM and President both visit Åland no more than once a year, though there are more frequent meetings between high-level politicians (Interview with Olof Erland, former Deputy Premier of Åland, 15 June 2010). Åland-Finnish relations are therefore very much based on formalized bilateral procedures with little warmth between the two sides that might in other situations lead to a plethora of ‘informal’ relations, such as linkages between civil servants, ministers and parties.

The bilateral nature of IGR also reflects the asymmetrical form of autonomy granted to Åland. Because there are no equivalent federacy/autonomy arrangements for other regional units in Finland, there are no options available for Åland to influence Finnish policy-making in a multilateral way through state-regional machinery for IGR and joint decision-making institutions; indeed, Åland is to a great degree isolated within the Finnish political system. The limited nature of ‘shared-rule’ structures – which comprise the single seat in the Finnish parliament and the existence of the Åland Governor and Delegation – has created challenges for the effective representation of Åland interests in the central bodies of the Finnish state. This lies in

contrast to traditional federations such as Germany and Australia, in which substate units enjoy a strong influence over central decision-making through a powerful second chamber (Swenden, 2004). Instead, the Åland autonomy institutions rely on their special constitutional rights to influence Finnish policy-making, such as the right to participate in negotiations of international treaties and to submit initiatives to the Finnish Parliament. However, even these generous rights are not without their problems, as we shall see below.

### **Competence allocation and a growing ‘autonomy leakage’**

As Åland is the only substate unit to be granted significant autonomy through a federalized relationship in Finland, competence allocation is conducted on an entirely bilateral and asymmetrical basis (i.e., Åland does not have to worry about vying with other regional units to get more competences from Finland). The Autonomy Act furthermore guarantees that Åland’s competences cannot be revoked without two-thirds majorities from both Parliaments; so Åland’s autonomy is protected through the absence of constitutional hierarchy. This would lead up to expect that Åland’s most important concern is to ensure that there is continuity in maintaining the constitutionally protected status of Åland. Let us now test this hypothesis.

The Act on Self-Government for the Åland Islands (or ‘Autonomy Act’) has been revised twice in order to meet Åland’s changing needs, by extending the exclusive competences allocated to Åland. This was the result of lengthy negotiations between the Åland and Finland governments, which then required a two-thirds qualified majority in both parliaments supporting the constitutional amendments.

The original 1920 Act gave the Åland Islands extensive political and cultural autonomy. Åland was granted a provincial government an elected legislative

assembly (*Lagting*) with powers in the fields of education, health, culture, industry and policing. However, the legislative powers granted to the *Lagting* were allocated in such a way that they were *residual* to the enumeration of the Finnish Parliament's powers, which included foreign affairs, international treaties and customs and taxation. As Suksi (2011: 140) notes, 'during the first decades of the autonomy arrangement, [there was a] realization that with increasing treaty-making activity, the legislative powers of the national law-maker were increasing at the expense of the Åland Islands's legislative powers'. Åland's competences needed further protection.

The imbalance between the powers of Åland and Finland was partially redressed in a second Autonomy Act of 1951. Unlike the 1920 version, the 1951 Act listed the *exclusive* competencies of both the Åland and the Finnish parliaments, so the former was not residual to the latter. Furthermore, the 1951 Act extended Åland's competences in new areas, including social welfare, housing, municipalities, public order, the postal service, radio and television, farming, forestry, agriculture, fishing, the environment and mining rights (Palmgren 1997). Åland was furthermore granted a right of domicile (*hembygdsrätt*) to protect the local culture and Swedish language. This is a form of regional citizenship which is automatically granted to people born on the Åland Islands, and which foreigners (including Finns) may apply for after living in Åland for at least 5 years (Hannum, 1990: 373; Daftary, 2000: 15). However, the 1951 Act also became quickly outdated, and Ålanders began preparations for a new Act in the early 1970s, which took twenty years to complete.

The 1991 Autonomy Act regulated Åland's economic relations with the state and granted it a limited degree of economic autonomy. While the Finnish government collected taxes, customs and duty charges in Åland, Åland received an annual lump sum of money which constitutes 0.45% of the state budget, over which it had

discretion in spending. The 1991 Act also consolidates the right of domicile by making fluency in Swedish a requirement for Ålandic citizenship. However, despite these improvements, this Act also became quickly outdated. And the primary reason for this was Åland's continuing weakness in controlling Finland's growing competences in the area of international affairs, in particular, Europe.

The 1991 Act had barely entered force when Finland and Åland joined the EU (Suksi, 2011). When Finland became a candidate country to the EU in 1992, the constitution required Finland to gain Åland's consent; therefore, Åland held a separate referendum on whether or not to join. Despite initial public scepticism, a clear majority of Ålanders voted for accession in 1994 but they also demanded that Finland negotiate to keep Åland's status as a duty-free zone and special citizenship and rules. As a result, Åland had its own annex to Finland's Treaty of Accession to the EU in 1995, which were established as the 'Åland Protocol' (Baldacchino and Pleijel, 2010). The 1991 Autonomy Act was also subsequently amended, in 2004 and 2009, to include a new chapter on the participation of Åland in EU matters (Daftary, 2000).

However, while Åland gave up a great deal of its legislative power to the EU, in practice it gained little in return. Åland was guaranteed no representation in European bodies, such as the European Parliament, and only had one seat on the Committee of the Regions, one representative in the Finnish Permanent Mission to the EU in Brussels, and rights to participate in the Finnish delegation to the EU (Ministry of Foreign Affairs, 2008). Soon after Finnish accession to the EU, debates took place in Åland about how to increase their European influence, as it became increasingly clear that while Åland's competences were directly affected by EU law it had little power to defend its competences as it was represented by Finland.

This has been described as a problem of ‘autonomy leakage’, whereby there was a leakage of law-making competences to Europe in areas such as agriculture, fisheries and the environment (Suksi, 2011: 141). Moreover, Åland’s MP in Helsinki, Elisabeth Naclaur, argued that Åland was also “leaking competency to Helsinki” (Dowling, 2008). This is because Åland was leaking competences to the authorities in Finland in areas of EU concern as the EU only communicates with member-states. In response, Finland sought to compensate for Åland’s autonomy leakage by increasing Åland’s influence in the national preparation of EU policy (amending the Autonomy Act to reflect this right in 2004). Relatively speaking this method of incorporating Åland into the Finnish decision-making procedure was very generous. “It is very hard to criticize it also because they have a legal framework that is very good. If it would work I think it would be excellent. But it doesn’t work you know” (Interview with Andreas Dahlen, Head of European and External Affairs Unit, Åland Government, 16 June 2010). Specifically, Åland’s inclusion in Finnish EU preparation doesn’t work because of the language barrier. Ålanders are legally obligated to communicate with the Finnish authorities in their own language: Swedish (section 38 of the Autonomy Act). However, this is a near-insurmountable barrier to communication as fewer Finns speak Swedish. Even though Åland is able to attend meetings of the Finnish Parliament, in practice “the Ålander goes to Finland but they cannot speak Finnish to the Finns because they have to be spoken to in Swedish. However, very few people actually understand what they’re saying or understand Swedish. So it’s like a Kafka situation, that even though there are these opportunities of representation, in practice they can’t say anything” (Interview with Dahlen, 16 June 2010). These linguistic tensions have meant that Åland is unable to exert the level of influence on Finnish EU policy-making that it is legally entitled to.



Based on this analysis of Åland-Finland competence allocation, we can see that two very different situations have emerged with regards to (1) Finnish interference with Åland's competence and (2) European encroachment on its competences. With regards the former, Åland enjoys considerable constitutional protection and continuity in competence allocation through its federalized relationship with Finland. Åland's constitutional status ensures that its existing competences are exclusive to Åland and are protected from encroachment from Finnish authorities. This ensures a degree of constitutional lock-in, by which the Autonomy Act guarantees Åland a veto against competence reallocation and Åland's self-rule cannot be suspended or revoked by the Finnish authorities.

Furthermore, the Autonomy Act has a degree of built-in flexibility. Firstly, Åland can (relatively easily), revise and extend its competences through the re-writing of the Autonomy Act. This has ensured the constant 'evolution' of the autonomy provisions to adapt to changing circumstances (Suksi, 2011). Secondly, there is a degree of flexibility built into competence (re)allocation, as some powers may be transferred from the State to the Åland Government or vice-versa (Lapidoth, 1997). For instance, Åland and Finland may (together) agree to transfer a competence that normally lies with the state – such as trade and shipping registers, or banking and credit transfers – to the Åland authorities, or vice versa (Lapidoth 1997: 73; Daftary, 2000: 16). This is similar to the Legislative Consent ('Sewel') Motion in the UK, whereby the Scottish parliament agrees for a devolved issue to be addressed by the UK Parliament. In Åland, this has occurred recently when the Åland *Lagting* decided that the Finnish Parliament should have the responsibility of monitoring environmental issues. Therefore, the allocation of competences between Åland and Finland is not only protected by the constitution, is also 'alive' in the sense that it can

easily be altered to accommodate changing circumstances. This confirms the hypothesis that Åland has an entrenched autonomy that is not under threat of being constitutionally revoked.

However, this hypothesis fails when tested against Europe. Here, we have identified a problem of autonomy or competence ‘leakage’, due to the deepening of European integration. As the current Autonomy Act (1991) predates Finland’s membership of the EU and the greatest degree of integration following the Maastricht Treaty, Åland is not constitutionally protected from EU encroachment on Åland competences, and it has no direct channel of communication with European institutions. While on paper Åland has extensive participation in formulating the Finnish EU policy line, in reality this is severely hampered by linguistic divisions. To address the lack of direct representation with Europe, Åland’s political parties have unanimously demanded that Åland be granted its own Member of the European Parliament, and some parties have even boycotted European elections in their attempts to achieve this goal (*Helsingen Sanomat*, 10 June 2004). This has caused considerable tensions with Finland.

### **Party Political Disconnections and Incongruence**

Political parties in states are often the forces of national integration (Detterbeck and Hepburn, 2010). They are responsible for aggregating and representing the interests of statewide electorates. Therefore, in the case that more than one party system exists within a state that is completely cut off from the other, this is a recipe for fragmentation. This is the situation in Åland, whose party system developed entirely separately from the Finnish party system. This section explores the third hypothesis put forward at the start of this article – that party incongruence in the Åland and

Finnish governments has little effect on intergovernmental relations, thereby enabling Ålandic parties to take adversarial positions without fear of having the Ålandic self-rule revoked, and that the separate party systems means that parties cannot be used as an informal (back)channel of IGR.

The Finnish political system, which emerged in the 1920s, can be described as a fragmented, multi-party system in which no party has ever been able to win a majority of seats in Parliament. As a result, governments tend to be broad coalitions of parties from the left and right (Arter, 2006). Finnish politics has generally been dominated by three main parties – the Centre Party (a centrist and agrarian party), the Social Democratic Party, and the National Coalition Party (a liberal-conservative party) – which tend to lead coalition governments. Two other parties are also notable. The liberal-oriented Swedish People’s Party represents the interests of the Swedish-speaking minority in Finland, and has played a near-permanent role as a coalition partner in Finnish governments since 1979. Furthermore, the right-wing populist ‘True Finns’ party achieved an electoral breakthrough in the 2011 elections, obtaining almost 20% of the vote and becoming Finland’s third biggest party after the National Coalition and SDP (BBC, 18 April 2011).

The modern Åland party system, in contrast, only emerged in the 1960s and 1970s with the electoral rise of a broad-based Social Democratic Party (Ålands Socialdemokrater). In response, a number of new parties were established on the right of the political spectrum to compete with the SDP; in particular the Liberals and the Centre Party. The 1979 election was the first evidence of a modern party system based on ideological grounds; prior to this Åland politics had been dominated by loose electoral alliances and electoral participation was low due to a continuing desire to be reunited with Sweden (Ackren and Lindström, 2012).

Åland's parties are independent of Finnish parties, holding different names, ideologies and support bases. Since the 1970s, Åland politics has been dominated by two centrist parties: the Liberals in Åland (Liberalerna på Åland) and the centrist and agrarian-oriented Åland Centre (Åländsk Center), which have tended to lead coalition governments. The third largest party, the Åland Social Democrats, have traditionally formed the main Opposition, though they too have at times entered coalition government with their centrist rivals (see Table 3). In addition, two other parties were formed during the 1970s and 1980s: the Moderates of Åland (Frisinnad Samverkan) – a liberal-conservative political party; and the conservative Non-Aligned Coalition (Obunden Samling). Finally, a centre-right nationalist party, Åland's Future (Ålands Framtid) was formed in 2001. Support for Ålands Framtid is growing steadily: the party received 9.7% of the vote in the 2011 elections in Åland, gaining 3 seats in the 30-strong Åland parliament (see Table 1).

[INSERT TABLE 1 HERE]

Even though some of the main ideological 'party families' are represented in Åland (primarily the Centre and Social Democratic parties), Finnish parties do not compete on the island and they only have very loose relations, if any at all, with their Ålandic counterparts. Out of all the parties, the Åland Social Democrats have the closest ties to the Social Democrat Party of Finland; however, it is an entirely separate party and not a 'department' of the Finnish Social Democrats. The reason for this, is that "the Ålanders were always suspicious that we were being ruled from outside. So all the parties here are independent" (Interview with Barbro Sundback). The relationship between the Åland and Finnish Social Democrats can therefore be likened to the cordial relations between the German SPD and the French *Parti socialiste* as party

representatives of two different countries, rather than, say the working relationship between the Walloon and Flemish Christian Democrats in the federal state of Belgium.

The Åland Centre Party also has some relations with the Finnish Centre Party, whereby the Åland party may ask for support from their Finnish counterparts in trying to pass legislation. However, there is no formal cooperation between the parties. As Roger Nordlund MP says, “we have some contacts.... but when we visit their congress we are greeted as foreign guests” (Interview, 15 June 2010). Indeed, the Åland Centre Party has traditionally eschewed sitting with the Finnish Centre Party in the Parliament; instead, it traditionally caucuses with the Swedish People’s Party. Nordlund argues that the SPP “are a part of the government and that is very important because that’s the way to get a direct channel to power”. Indeed, the Åland MP has always sat with the SPP Finnish parliamentary grouping, regardless of his/her party affiliation. This is because Åland parties have no direct counterparts in Finland, and the SPP comes the closest to Åland’s interests in protecting the Swedish language.

Åland’s other big party – the Liberals – have no natural ‘ideological’ sister-party. However, the Liberals in Åland have also developed informal relations with the Swedish People’s Party (SPP). Clearly, these are two very different parties with different support bases. While there are no formal connections between the two parties, the Liberals – like the Centre party – have tended to use the SPP to get their interests heard in the Finnish Parliament. As Folke Sjölund MP says, “usually in issues that we have to take up in the Finnish Government or in the Finnish Parliament, we usually use as a channel, the Swedish People’s Party... the good thing is that the Swedish People’s Party usually sits in the Government and that is the most important way to influence, of course” (Interview, 15 June 2010). All of Åland’s MPs have to

date sat with the Swedish People's Party grouping in the Finnish Parliament. Two other centre-right parties have also pledged support to SPP nominees in Finnish parliamentary elections: the Moderates and the Non-aligned coalition. In contrast, the Åland Social Democrats have pledged to sit with the Finnish Social Democrats if they won a Finnish parliament election.

[INSERT TABLE 2 HERE]

The fact that the Åland and Finnish parties are completely separate means that there is formal permanent incongruence between the Åland and Finnish governments: Åland governments have always been led by different parties to Finnish governments. However, there are two caveats to this incongruence.

Firstly, Åland MPs – regardless of their own Åland party affiliation – have always sat with the SPP in the Finnish Parliament. As the SPP has nearly always been a member of Finnish coalition governments, this means that Åland MPs have always been a part of Finnish governments. As such, there is a degree of 'informal' congruence between Åland and Finland based on the Åland MP sitting with the SPP as a coalition government member. It should be noted, however, that despite being a *member* of coalition governments, the SPP has never been large enough to set broad government policy, while the voice of a single Åland MP in a large government coalition tends to be inadequate. Therefore, this SPP link has limited effectiveness in augmenting cooperation between the Åland and Finnish governments.

The second caveat is that on occasion, the parties in power in Åland have been of the same ideological persuasion as the parties in government in Finland. This was the case in 2003-2007 when Centre parties 'led' both the Ålandic and Finnish coalition governments (see Table 3). However, based on the interviews conducted by

the author, there is no indication that a shared party ideology between Åland and Finnish parties has been led to greater cooperation. Indeed, in the case of the Centre party ideological congruence, the Åland Centre chose to sit with another party – the SPP – in the Finnish parliament rather than its ideological counterpart. This indicates that the territorial and cultural interests of Åland’s political parties take precedence over their ideological positions. As such, partial ideological incongruence also has limited explanatory power in explaining Åland-Finland relations.

[INSERT TABLE 3 HERE]

Despite this, there is evidence of a great deal of replication of many Finnish social policies in Åland, especially with regard to healthcare. This indicates that there is a degree of consensus between Åland and Finnish parties over welfare state policy. As Erland maintains “I think we have a lot of things coming from Finland... we have been in a way very wise to copy instead of trying to experiment” (Interview, 15 June 2010). However, Åland and Finnish parties have very different views on protecting Åland’s economic, cultural and territorial autonomy. Here it is important to note that all of Åland’s parties – to varying degrees – support increased autonomy for the islands, in particular fiscal and cultural autonomy. These concerns are, understandably, not at the forefront of Finnish parties’ policy programmes (with the exception, to some extent, of the Swedish People’s Party), and in some cases are opposed by Finnish parties. The divergence in views on how to best protect Åland’s autonomy has brought the two governments to a head on several occasions.

There have been several headline-grabbing issues in the last few years that have soured relations between Åland and Finland. One issue is gambling and the lottery, which is a thriving part of Åland’s economy. Until the arrival of internet

gaming, Åland's lottery association had a monopoly over Åland, while the Finnish lottery association had a monopoly over mainland Finland. However, when the Åland lottery started to attract players from Finland (and Sweden) this produced tensions with the Finnish lottery. In 2009, the Centre Party-led Finnish government announced a major reform of the Finnish Lotteries Act to resolve this issue, which was vehemently opposed by the Åland government, led by the Liberals. The legality of internet gambling accessible outside the territory of Åland is still an unresolved controversy (Åkermark, 2009). However, it is clear that Åland perceives the Finnish government's actions as interfering with, and negatively impacting, Åland's economy. Another area of tension is taxation. As the Åland economy is performing better than the Finnish economy as a whole (with a higher GDP than the Finnish average), many Åland politicians have begun to demand an end to the unfavourable lump sum that Åland receives from Helsinki, and full fiscal autonomy. Olof Salmen, former Deputy Premier of Åland during 1999-2001 (Non-aligned Coalition), recalls his conversations with his Finnish counterparts on this issue, who were part of a Social Democrat-led coalition government: "[We asked] why can't we do this? We'll take care of all the taxes and pay you for the services you give us?' And first they [the Finns] said nothing but then after a while they said, "We cannot allow you to have this. You'll be a tax paradise" (Interview, 18 June 2010). Despite this failed attempt, many Åland parties – in particular the Moderates, Centre, Future and Non-aligned parties – are still pushing for greater fiscal autonomy from Finland.

Tensions have also emerged on EU issues. By far the most controversial issue was the EU's attempts to abolish local legislation on the consumption of 'snus' (mouth tobacco), which was banned by the EU in every member-state except Sweden. Snus is highly popular in Åland, and is seen as part of its (Swedish) cultural heritage



as well as an important economic product (Karlsson, 2009: 145). Åland wanted to continue selling snus as a tax-free product on its ferries; however this was overruled by the European Commission. When Finland was called to the European Court of Justice to explain its position in 2006, instead of defending Åland, Finland agreed that Åland had breached the ban, and said it should change its laws. Åland's MP in the Finnish Parliament, Elizabeth Nauclér, expressed her anger with Finland for not doing enough to fight for the islands' interests in Europe (Dowling, 2008). Furthermore, the Åland government threatened to reject the Lisbon treaty if the EU did not allow them to continue selling the product on board their ferries. While Finland ignored Åland and formally ratified the Lisbon Treaty in 2008, the Treaty was intentionally held up in committee stage in the Åland *Lagting* for fifteen months before final approval. Importantly, this disagreement occurred at a time when the Centre party was the leading coalition governments in *both* Åland and Finland (see Table 3).

This analysis demonstrates that party incongruence between the governments of Åland and Finland, even if parties are of broadly the same 'party families' or the Åland MP sits with the SPP government coalition partner, has not led to improved IGR. While Åland governments may be content to adopt similar social policies as Finland, when it comes to issues of Åland's autonomy – in particular, its cultural and economic interests – Åland parties have had no qualms adopting a highly combative strategy with the Finnish Government. Given the constitutional protection that Åland enjoys as a federacy, Åland parties know that their antagonistic approach with Helsinki cannot result in the suspension of self-rule, or other means of punishing Åland for not complying with Finnish government policy. This confirms the hypothesis laid out at the start of the article.

Furthermore, we have seen that complete incongruence between Åland and Finnish political parties means that parties cannot act as a ‘lubricant’ for IGR, in the sense of helping to seal negotiations through party back-channels, as happens in many other federalized and regionalized states. For instance, we saw that despite the Centre Party being in power in both Åland and Finland during the late 2000s, this did not prevent the worst rift in Åland-Finnish history occurring over the banning of an Ålandic cultural pastime: chewing snus. This leads us to surmise that, even if parties generally have good working relations, if an issue of Åland’s culture or autonomy is under threat, then Åland parties’ territorial interests take precedence over ideology.

### **Conclusion**

As an autonomous unit with constitutionally entrenched self-rule but comparatively weak shared-rule at the centre, Åland is very much cut off from politics in Finland. This is a common issue for federacies – the vast majority of which constitute island regions – whereby the multilevel architecture leans heavily towards autonomy and institutional self-rule. Although the centre and the federacy share sovereignty, the weak and indirect shared-rule arrangements diminish the subunit’s strength towards the centre – which was clearly evident in Åland in relation to European policies.

Åland’s weak voice in national decision-making has put significant strains on Åland-Finland relations, especially in matters of significance to Åland’s cultural identity. Åland relies on formal bilateral channels to influence Finnish decision-making, however, while constitutionally guaranteed, in practice these channels are often ineffective. This is, firstly, because some of these channels are little used: there are few and irregular meetings between heads of governments and senior ministers. Secondly, there are linguistic barriers to their effectiveness: Ålanders are

constitutionally obligated to communicate with the Finnish authorities in Swedish, which is impeded when their Finnish counterparts cannot speak their language. Thirdly, formal relations are hindered by their bilateral nature: there are no other regions to liaise and collaborate with, which might strengthen the positions of regions vis-à-vis the state in other federalized scenarios. The lack of joint decision-making structures means that Åland has minimal input into national law-making. In that sense, the practice of IGR between Åland and Finland resembles regionalized states. Despite being ‘equal partners’ on paper, it is not an equal partnership in practice.

Yet, what advantages Åland and distinguishes it from regionalized units are the constitutionally entrenched powers of Åland. The Autonomy Act cannot be amended by the Finnish Parliament without Åland’s consent, and the Finnish Parliament must gain Åland’s consent before it signs international treaties (Joenniemi, 2003: 90). In short, Finland is unable to revoke the Ålandic autonomy. However, there is one important caveat: the problem of ‘autonomy leakage’ caused by European integration. Here, competences are transferred to Brussels without any compensation for Åland in the form of EU representation. While Finland has sought to appease Åland by giving it greater input into Finnish EU policy-making, the central state can, and has, used its dominant position to override Åland’s interests in Europe, as was the case in the controversial snus incident. The unequal nature of interest representation on European integration indicates that a (constitutionally unforeseen) shadow of hierarchy has blighted Åland’s relations with Finland on this matter.

There are, however, other benefits to Åland’s federacy relationship with Finland. And that is the ability of Åland political parties to pursue their territorial demands in Finland without fear of reprisal. Åland’s parties have adopted a combative approach with the Finnish authorities where the cultural and economic interests of

Åland were at stake. This is a much stronger situation than substate units in regionalized states, which may be forced to cooperate with state authorities to avoid fear of repercussions – i.e. by suspending self-rule. It is also clear that the separate political parties operating in Åland mean that they cannot be used as an informal channel of intergovernmental relations, or as a ‘whip’ by which to ensure compliance with government demands. The independence of Åland political actors means that they are not beholden to national interests, which make for smooth sailing if there are no tensions between the two units. However, in the case that Åland’s government is required to contest Finnish decision-making, intergovernmental coordination will continue to be hamstrung by Kafka-like linguistic miscommunication unless the two ‘equal partners’ find a better way to speak to each other.

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**Table 1: Åland and Finnish Parties, Seats in Parliament and Ideology**

Åland			Finland		
Party	Seats 2011 in Parl. (30 total)	Ideology	Party	Seats 2011 in Parl. (200 total)	Ideology
Åland Centre	7 (23%)	Centrist and Agrarian	National Coalition Party	44 (22%)	Liberal Conservative
Liberals for Åland	6 (20%)	Liberal	Social Democratic Party of Finland	42 (21%)	Social Democratic
Åland Social Democrats	6 (20%)	Social Democratic	True Finns	39 (19%)	Populist nationalist
Moderates of Åland	4 (13%)	Liberal Conservative	Centre Party	35 (17%)	Centrist and Agrarian
Non-aligned Coalition	4 (13%)	Conservative	Left Alliance	12 (6%)	Left-wing
Future of Åland	3 (10%)	Nationalist separatist (Liberal Conservative)	Green League	10 (5%)	Green
			Swedish People's Party	9 + 1 Åland member (5%)	Swedish-speaking minority (Liberal)

**Table 2: Loose Ties between Åland and Finnish parties**

Åland	Finland
Åland SDP	Finnish SDP
Åland Centre	Finnish Centre/Swedish People's Party
Åland Liberals	Swedish People's Party

**Table 3: Åland and Finnish Coalition Governments 1999-2011**

Year	Åland*	Finland*
2011	Four-party rainbow coalition (Åland Social Democrats, Åland Centre, Non-aligned Coalition, Moderates)	Six-party rainbow coalition (National Coalition, Social Democratic Party, Green League,

		Swedish People's Party, Christian Democrats, Left Alliance)
2007	Two-party centre coalition ( <b>Liberals for Åland</b> , Åland Centre)	Four-party rainbow coalition ( <b>Centre Party</b> , National Coalition, Green League, Swedish People's Party)
2003	2005-2007 Three-party rainbow coalition ( <b>Åland Centre</b> , Moderates, Åland Social Democrats)  2003-2005 Four-party centre-right coalition ( <b>Åland Centre</b> , Moderates, Liberals, Non-aligned Coalition)	Three-party rainbow coalition ( <b>Centre Party</b> , Social Democratic Party, Swedish People's Party)
1999	2001-2003 Two-party centrist coalition ( <b>Åland Centre</b> , Liberals)  1999-2001 Three-party centre-right coalition ( <b>Åland Centre</b> , Moderates, Non-aligned Coalition)	Five-party rainbow coalition ( <b>Social Democrats</b> , National Coalition, Left Alliance, Green League, Swedish People's Party)
1995	Two-party centre-right coalition ( <b>Åland Centre</b> , Moderates of Åland)	Five-party rainbow coalition ( <b>Social Democrats</b> , National Coalition, Left Alliance, Green League, Swedish People's Party)

\* The party of the Premier of Åland and Prime Minister of Finland (representing the largest party in the coalition government) are highlighted in bold