

Towards transnational spatial policies in Finland

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Abstract: State spatial transformation is one of the key topics in contemporary human geography and social sciences more broadly. Its centrality as a research foci stems from the changing spatiality of the political economies of the world over the past decades. This paper discusses the changing spatiality of the Finnish state, and elaborates the recent transnationalization of spatial policies in particular.

Keywords: The state, spatial transformation, transnationalization, regional politics, Finland

Introduction

In mainstream social science, globalization is almost invariably articulated with reference to the future of the state, signaling either its hollowing out or retreat. Quite often scholars go on to claim that globalization denotes a process which challenges the capacity of the state to practice territorial sovereignty. Accordingly, the new relational spaces of globalization undermine the territorial nature of the state. One of the implications of such debate has been political speculation as well as empirical academic research on the ways in which globalization transforms the form and content of the so called national welfare state – a form of statehood which developed in the OECD-sphere after the World War II in particular. This transformation is often conceptualized as neoliberalization (e.g. Harvey 2007), privatization (e.g. Hibou 1999), internationalization (e.g. Glassman 1999), or transnationalization (e.g. Major 2013) of the state. Concepts such as competition state (Cerny 1990), workfare state (Peck 2001) or entrepreneurial state

(Mazzucato 2013) have been developed to disclose some of the common characteristics of such processes.

In recent years, political and economic geographers have suggested that rather than being a passive victim of the globalization, globalization has indeed proceeded through and with the state. In other words, the changing spaces of the state and the new forms of statehood should not be comprehended as if they were affected by the imagined hand of globalization; rather these spaces should be understood as its fundamental constituents. In political geography, the transnationalizing, neoliberalizing and internationalizing processes have thus been further conceptualized as disclosing the ongoing re-spatialization and re-territorialization of the state through novel forms of spatial and urban policies and practices of spatial planning (Moisio & Paasi 2013; Ahlqvist & Moisio 2014).

State spatial transformation can be analyzed through an interrogation on the formation of reformation of policies and related social practices through which the state is constantly re-territorialized

(Moisio & Kangas 2016). Accordingly, the contemporary fast-policy regimes (Peck 2011) and associated internationalizing policy practices need to be studied contextually and historically. In order to situate contemporary fast-policies in a temporal trajectory, one also needs to conceptualize the historical spatial formations of the state.

The ensuing two sections of the article discuss the development of the spatiality of the Finnish state, particularly from the 1960s onwards. The article utilizes the method of historical periodization as developed by Bob Jessop (see e.g. Jessop & Sum 2006) and others, which not only encourages the researcher to examine change in societal practices but also calls for careful analysis of how these context-specific practices form larger ensembles as “epochs”.

The spatial epochs of Finland

It is possible to delineate four spatial epochs in the history Finland: the areal state (c. 1920-1945), the decentralized welfare state (c. 1945–1990), the decentralized competition state (c. 1990-) and the metropolis state (Moisio 2012). The latter should be understood as an ongoing process, the beginning of which can be traced back to c. 2002.

The areal state was a spatially centralized entity characterized by the concentration of cultural institutions, higher education, as well as economic and political power in the southern part of the country, mainly in the capital city. The areal state was, hence, a

state with a stark core-periphery structure. This form of state was nonetheless also epitomized by early attempts to connect populations to the land (quite literally) through massive land reforms. Nascent statistical practices which sought to map resources and settlements also emerged in the 1920s, and the gradually developed school system and associated education policies highlighted the need to increase knowledge about the natural and social features of the new state. The state apparatus, however, was largely invisible in its regions, given that “welfare” was still largely based on family responsibility and other local arrangements, and because the overall infrastructural power of the state was not developed horizontally across state space. Locale was the fundamental site of political struggle, and the wider national political issues became understood through local political contestation.

The Second World War was a rupture that marked a sea-change in Finnish public policies. Connecting (agrarian citizen) people and land ceased to be a priority of the state’s strategies. It was replaced by an attempt to generate a new “growth oriented” and loyal state citizen who would be capable of participating in both industrial processes and consumption. In state strategies, this citizen was firmly connected to the re-worked idea of the “national” which would ultimately enclose the individual localities. Fostering the unity of the nation and rooting out political radicalism now became the core political virtue in the political alliance which formed between the Agrarian Party and the Social Democrats. This alliance was based on a political compromise: the Agrarian Party

accepted massive social redistribution systems as “national investments” whereas the Social Democrats subscribed to the principle of regional decentralization and, in so doing, similarly accepted the massive infrastructural investments across state space as a type of national investment.

The “welfare state” in the Finnish context must be seen as the result of this compromise which sought to overcome social classes and regional tensions and, in so doing, generated a new type of citizen. The welfare state construction in Finland was premised on an idea of a strong unitary state, and the institutional structure of the state became hierarchic with two significant locales of institutional power: the state and municipality as its local manifestation. The municipality not only became the core institution through which fundamental constituents of the welfare state – including social services and health care – were extended spatially and through social classes. The municipality also became the central site through which the state sought to regulate the actual local spaces of dwelling through the idea of mixing different segments of population spatially. The breadth of educational, administrative and other public infrastructures across state territory, which had previously been marked by a sharp core-periphery structure, were premised upon the idea of socio-spatial mixing that would bring different segments of population together in the name of national success, societal order and economic growth.

Indeed, most of the social innovations in the 1960s and 1970s were predicated on forms of socio-spatial mixing. The history of urban and regional policies of

social mixing in Finland are firmly tied to the construction of the national scale as the primary scale in political life; urban and regional policies of social mixing were thus subordinated to the “national” and have their roots in an era which was marked by relatively closed national economies, the dominance of the national over international, and the purportedly “ethnically” homogenous population. The entire creation of the Finnish welfare state has relied on a strong pursuit for national integration, both political and social. The local planning systems that sought to foster social integration were thus, indeed, national systems of regulation. The national level politics of social mixing thus had a profound influence on the local level.

The Finnish welfare state was characterized by significant breadth of educational, administrative and other public infrastructures such as roads and health centers across state space which had previously been marked by a sharp core-periphery structure. The new increasingly spatially homogenizing state spatial formation was based on social techniques such as transfer payments to municipalities. Furthermore, these new techniques of governance and control were tailored by new professionals and professions, such as “regional planners”, who employed rational theories of planning and introduced new scientific methods and frameworks (such as the central place theory).

In the early 1990s, the alliance between the Social Democrats and the Center Party (Agrarian Party previous to 1966) withered away as a result of ruptures which resulted from a deep economic recession: Finnish entry into the EU (1995) and

the collapse of the Soviet Union. The introduction of neoliberal rationalities of the time resulted in political practices which partly challenged previous practices of welfare state construction. The extensive planning system of the state was soon criticized as outdated and economically ineffective in the context of the “knowledge economy”. This critique had a significant spatial component. The spatially dispersed structures which together constituted an purportedly “closed Finland” during the Cold War were now perceived as preventing the development of an outward-looking, knowledge-based economy based on urbanism, concentration and the emergence of a new internationally oriented citizen. The decentralized competition state was thus constituted through city-regionalism from above as a geopolitical project of late capitalism. The 1990s thus marked the introduction of urban policies in Finland in the form of a decentralized “national urban network” which would be less predicated upon theories such as the central place theory and more reliant on new ideas related to various sorts of networks and networking.

The latest development of Finnish state space can be labeled as the metropolis state. This new form of statehood, which is predicated upon a particular type of globalization rhetoric and related social practices, is challenging but has not yet superseded the central features of the decentralized competition state. The term metropolis state thus refers to the ongoing process of selectively developing the state as a “global place”. This development, which is constantly articulated through the need to open up state space, is firstly

premised on bringing into existence new innovative, devoted and entrepreneurial state citizens who are capable of generating “national success” in an ostensibly fiercely competitive global market-place.

Secondly, the term metropolis state reflects recent political reforms which seek to re-organize the spatial structures of the state in such a way that they enable the location of the state at the epicenter of the conceived global networks but also make possible some sort of cost-effective welfare state which both facilitates creative population and minimizes the negative effects of its own regulatory practices. Indeed, the policies which are constitutive of the metropolis state in Finland and the contemporary global regimes of austerity politics are firmly interlinked. The metropolis state is thus predicated upon an articulation of the need to effectuate economically significant, internationally attractive and public cost-minimizing metropolitan city-regionalism within the confines of the state. This is illustrated by some of the recent state strategies in which certain city-regions are conceived as facilitating the internationalization of the capital and increasing the productivity of the “nation”.

The metropolis state and the transnational spatial policies

The metropolis state reflects the changing capacities of competing factions of capital to operate “through” the state, and in so doing discloses some of the fundamental knowledge which underpins the formation of new power relations

within the state. The key agency in the circulation of the particular policies of the “globally significant knowledge-based society” in Finland is the so-called National Innovation System which emerged in the 1990s. Even though one may argue that the National Innovation System has remained fragmented and lacks institutional capacities, the private and public actors which operate in the name of “knowledge economy” or “knowledge society” have been crucial in importing policy trends to Finland and in translating relational spatial policy ideas into concrete policy techniques. Indeed, the transnational discourses of the knowledge based economy have in the Finnish context been premised on an economic geographical ontology of the world which is then reified in social practices. The contemporary economic geographical knowledge about clusters, innovation systems, creative spaces, learning regions and agglomeration economies entails productive power. In Finland, this form of economic geography gradually creates a social reality that it suggests already exists.

One can identify at least four discursive elements of a kind of transnational spatial policy upon which the constitution of the metropolis state is predicated in Finland. The first discursive element of the transnational spatial policy touches on state success and failure and their relation with the mode of accumulation in the putatively fluid and fiercely competitive world. Accordingly, a nation which loses its ability to compete in a range of high-productivity/high-wage knowledge-based industries is in danger of losing its standard of living: “it’s the type of jobs, not just

the ability to employ citizens at low wages, that is decisive for economic prosperity” (Porter 2008: 177). This discursive aspect of the transnational spatial policy motivates governments to position the state within global value chains.

The second discursive element of transnational spatial policy pertains to city/state relations. It conceives places and regions as motors of state success. The transnational spatial policy is based on narratives of a few successful places but also on the more general view that regions and places, and not entire nation-states, are the motors of the contemporary world economy (see e.g. Scott 1996). Richard Florida (2008: 32), one of the most influential public intellectuals involved in discussing transnational spatial policies, argues that the emerging global politics will not be a matter of competing territorial states but rather of competing locations, mainly metropolises, centres of innovation, and mega-regions that host a network of urban regions (also Ohmae 1993).

The third discursive element of the transnational spatial policy touches upon the means of connecting economic success with space. This element concerns the issue of managing mobility and emphasizes that economic success is not only place-bound but also inherently associated with high-tech industry and the attractiveness of city-regions with regard to talent. Accordingly, cities and states alike have to restructure themselves to respond to the needs of the creative class and all sorts of investors. Thus the state is expected to assist individual regions and places by creating favourable market conditions so that firms will be able to exploit the competitive advantage

inherent in the national economy (Porter 2008). This is because if individual urban nodes are not capable of positioning themselves favourably with respect to global flows, not only will they be doomed to a future in the periphery but whole nation-states will find themselves in this predicament as well (see Florida 2008). This renders spatial policy a matter of managing mobility with regard to “flows”.

The fourth key discursive element of the transnational spatial policy concerns the perceiving of states, regions and places as enterprises. Michael Porter (1995) has contributed powerfully to the sedimentation of the idea that places and regions are equivalent to firms, and that the concept of competitive advantage is thus also applicable to them. He has suggested that “the enduring competitive advantages in a global economy are often heavily localised, arising from concentrations of highly specialised skills and knowledge, institutions, rivalry, related businesses, and sophisticated customers” (Porter 1998: 90). This renders the creation of competitive advantage the pivotal governmental task. Interestingly, the discursive power of transnational spatial policy has increased in tandem with the development of all sorts of indicators of regional competitiveness which seek to measure who is winning and who is losing in a world characterized by purportedly intensive competition between states, places and regions.

Coda

Transnational spatial policy motivates governments to concentrate public expenditure on the “most dynamic” urban agglomerations at the expense of basic equity issues that emphasize the territorial basis of national unity (cf. Scott & Storper 2003). In the Finnish context, the metropolis state is underpinned by an ideation of a “new urban order” and associated discourses about significant city-regionalism, a scalar politics which is based on the need to develop the state from the perspective of selectively connecting the state to all sorts of “global flows” and “centers of innovation” which are impregnated by talented people, footloose capital, ideas, and a particular “moral philosophy”. In this capacity, state strategies typical of the metropolis state disclose the policies which fundamentally challenge the decentralized spatial formations of the state based on the link between spatial and social universality and equalization. Quite obviously, the metropolis state would also point to intensifying uneven development and income disparities within state space, bringing again to the fore questions of spatial and social justice. Herein lies the challenge of critical scholarship.

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