Changing statehood:
The spatial transformation of the Finnish state

TURUN YLIOPISTON JULKAISUJA
ANNALES UNIVERSITATIS TURKUENSIS

SARJA - SER. AII OSA - TOM. 260

BIOLOGICA - GEOGRAPHICA - GEOLOGICA

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Turku 2011

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ISBN 978-951-29-4673-0 (PRINT)
ISBN 978-951-29-4674-7 (PDF)
ISSN 0082-6979
Painosalama Oy, Turku, Finland 2011

1. Introduction

1.1. Overview

In recent years, interdisciplinary research uniting sociological and geographical knowledge, political sciences and historical perspectives have emerged in order to study the changing statehood under contemporary capitalism (Brenner 2004a: 1; Moisio & Vasanen 2008: 20). In the background of this research theme is the understanding of the state not as a self-enclosed geographical container of socio-economic and politico-cultural relations (cf. Agnew 1994: 91–92; Brenner 1999a: 40) but rather as a manifestation of global politico-economic, ideological and power structures in a certain historical situation (Moisio 2008: 7). That is to say that the state as a political, economic, social and cultural construct is seen as subject to constant transformation over the course of time (cf. Moisio 2009a).

The transformation of statehood occurs as a response to internal and external politico-economic pressures towards the state. This suggests that statehood is adjusted to the ongoing politico-economic challenges. Currently, the emergence of neoliberal thinking and economic globalization has challenged the prevalent ways of thinking with regard to statehood. The ongoing politico-economic global transformation has constructed new forms of statehood, often characterised as competition states, workfare states, internationalized states, post-Keynesian states or post-Fordist states (see Cerny 1990, 1997; Peck 2001; Jessop 2002a; Brenner 2004a: 1). These new forms of statehood have challenged, replaced or partly superseded the previous forms of statehood often characterised as a Keynesian welfare national state or welfare state (cf. Peck 2001; Jessop 2002a; Brenner 2004a). However, the transformation of statehood is a highly contextual phenomenon, which becomes visible in the different temporal and contentual adoption of the emerged new forms of statehood. A particularly typical feature for the conceptualisations of reworked statehood is the understanding of scalar restructuration of state power between a national state, subnational units and supranational actors, in other words a scale sensitive approach to state theory which has been adapted in recent years.

Among the interdisciplinary studies of changing statehood, scholars have particularly examined the socio-political struggle of state power and its consequences on statehood and state spatiality (see e.g. Brenner 1998; 1999b; 2003b; 2004a). When examining state space as a central dimension of political activity, the central governmental problem at a given time becomes crucial in understanding the changing statehood. The general idea is that the state governance can itself be conceived as a problematising and problem-solving activity closely connected with the territorial practices of the state. In

this context, as the political problem of the state has been altered, the methods for answering the central governmental problem at a given time have also been modified or changed. This has simultaneously reworked the state spatiality. The interaction between state apparatus and state space provides an informative research focus to the study on changing statehood.

When studying the state space as a central dimension of political activity, those measures, like regional policy, which affect state spatial transformation and state territorial structure, becomes relevant. However, the study of regional politics in the Finnish context has often ignored the values in the background of regional political decision-making; this is to say that the basic task of regional policy and ways of rationalising regional policy has rarely been touched upon (Remahl 2008: 15). The research interest which has emerged regarding state transformation, in which the interest is on state space and state apparatus but also on rationalisations on central political problems, state's success and surviving against global competition, approaches the study of state spatiality in a new way (e.g. Moisio 2008, Moisio & Leppänen 2007). It provides a way to examine the changing statehood, regional policy and state spatiality by combining state theoretical, regional theoretical and socio-political perspectives in the study of regional development and regional politics, an approach that will enrich the production of information in the research field; it also give opportunities to raise the value of the subject matter in socio-political discussions (Remahl 2008: 15). The study of state transformation opens a new approach to the study of regional politics; the political changes and their influence on changing statehood are discussed not adhering the mere sectoral or formal understanding of regional policy but rather discussing all the policy measures contributing to state spatiality. In a similar vein, the basic research concerning regional political processes has not received as much attention; the majority of Finnish research on regional politics is applied, and it quite often strengthens the prevailing political practices (Remahl 2008: 15). In order to examine changing statehood in Finland, I have adopted a critical political-geographical approach; an interdisciplinary viewpoint combining the geographical knowledge and political sciences in studying both the historical development of changing statehood and in examining the future development of statehood – this is an approach which has not been applied very often in the Finnish research on regional policy and regional development.

Finland as a Nordic welfare state provides an interesting context for my study of changing statehood. Finland can be considered as representing a social democratic regime of welfare states (see Esping-Andersen 1990) in which social and regional equality have been adopted as core values and an objective in the spatial development. In Finland, the Keynesian-oriented objectives of social and regional equality have for a long time been manifested as the spatial form of statehood of a balanced spatially decentralised welfare state (Moisio & Vasanen 2008: 26). However, the Finnish state, previously seen as a geographically remote and culturally relatively isolated state, has thus been challenged by the recent politico-economic global development trends, usually labelled as globalization. When compared particularly to the Central European states, Finland was relatively slow in opening itself up to the world economy and adopting neoliberal principles (cf. Brenner 2004a). However, the doctrines of neoliberalism have been particularly influential in the Finnish context since the deep economic depression

of the 1990s. The sparsely populated and export-oriented state with no major natural resources such as oil or gas has been "forced" to reconsider its state politics and state strategies in the face of new politico-economic challenges. The reconsideration of state politics and state strategies in Finland became particularly apparent after the perceived regulatory failure of Keynesian welfare policies and its consequences: the declining profitability of traditional mass-production industries and the financing and legitimacy crisis which culminated in the economic recession of the 1990s. After the assumed regulatory failure of Keynesian welfare policies, the basic values of the Finnish Nordic welfare state, those of regional and social equality, have been exposed to re-evaluation.

As the political problem of the Finnish state has been altered from maintaining sovereignty and other security-political related issues towards surviving in global economic competition and constructing economic growth, the methods for answering the central governmental problem at a given time have also altered and reworked state spatiality. Competing state strategies and state spatial strategies have emerged aiming to enhance the competitiveness and "survival" of Finland in various global politico-economic scales, arenas or networks. The path-dependent character of the changing statehood and the transformation of state spatiality cause, however, inertia in the dynamics of changing statehood and the transformation of state spatiality in Finland. The Finnish peculiarity seems to be that the politics of "one nation" and particularly the principles of social and regional equality have hindered the most radical reforms to change the spatial structures of the state.

1.2. Research questions

This study deals with the interaction between the state apparatus and state space, particularly the changing statehood in Finland. My aim is to examine the politico-economic processes which potentially challenge the historically constructed spatial configurations of the Finnish state. In order to study the current political-economic processes of statehood, particularly the changing meanings given to state space, engaging with the interdisciplinary field of state theory provides an insightful perspective. I have particularly utilised Neil Brenner's (2004a: 89–94) conceptualisation of the state spatial form, state spatial projects and state spatial strategies which refer to the capacity of state institutions to influence and "mould" the geographies of accumulation. In this context, Neil Brenner's (2004a: 4) conceptualisation of statehood is promising. He has attempted to minimise references to "the" state as a singular noun because of its problematic nature: it refers to a state as a single national geographical scale subordinated to a national political centre. Instead, Brenner prefers the term statehood, because it does not

> "ontologically prejudge the configuration of state scalar organization, the level of state centralization, or the degree of institutional isomorphism among state agencies. While we shall see that political strategies to establish a centralized, nationalized hierarchy of state power have indeed played a key role throughout much of the twentieth century, they are today being widely superseded as

> a more polycentric, multiscalar, and non-isomorphic configuration of statehood is created" (Brenner 2004a: 4).

In addition to the conceptualisation of statehood and its change, one of the central concepts in my study is the spatial transformation of statehood by which I refer to the spatial consequences of the changing statehood, particularly the spatial restructuring of the state and the re-conceptualisation of the state space. The changing statehood becomes visible in state space for example as the territorial structure of the state, in locating and relocating state actitivies and in different valuations of state space at different times.

A slightly different perspective, as well as criticism of the theoretical framing of "new state spaces", is provided in the exploitations of the theoretical constructions on the emergent "city-regionalism", "new regionalism", "new city-regionalism" or "competitive city-regionalism" (e.g. Scott 1996; MacLeod 2001; Jones & MacLeod 2004; Ward & Jonas 2004; Harrison 2006; Harrison 2007; MacLeavy & Harrison 2010). As far as this study is concerned, the most valuable offering of the literature on city-regionalism is the examination of the reterritorialisation of the state and territorial constructions of new state spaces; how territorial forms are constructed and reconstructed politically through actually existing everyday acts and struggles, the changing role of state and state politics concerning distribution in various localities, spaces and scales across the city-regions (e.g. Jonas & Ward 2007: 170). Jonas and Ward (2007: 172) have noted that city-regions, as political and social constructions, are an integral part of the state rescaling process and state reterritorialisation but at the same time, however, they warn about looking at city-regions as an autonomous force of global economic and political change, as a distinct "actor-scale". They continue by claiming that city-regions are produced through material politics and struggles on diverse scales and have emphasised the presently understated role of class interests, political alliance formation, and actually existing struggles and strategies developed around e.g. investments, collective consumption and electoral arrangements when examining the role of city-regions in contemporary capitalism (see Jonas & Ward 2007: 172; Ward & Jonas 2004: 2119). The trend towards "competitive city-regionalism" is understood as representing an ongoing, dynamic but at the same time conflicting politics of and in space rather than a smooth switch to a new post-national era of capitalist territory (Ward & Jonas 2004: 2134). At the same time, John Harrison (2006: 21) has presented a critique of the new regionalism, claiming that, at least to some extent, it has neglected the role of the state in the resurgence of regions in the reconstituted capitalist space economy. He identifies the need for understanding the function of city-regions within the context of national social formations and the role of the nation-state in shaping subnational territorial spaces (Harrison 2007: 324). The new regionalism provides some insightful observations, particularly on the reterritorialisation of the state and the role of actually existing material political practises. However, combining the state theoretical and geographical views, particularly when examining changing statehood, still requires more wide-ranging considerations of the state when considering this study.

The empirical part of my study is concerned with two political spaces. Firstly, I focus on the temporal dimension of changing statehood and the transformation of the Finnish state spatiality. I undertake a profound investigation into policy-making

with historical and present perspectives in order to conceptualise the temporal aspects of changing statehood. My focus is on the changing relationship between space and power in the context of state, with particular attention to the interaction between state apparatus and state space and the spatial consequences of political choices intended to respond to the political problems at a given time. However, my primary focus is not on the consequences of changing statehood, but rather to examine the production of this transformation which consists mainly of political activity, political discourse and rhetoric in a particular historical and geographical context. I am, however, interested in the spatial aspects of changing statehood. Secondly, my purpose is to focus on regional political space and regional actors in order to examine the ways in which the elite of regional actors reason and understand the changing statehood, and its spatial aspects in the Finnish context in particular. Furthermore, I scrutinise the regional actors' methods to "locate" the region of Southwest Finland in the multi-level politico-economic operational environment. I am also interested in their ways of managing and developing their spaces of engagement (see Cox 1998), the politico-economic spaces where the regional actors operate in order to secure their local interests.

I set three research questions which are dealt separately in the following empirical sections:

- What are the key dimensions of the changing state strategies from the mid-1960s up to the present time? How these key dimensions are manifested in state spatiality?
- How are political struggles in state spatial strategies manifested in regional actors' ways of perceiving "the Helsinki metropolitan region" and the recent emergence of metropolis politics?
- What are the key strategies that regional actors in Southwest Finland have applied in order to respond to the present challenges in their operational environment?

I have divided the empirical part of the study into three chapters. In these empirical chapters, I have analysed each research question separately. In the first empirical chapter I examine political rhetoric, and particularly how the political state strategies from 1965 up to the present day are manifested. I have chosen the mid-1960s as the first year of investigation due to the beginning of "official" regional policy legislation in Finland taking place in 1966. In this chapter, I have referred state strategies as political strategies, "initiatives to mobilise state institutions in order to promote particular forms of socioeconomic intervention" (Brenner 2004a: 88). I aim at providing a context sensitive theorisation regarding the gradual transformation of Finnish Keynesian welfare state policies towards the more competition-oriented state strategies and state spatiality.

I scrutinise the changing state strategies of Finland from the mid-1960s up to the present time targeted to respond to the contemporary political problems. I have based the analysis in the first empirical chapter on the conceptualisation of the "central governmental problem" or the "state paradigm" of state administration being constituted in the discursive structures of regional politics. When considering the regional development in Finland, it has become common to distinguish the "large" and "small" regional policy from each other in regional policy measures and funding. The Ministry of the Interior (2004: 8) defines the "small" regional policy as referring to those measures

targeted directly on regional development, which mainly signifies the public funding aiming to improve living conditions and the business environment of a specific region. On the other hand, the "large" regional policy refers to the finance and development measures which are directed to different regions also without specified regional policy objectives. It covers all those measures of the state which are not directly targeted to a specific region but which nonetheless have strong regional influences, for example taking care of the basic services in regions or income transfers. Although the development of transport infrastructure and technology for example are advised by nationwide objectives, these policy branches are also central for regional development. Therefore in general, it should be noted that the "large" regional policy is central for regional development. (Ministry of the Interior 2004; Ministry of Employment and the Economy 2011.) Tea Remahl (2008: 46) has noted that nowadays it is common to display the regional political measures by emphasising its fragmented segments like rural policy, urban policy or innovation policy at the same time bypassing the term "regional policy" or using it only when concerning the spatial aspects of the policy segments. She argues that the transformation of the term "regional policy" has occurred due to the transformation of regional policy contents from supporting the less developed regions in state space towards enhancing the competitiveness of the whole state by exploiting the endogenous strengths of various regions (Remahl 2008: 46). In some cases, the term "regional policy" has even acquired negative nuances; it is seen as a rather controversial issue in politicking. When studying the changing statehood in general, it is not necessary to particularly distinguish the "large" or "small" regional policy measures but rather to examine the measures affecting the statehood in its entirety. Consequently, I treat state governance itself as a problem-solving "activity" closely connected to the territorial practices of the state.

At the core of the first empirical chapter are the changing characteristics of inward-looking (the national scale) and outward-looking (beyond the national scale) state strategies in Finland and the attempts of state apparatus to create either territorial cohesion or territorial differentiation in Finland. In the first empirical chapter, I have based the analysis which concerns years 1965–2011 on rich empirical material, mainly state budgets. In the first empirical chapter, I demonstrate that a paradigmatic shift in the ways of understanding the Finnish state's central governmental problem from "the regimes of national survival" to "the international competition regimes" evidently causes pressures for state spatiality. I have widened the discussion from state strategies to include the emerged spatial forms of statehood that the state strategies and state spatial strategies have produced over the course of time. My purpose is particularly to study the changing meanings given to state space as the governments have sought to respond to the central political problem of the state in specific historical contexts. I also discuss the presented future visions, structures and state spatial forms. The chapter draws a conclusion that a change from the regimes of national survival to international competition regimes increasingly influences the interaction between the Finnish state and its territory.

In the second empirical chapter I examine how regional actors perceive and understand the changing statehood. In the Finnish public policy debate, there is a consensus on the need to rework the Finnish society to better respond to the emerging

socio-political challenges. The reworking of society has led to a spatial restructuring of state and to a re-conceptualisation of the state space, i.e. the spatial manifestation of state power, as the government seeks to respond to various political challenges by enhancing the competitiveness and pursuing survival in various politico-economic spaces, scales or networks. Thus, in view of this ongoing transformation and the somewhat unclear trends away from spatial decentralisation and towards spatial centralisation of the statehood, I have found it crucial to explore how regional actors perceive and reason the recent regional development. I have approached the second research question by empirically studying how the political struggles of state spatial strategies emerge in regional actors' ways of perceiving measures to develop city-regionalism, in this particular case, the Helsinki metropolitan region and the recent emergence of metropolis politics in Finland. I argue that a consensus still exists on the legitimacy of the welfare state. Since the changing statehood is manifested as a series of political struggles over state spatial strategies in a discursive space, I have used the Q methodology which combines both qualitative and quantitative aspects in order to evaluate the strategies involved in the Finnish situation. Consequently, I have discussed the Q methodology in its entirety in the empirical chapter 5. My reason for using this is the strong methodological orientation of the research process in the Q methodology; my purpose is to construct a better understanding of the Q methodological procedure, from the gathering of data to the interpretation of results.

The present understanding of state scalar organisations, not merely as sites for political strategies but also as mechanisms or outcomes of those political strategies, emphasises the understanding of state scalar structures as being historically malleable, reworked through the political strategies that they enable (Brenner 2009: 126). Theories of state rescaling often imply that the power of the nation-state has flowed upwards to the supranational scale and international institutional structures, downwards to the regional scale and/or re-differentiated vertically (Jessop 2004: 53; Jessop 2008: 199). The integration of Europe, programme-based regional policy of the European Union together with new regionalism have all contributed to the "rise of regions" on a European territory. The national compensatory regional policies have partly been replaced with competition and growth policies and the role of regions has been emphasised in spatial dynamics. Regions have increasingly been participating in multi-level politico-economic relations in the era of deepening European integration and economic globalization. A growing demand exists among regional actors to operate within international politico-economic networks, arenas or scale in order to maximise the financial benefits to be gained from the European Union's programme-based regional politics and structural funding interventions in particular. In addition, pressures to represent the interests of regional actors in both a national and an interregional politico-economic arena have emerged as the regions have increased their importance as both political and economic actors in the state space. Regions are therefore becoming increasingly obliged to participate in multi-level politico-economic relations and to adopt strategies and policies of their own in order to benefit from national and international funding sources and thereby secure their local interests in their pursuit to "survive" in a situation of interregional competition.

The aforementioned phenomenon has formed a framework for the third empirical chapter in which I concentrate on regions that are increasingly participating in multi-level politico-economic relations in an era of deepening European integration and economic globalization. In doing so, they have adopted strategies for securing the local interest, their spaces of dependence (see Cox 1998) and survival in a situation of inter-regional competition. The rescaling of the Finnish state provides a specific geographical context for examining regional actors' key strategies in managing and constructing new spaces of engagement, "the space in which the politics of securing a space of dependence unfolds" (Cox 1998: 2). I examine the spatial transformation of state power by focusing on the evolving regional strategies and practises through which the case study region, Southwest Finland, is currently being relocated in the politico-economic world "above" and "beyond" the national political space by regional actors in the pursuit of securing their local interests. Regional actors seek to defend their interests, in other words their existing spaces of dependence and also construct new spaces of engagement in order to be able to survive in the constantly transforming politico-economic surroundings. My purpose is to examine the ways that regional actors pursue the defence of their interests in the multi-level politico-economic surroundings. I also examine the ways in which the regional actors in Southwest Finland seek to position their region's relative location within the spatial structure of Europe, in other words the application of their skills in the territorial positioning of a region (cf. Sykes & Shaw 2008: 60–61).

Before engaging with these empirical issues, I introduce conceptual schemas and construct an in-depth theoretical framework through which the research questions presented are clear to comprehend. The interdisciplinary field of state theory in particular provides a useful framework for scrutinising the current political-economic processes which not only alter the practices of regional actors within Finland but also potentially challenge the historically constructed spatial configurations of the state.

The purpose of the theoretical framework is threefold. Firstly, my purpose is to introduce the philosophical-methodological framework for this study. I pay particular attention to the development of critical science and critical political geography particularly concentrating on the development of inter- or post-disciplinary approaches to state theory. Secondly, my purpose is to scrutinise the usage of the concept of scale in spatially-oriented research. I thus argue that the transformation of statehood is closely connected with the conceptualisations of both scale and space. Therefore, I dissect the closely intertwined concepts of scale and space in the same context. I also discuss the current state rescaling research, concentrating particularly on the theoretical notions of scale and the changing conceptualisations of space. I present the changing conceptualisation of the concept of space from a pre-given, state-centric, unchanging territorial platform where social actions occur into more processual notions (cf. Brenner 1999a: 41). I also discuss the changing conceptualisation of scale which is based on a processual notion of geographical categories. The one-dimensional approach to the scale concept has been questioned (see e.g. Cox 1998; Mansfield 2005; Cerny 2006; Jessop, Brenner & Jones 2008; Brenner 2009; Jonas 2011) for quite some time now and new openings towards multi-dimensional approaches on socio-spatial relations have been introduced. My third objective in the theoretical chapter is to discuss the spatial construction of

state power under contemporary capitalism. I examine this by scrutinising the changing spatiality of modern capitalism from the Keynesian-oriented welfare state towards the competition-oriented regimes. I present three theorisations about competition state development in this context, firstly Cerny's (1990, 1997) theorisation of the competition state, secondly Jessop's (2002a) Schumpeterian Workfare Postnational Regime and thirdly Brenner's (2004a) Rescaled Competition State Regime.

2. Data and methods

2.1. The role of discourses in examining the changing statehood

In order to study the changing statehood, I am particularly interested in the production of this transformation. When considering the diverse practices through which spatial transformation of statehood is produced, it is important to notice that these practices gain their meaning and are justified through discourses (cf. Ó Tuathail & Agnew 1992: 191). Discourses signify the various ways of talking about phenomena, understanding them and rendering them meaningful (Aalto 2003a: 130). Ó Tuathail and Agnew (1992: 192–193) suggest that:

> "Discourses are best conceptualized as sets of capabilities people have, as sets of socio-cultural resources used by people in the construction of meaning about their world and their activities. It is NOT simply speech or written statements but the rules by which verbal speech and written statements are made meaningful. […] They are a set of capabilities, an ensemble of rules by which readers/listeners and speakers/audiences are able to take what they hear and read and construct it into an organized meaningful whole" (Ó Tuathail & Agnew 1992: 192–193).

Discourses have a virtual and dynamic character rather than being actual and static (Ó Tuathail & Agnew 1992: 193). This is to say that discourses are constantly transforming representations of structures and reality (cf. Häkli 1999: 126). In general, language constructs and reworks the social reality. However, the relationship between language and social reality is dual as the social reality at the same time constructs and reworks the language and affects the ways of using it: The meaning of language, word or a discourse is contextual, dynamic and created in social interaction (Pietikäinen & Mäntynen 2009: 14–28). Therefore, it can also be argued that discourses are modified by human practice and that the language may be considered a social activity.

Jensen and Richardson (2004: 56) define a discourse as "expressing a particular conceptualisation of reality and knowledge that attempts to gain hegemony". Jessop and Oosterlynck (2008: 1160) argue that discourses can even connect local hegemonies into a more encompassing hegemonic project. An example of a hegemonic project is for instance the constructing of the welfare state: a national project that gained a hegemonic position in discursive space and also became materialised. Therefore, discourses can be seen manifesting themselves in a specific power-rationality configuration (Jensen & Richardson 2004: 64). I am not interested, however, in the structure of language itself but rather I look to examine language as a social action.

Language and space are closely related to each other. In other words, discourses frame and represent spaces and places (Jensen & Richardson 2004: 64). As Henri Lefebvre (1991: 132) has aptly stated:

> "Every language is located in a space. Every discourse says something about a space (places or sets of places); and every discourse is emitted from a space. Distinctions must be drawn between discourse in space, discourse about space and the discourse of space".

In addition to certain material manifestations, e.g. infrastructural investments, changing statehood is about the transforming discourses and concepts (cf. Jessop 2002a: 6–7). Jessop and Oosterlynck (2008: 1160) argue that hegemonic discourses are institutionally embedded and in-built into individual routines; those become reworked and reproduced discursively and are able to reorganise the balance of state forces and also contribute in the structural transformation of the state. Discourses provide an interpretative framework for understanding structural changes in the state, the crises that accompany them and the responses that follow them. Nowadays these shifts usually occur in the discursive emphasis placed on flexibility and entrepreneurism, flexible employment, the implication of globalization for the dynamics of capital accumulation, the emphasis on knowledge-based growth within the economy and the significance of state intervention in creating favourable conditions for economic growth. (cf. Jessop 2002a: 133.) Since the changing statehood is produced discursively in political struggles and decision-making, studying both discourses and the individuals participating in constructing them becomes essential (cf. Aalto 2003a: 131).

2.2. General overview of the research methods

In order to examine the changing statehood in empirical chapters, discourses constitute a central framework to the examination. Discourses construct interpretations of reality and rework the future options for the changing statehood. As my purpose is to examine the discourses in changing statehood, I have utilised both content analysis and Q methodology as methodological tools. In the empirical chapters 4 and 6, I approach the research questions through content analysis. I have chosen content analysis as a research method because it can be used in the analysis of various research materials: written, heard or seen. The objective of content analysis is to create a verbal, well-defined depiction of the phenomenon in a rather general form and analyse the collected data objectively and systematically; content analysis summarises rather than reports all details concerning the data (Neuendorf 2002: 15; Tuomi & Sarajärvi 2009: 91–112). Therefore this method provides a valuable methodological tool in gathering the essential information from a large amount of research data. It is no wonder that content analysis may be understood as a method which brings out "central" themes and issues from the research material.

In the empirical chapter 5, I have utilised Q methodology, originally introduced by William Stephenson in 1935 (Brown 1980: 5). It provides a scientific research method to analyse subjectivity. Subjectivity acquires meaning in reworking social structures and in the structuration and restructuration of discourses but also in the revision of

political lines (Aalto 2003b: 118). The Q methodology draws particular attention to discourses and persons participating in constructing those discourses in their everyday actions (Aalto 2003a: 132). Therefore, Q methodology will be used here to study both the people constructing the discourses and those who are living through the ongoing state transformation. This methodology provides a means for studying shared views such as discourses or subjectivities and also similarities and divergences among individuals (Eden et al. 2005: 414). A strength of the Q methodology is that it neatly combines both qualitative and quantitative aspects (cf. Aalto 2003b: 118). However, for the sake of clarification, I discuss the Q methodological procedure and data utilized in detail in the chapter 5. The reason behind this is the intensive methodological approach of this method which is closely related with the implementation of the study.

Content analysis

In the following section, I will present a general overview of the content analysis that I have made up of particularly in studying the practices through which the changing statehood is produced and manifested in political texts and interviews. I will firstly introduce the general methodological aspects of the content analysis. After that I will introduce the collected data and further explain how I have utilised the content analysis in two of my empirical chapters.

In practice, there are several ways of performing content analysis: it can be carried out based on data, theory-guided or in a theory-based manner. A theory-guided analysis exploits theory and has theoretical connections, but it is not directly based on a theory. A theory-based analysis is based on a certain theory, model or thinking. The data-based analysis attempts to construct a theoretical entity from the research data. Units for the analysis are chosen according to the purpose and task of the study, but not determined in advance. (Tuomi & Sarajärvi 2009: 95–112.) I have chosen data-based content analysis as a research method for the qualitative data sets collected because it provides an in-depth method for analysing the qualitative data.

Content analysis may be thought of as including different "phases" or "steps": proceeding from empirical understanding towards more conceptual thinking (Figure 1). The analysis of the content begins with the in-depth study of background theories and relevant concepts. This is usually followed by a thorough and systematic reading of the data collected: texts, images or symbolic materials. The second step is to reduce the research material. The reduction of the data means that relevant questions are enquired of the data, and then, the resultant manifestations related to the research questions are encoded. In other words, the irrelevant data is trimmed away from the data. Thirdly, data clustering is carried out by searching for similarities and differences in the data. In clustering the data, the encoded original data is examined carefully by looking for concepts describing similarities or divergences. Then the concepts or mental constructions signifying the "same" are grouped together into a category. Fourthly, data abstracting is performed by joining together the categories based on their contents provided it is meaningful. To begin with, the subcategories are constructed and these subcategories are then united into wider, general categories. Following this, the theoretical conceptualisations are created.

After that each category is named with a description of the contents of the category. In other words, classes, categories or themes are created from data. Fifthly, an interpretation forms a crucial part of the analysis in figuring out the meaning of the results gained in a wider societal context. The researcher generates a description from the research subject with the help of general concepts and compares the theory and the conclusions with the original data when forming a new theory. As a result, a model or a conceptual system formed on the basis of data is then presented. (cf. Tuomi & Sarajärvi 2009: 91–113.)

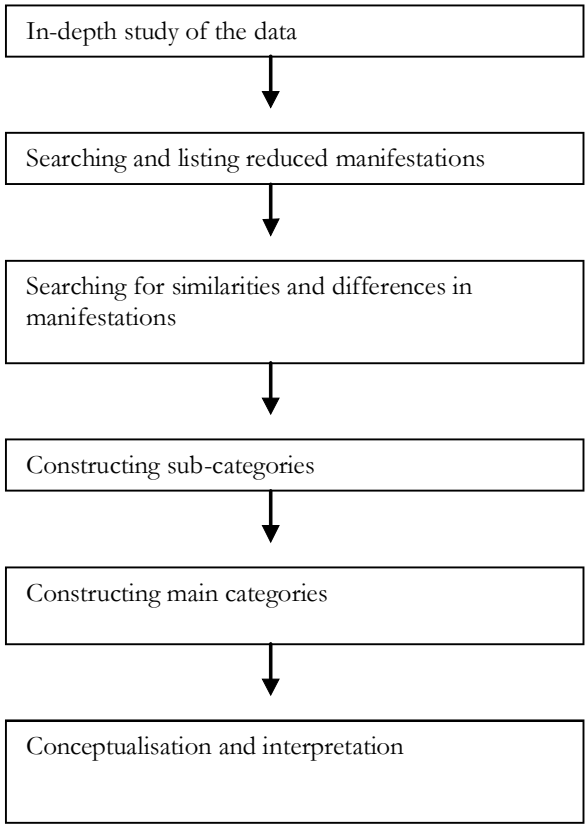

Figure 1. "Steps" in a content analysis (modified from Tuomi & Sarajärvi 2009: 109).

Applying the content analysis in the empirical chapters

In the empirical chapters, I have approached each research question by choosing appropriate data. Furthermore, I have used two kinds of research methods to be able to answer the research questions. In other words, I have utilised what is often called triangulation as the central method for data collection and analysis. Triangulation as a method can be traced back to quantitative research and the idea of multiple operationalism, which presented the use of multiple methods in order to exclude the influence of a single method from affecting the results (Campbell & Fiske 1959; Jick 1979: 602). Triangulation was originally developed in order to increase the validity of a study by seeking the degree of agreement in the investigation outcome from the use of multiple methods and measurement procedures (Ma & Norwich 2007: 211).

Triangulation has several advantages for use as a research design. Firstly, by using triangulation, the weaknesses in a single method will be compensated by the strengths of other methods. Secondly, triangulation may capture a more complete, holistic, and contextual characterisation of the research target and assist in revealing various dimensions of a phenomenon. This signifies that the use of multiple measures may reveal a unique variance which in single methods may have been neglected. Thirdly, the use of multiple methods can also lead to a synthesis or integration of theories. Fourthly, triangulation can also be used to achieve completeness of data as it enables a more holistic and contextual portrayal of phenomena under examination. Fifthly, triangulation may be used to achieve confirmation of data. Confirmation is a process of examining and comparing data gathered from multiple sources to explore the extent to which findings converge or are confirmed. (Jick 1979: 603–610, see also Casey & Murphy 2009: 41–42.)

It is possible to categorise the types of triangulation into five categories. Firstly, by triangulating data sources a researcher can use the single method but multiple data. Secondly, it is possible to use multiple observers or researchers rather than only one per study. Thirdly, theory triangulation consist of using multiple rather than single theoretical perspectives in one study. Fourthly, methodological triangulation has two approaches, within-method triangulation and between-method triangulation. This is to say that a researcher either applies one method but multiple strategies in examining the data or combines the strengths of multiple methods in one study. The fifth category is multiple triangulations which means the use two or more triangulation categories in a same study. (Denzin 1970: 294–304; Tuomi & Sarajärvi 2009: 145.)

I approached the first research question, the key dimensions of the changing state strategies, by analysing the annual state budgets. I selected the annual state budgets from 1965 onwards for every other year (Hallituksen esitys Eduskunnalle valtion tulo- ja menoarvioksi vuodelle 1965, Tulo- ja menoarvioesitys v. 1967, 1969, 1971, 1973 and 1975, Valtion tulo- ja menoarvioesitys 1977, 1979, 1981, 1983, 1985, 1987, 1989 and 1991, Valtion talousarvioesitys 1993, 1995, 1997, 1999, 2001, 2003, 2005, 2007, 2009 and 2011). I chose the year 1965 as the starting year given the fact that the regional political legislation dates back to 1966. This regional political legislation aimed to launch massive state spatial planning regimes throughout the territory. I continued the analysis up to 2011. I chose the general justifications of the state budget as a textual, qualitative

material because they presumably contain explicit and widely shared political-economic articulations of the changing statehood at a given time. I considered the annual state budgets as historical political texts which provide a longitudinal but at the same time qualitative data set through which it becomes possible to trace the historical change in state practices and to study the "internalised" state practices of globalization (see Cerny et al. 2005).

I have understood the state governance itself to be a problematising and problem-solving activity closely connected with territorial practices of the state. In a similar vein, I have considered the changing state strategies found from the research material as answers to the questions which are understood as central governmental problems at a given time. In the analysis, I have focused particularly on the interaction between the state apparatus and state space. Annual state budgets uncover the changing rationales behind the historical evolution of state spatiality and are therefore seen as inextricably connected with the territorial processes of the state.

I began the analysis of the annual state budgets with a profound study of the data. Firstly I read the data in a data-base manner. After I became thoroughly acquainted with the data, I categorised the data along the unfolding themes with the purpose of finding temporal and contextual characteristics in each era. It turned out that the basic dimensions of the changing state strategies were acquiring meaning with respect to three issues: general investment policies, education policies and regional policies. After I had defined the content categorisation, I made a temporal analysis in order to define specific temporal aspects of state spatiality. As a result of the study, a temporal-contentual framework was developed. This temporal-contentual framework is presented in the last chapter of this study. In this part of my research, however, the categorisation of data according to its content was not my only purpose but rather the further understanding of the temporal trajectory of the changing statehood and state strategies. I applied the constructed temporal and contentual framework in order to find out whether the changing state strategies are inward-looking based on a national scale or outward-looking beyond the national scale and whether the policy is based on territorial cohesion or differentiation.

In responding to the first research question, I used the statistics as a supplementary source of information in scrutinising the key dimensions of the changing state strategies. The public investment rate characterises changes in the political strategies the state has employed in different historical contexts. Investments may thus be understood to be indicative of the changes in interaction between the state and its territory. Statistics on public and private investments were used in order to elucidate the longitudinal aspect of investments rates. Furthermore, in examining the changing state spatial strategies and the spatial transformation of statehood, policy documents, established research and predictions for the future development of the Finnish state were used as supplementary data.

When responding to the third research question, I made use of personal interviews in examining the key strategies that regional actors in Southwest Finland have assimilated. A general feature of personal interviews is that they provide data on people's experiences, opinions, objectives and thinking (Kitchin & Tate 2000: 213). I approached the third research question by interviewing people working in the fields of regional

development in Southwest Finland such as regional administration and public-private organisations. I selected the interviewees on the basis of research questions with the aim of selecting relevant people best suited to answering the questions. I also asked interviewees to propose other suitable persons to be interviewed; in other word I also used the snowball method in the selection of respondents. I chose ten interviewees from among the regional actors in Southwest Finland, who were selected on account of their interest in promoting regional interests and advantages in both national and international contexts, i.e. they are regional development professionals, directors of public-private organisations, developers of regional business life, representatives of regional development centres, persons involved in regional and international development, experts in international relations and the Deputy Mayor of the City of Turku with responsibility for Competence and Business Development. All the interviewees have been listed in the appendix I. These interviewees can be considered as representing a specific "elite" understanding of contemporary regional dynamics. That is to say that those interviewed were people who both participate in the production of the transformation of statehood but also interpret the consequences of it.

In the interviews, I utilised a semi-structured theme interview procedure. I chose the questions beforehand and the interviews mainly followed my initial preferences. I divided the interview questions into two main themes, co-operation and competition, which were discussed from both regional and organisational perspectives. Firstly, I asked interviewees about their co-operation, particularly the reasons and objectives for their co-operational activities in local, national and international politico-economic spaces, networks or scales. Secondly, I asked interviewees to list the competitors of Southwest Finland's regional actors and give details of their supervision of local interests in this multi-level operational environment. In addition, I discussed the content and ways of understanding the term "competitiveness" with the interviewees. Interviewees provided details of their state governance affairs, particularly concerning financial resources. I allowed my interviewees a lot of flexibility to concentrate those questions the interviewee considered the most relevant issue and conversation topic.

I interviewed all the respondents personally in the autumn of 2007. The duration of each of the interviews varied from half an hour up to 2.5 hours. Audio recording interviews allowed me to make an accurate record of the interviews word-for-word, it also allowed me to fully concentrate on the discussion rather than trying to balance conversation and note-taking (cf. Kitchin & Tate 2000: 218). I transcribed all the interviews and analysed them as textual data in the form of qualitative content analyses, searching for similarities and differences and classifying the transcribed data.

As a supplementary data, I used the various regional documents and strategic plans particularly in examining the key strategies that regional actors in Southwest Finland have assimilated. These strategies and documents were produced for regional needs by the Regional Council of Soutwest Finland, the Employment and Economic Centre for Southwest Finland (TE Centre), the Turku Area Development Centre, the city of Turku and the universities of Turku. These documents included the Regional Programme, municipal internationalisation programmes and regional strategies. I considered these materials, strategies, plans and programes as textual data revealing chracteristics about the outward-looking strategies of the region. The data analysed is listed in appendix I.

I applied content analysis as a research method when analysing the transcribed personal interviews and regional strategies, plans and programmes. From the textual data collected, I made categorisations and recategorisations according to the main themes in the interviews. Under these main themes, I created categorisations and recategorisations according to interviewees' narratives in a data-led manner. I considered mental constructions and statements as units of analysis. My purpose was firstly to study the drivers for securing the local interests of regional actors in Southwest Finland towards the present trajectory from the Keynesian welfare-oriented regimes to competition-oriented regimes and whether this is causing pressures. Secondly, I scrutinised the regional actors' ways to position their region in national and international politico-economic spaces, scales or networks. Thirdly, I examined the strategies, practices and targets of the actors in Southwest Finland in their attempts to secure their local interest on national and international scales, networks or spaces.

3. Theoretical notions on changing statehood

3.1. Towards the postdisciplinary science

In the ensuing pages, I will construct a configuration on the development of the research field in which I am interested when studying changing statehood. In order to develop a deeper understanding of this research field I have firstly made some notions on the development of the discipline. I have principally concentrated on the development of Western Marxism into an inter- or postdisciplinary research field, particularly when concentrating on research on the changing statehood.

Habermas (1976) has categorised types of science into three varieties: empirical-analytical, historical-hermeneutical and critical science. My study follows the tradition of critical science. According to Kitchin and Tate (2000: 14–18), it is possible to divide the critical science into postmodernism, realism, poststructuralism, feminism and Marxist approaches. Postmodernity represents a new way of understanding the word; wherein modernity is concerned with the search for the grand theory of society seeking to reveal universal truths and meanings, postmodernists argue that there is no one absolute truth or one explanation. The position of scientists as agents or participants is recognised within postmodernist approaches. Rather than understanding, realism aims to explain through scrutinising the underlying mechanisms and structures of social relations by identifying the building blocks of reality. Poststructuralists focus mainly on individual, methodological and epistemological issues placing language at the core of analysis. They argue that language mediates the relationship between society and culture and therefore poststructuralists concentrate their focus on deconstructing the multiple messages. Feminism points out that societal structures are "patriarchal" and include hidden power structures which privilege some groupings over others. Marxists are interested in the production and reproduction of capitalist modes of production and consumption, particularly on the political and economic structures behind the production and reproduction of capitalism. (Kitchin & Tate 2000: 14–18.) Of these approaches, Marxist approaches and critical realism are closest to this study's viewpoints. In the following, I will examine the tradition of critical science particularly from the 1960s onwards in the context of geography.

Since the late 1960s a group of interrelated politicised approaches have developed within human geography partly in critical response to the domination of spatial analysis (Johnston & Sidaway 2004: 219; Cox 2005: 2). Although it is difficult to categorise these approaches under a single adjective, the term initially used was "radical geography" (Johnston & Sidaway 2004: 219). According to Peet (1977: 11), interest in two types of issues emerged among radical geographers: Firstly, an effort to change the

focus of the discipline to the study of urgent social problems, and secondly the search for organisational models for promoting a social change began. *Antipode* was founded as a journal of radical geography in 1969.

Johnston and Sidaway (2004: 219–220) have claimed that the term "radical geographies" became less popular in the 1980s. In the 1980s, radical approaches participated with debates about the approach of "philosophical realism". Presently, the more commonly used term is a "critical geography" (Johnston & Sidaway 2004: 219–220). No longer favouring the adjective "radical", Peet and Thrift (1989) have preferred the term "political economy" (Johnston & Sidaway 2004: 220). Robinson (1998: 442) has noted that the political economy was originally used in the late eighteen century by economists, including Adam Smith and David Ricardo. However, the term "political economy" was widely taken into use by various scholars during the 1960s at the same time the concept acquired a range of meanings. In the 1970s, particularly the work of Marxists such as Castells and Harvey was meaningful in adopting the political economy into the writings of human geographers (Robinson 1998: 442). Focusing on accumulation, regulation and capitalist space economies, Marxist political economy contributions captured the changing capitalist world in the 1970s and 1980s (Jones 2008: 379). The research interest of political economy has been on globalization, world-cities, neoliberalism, relations between the state and economy in addition to the spatial manifestations of material inequality and the condition of the less privileged (Cox 2005: 6).

In the 1960s, the academic attention to Marxism emerged together with the critical social movements but in radical geography, Marxism was probably the most exciting approach around in the 1970s and early 1980s (Swyngedouw 2004: 41–44). Jessop and Sum (2001: 91) allude to the idea that the overall relevance of Marxism is derived from its ambition to provide a totalising perspective on social relations in the historically specific forms of production. Swyngedouw (2004: 42–44) has presented that Marxism contributed to geographical theory and practice over the past two decades, having undoubtedly a major influence in the discipline of geography and being one of the most quoted and referenced science trends. It concentrated on inequalities and injustices, particularly on why, where, and how deep those persisted (Swyngedouw 2004: 42–44). Jessop and Sum (2001: 93) suggest that Marx's critique of political economy is an "obligatory reference point for any serious attempt to improve our understanding of the nature and dynamics of capitalism as a historically specific mode of production".

In explaining injustice and inequality and developing strategies for social change, Marxism also concentrated on spatial issues in searching for alternative formulations (Swyngedouw 2004: 42–44). In Marxist geographies, the spatial relations are seen reflecting social relations. Therefore, Marxist geography can be seen as closely connecting social processes and spatial relations, offering the most coherent attempt when considering the space-dependent and space-forming nature of the dynamics of political-economic relations (Peet 1977: 21–23, Swyngedouw 2004: 42–44). Swyngedouw (2004: 54) has pointed out that Marxist perspectives have been criticised for their deterministic, economistic and teleological analysis. However, despite the failings of Marxist critique, only a few other perspectives have remained as credible as Marxism in involving questions of inequality and exploitation (Swyngedouw 2004: 54).

Bob Jessop (1990) has adopted a doubly critical Marxist perspective in his earlier studies of state theorisations. On the one hand, he has utilised critical Marxism itself; on the other hand, a Marxist critique of alternative approaches has been used in Jessop's studies. For example, Jessop has been inspired by Marx's predisciplinary critique of political economy although he draws on a wide range of scholarship and research by social scientists (Jessop 2002a: 1). In his book *The Future of the Capitalist State*, Jessop (2002a: 4–5) draws firstly on institutional and evolutionary economics, particularly on the regulation approach to the political economy of the capitalist economy. Secondly he concentrates on the political economy of state and politics inspired by Gramsci and Poulantzas. Thirdly he draws on critical discourse analysis and the discursive constitution of economic and political relations (Jessop 2002a: 4–5). However, in his later contributions, Jessop together with Ngai-Ling Sum have criticised the regulation approach and further elaborated the thinking towards critical realism and cultural political economy (Jessop & Sum 2006; Sum & Jessop 2010). Cultural political economy has been developed particularly by Jessop and Sum to combine semiosis and Marxist political economy in analysis (Jones 2008: 383). Jones (2008: 386) also argues that cultural political economy has a great potential for geography and social sciences but that is still in the process of being developed.

Marxism has sometimes been presented as a variant of the philosophy of structuralism (Johnston & Sidaway 2004: 228). Kitchin and Tate (2000: 15) presented that whilst a pure form of Marxism, historical materialism, gained attention in the late 1970s, the attention had moved to other structuralist approaches and political economy by the early 1980s. Both these approaches united the thinking between structure and agency (Kitchin & Tate 2000: 15). Louis Althusser, a French philosopher, was one of the key participants in the structuralist debate in which he argued that capitalism cannot be understood without proper attention to the discursive and political aspects (Swyngedouw 2004: 50). Häkli (1999: 99–129) makes a reference that the starting point for the structuralistic methodology has been examining the social structures having an effect behind the observed or visible world. This, together with the objective of explaining concrete, perceived phenomena characterise the structuralistic methodology. Social, collective emphasis and the aim to explain social phenomena with their structural reasons have turned structuralism into a central methodological direction especially for critical study (Häkli 1999: 99–129).

Häkli (1999: 108–113) has also noted that in the structuralistic methodology, the research subjects of geography began to be analysed in a new way. Invisible structures and the determinism of their transformation connected to geographical order found their way to the research agenda. Explaining spatial order with social structures provided the opportunity to evaluate geography's traditional research subject, spatiality, at the same time as connecting it to theory formation. Therefore geography was not merely held as a spatial science but rather closely connected to social sciences. Structural geography concentrated particularly on socially-produced space where social processes and space structuration were occurring as an interactive process. This shows that regional differentiation has not been merely a consequence of social, economic and political structures but rather it has been a contributing factor in revising those structures. (Häkli 1999: 108–113.) A merit of both Marxism and structuralistic theory

for geographical research is therefore the merging of approaches of social sciences and spatiality-orientation.

The structuration theory of a British sociologist, Anthony Giddens (1984), was a significant attempt to develop the structuralistic methodology in a less deterministic way wherein structures do not determine the human activity but rather bound and enable social intercourse. He has presented that structures and human activity should be considered together rather than separately and emphasised the role of societal institutions in mediating the activity and structures: Institutions form a base for social human activity at the same time those institutions become maintained. Structuralism has, however, has also been criticised because of its core philosophy, realism, which is sometimes considered as creating an apolitical and value-free illustration of producing knowledge. (Häkli 1999: 104–105.)

One way in which structuralism has emerged in the field of geography has been geographers' adoption of regulation theory, originally introduced by Aglietta (1979) (Johnston & Sidaway 2004: 232; Swyngedouw 2004: 51). As a variant of evolutionary and institutional economics, the regulation approach studies the procedures and practices in which capitalism is reproduced or regulated (Johnston & Sidaway 2004: 232–233). Jessop and Sum (2006: 376) point out that a regulationist research programme has much to contribute to a critical social science particularly when combined with state theory and critical discourse analysis. The regulation approach analyses the economy including both economic and extra-economic factors interpreting the economy as an ensemble of socially embedded, socially regularised and strategically selective institutions, organisations, social forces and actions organised around capitalist reproduction (Jessop and Sum 2001: 91). Johnston and Sidaway (2004: 232–233) suggest that the regulation theory, which also draws on the works of the Italian Marxist, Antonio Gramsci, contains an understanding of both ideology and power and multiple determinations which shape the balances between "state", "society", "production", "consumption", and social and technological forces which are seen to manifest and promote socio-spatial transformations. The relationships between systems of production, different geographical scales and their roles in regulatory reconfigurations have been a central contribution to regulation theory of Anglo-American human geographers. This has contributed to the production of different scales of socio-politico spheres. Rescaling of state spatiality, chancing regulatory framework and transforming state policies have drawn attention to the divergence between governance and a nation-state (Johnston & Sidaway 2004: 232–233).

The study of uneven development has long been one of the foundational concerns of critical geographical political economy. The transdisciplinary research field of international political economy discuss the outcomes of the interaction of politics and economics in a transnational political context as those are primarily determined by political action and not merely by economic-structural variables (Brenner 2004a: 12; Cerny 2009: 29). Recent research has drawn considerable attention to the capitalist political-economic system and uneven geographical development under contemporary capitalism whereby social, political, and economic processes are not distributed evenly across the state space. That is to say inequalities are manifested in a context- and case-specific manner, both socially and spatially, through the differentiated regional development

between regions, scales and places, such as counties or city-regions. (Brenner 2004a: 12–13.) For example, Brenner's (2004a: 12–13) investigation of state rescaling is centrally concerned with the regulation of capitalist urbanisation and the changing political form and institutional mediation of uneven geographical development. He alludes to patterns of uneven geographical development under capitalism representing manifestations of the tension under capitalism between equalizing and differentiating capital investments across state space, whether to emphasise the spatial consequences of territorial differentiation or exploiting place-, territory-, and scale-specific conditions of accumulation.

Brenner (2004a: 24) argues that most of the work on the changing statehood has been oriented towards the specific methodological and thematic concerns in a particular discipline. He claims that there is an exception by which he refers to the Marxist approaches that never underpinned traditional disciplinary boundaries. However, this concentration on particular disciplines has changed during recent decades as new theoretical approaches to state theory have been introduced through critical contribution to traditional Marxist models. These new approaches have explored a variety of key themes in an interdisciplinary, if not postdisciplinary manner (Brenner 2004a: 24). In general, the present overall trend in socio-spatial research seems to be in the generalising of the interdisciplinary approach to research issues (Jessop 2002a: 1). Jessop and Sum (2001: 91–92) present that Marxism, a set of approaches rather than a single unified system, is the most pertinent intellectual tradition refusing to accept the discipline boundaries. They also go on to present that Marxism has a continued relevance as a pre- or postdisciplinary tradition committed to the critique of political economy. Jessop and Sum (2001: 89) have attempted to refuse disciplinary boundaries and reject the discursive and organisational constructions of disciplinary boundaries in presenting a Marxist-inflected, post-disciplinary "cultural political economy" in rethinking the political economy. They particularly suggest that the contemporary political economy is becoming post-disciplinary (Jessop & Sum 2001: 90). Also Brenner (2004a: 24) is willing to position his study *New state spaces* within the emergent crosscutting currents of postdisciplinary study within urban studies and state theory.

In a geographical way of understanding the world, the emergent inter- or postdisciplinary research becomes particularly meaningful in uniting the issues concerning society and spatiality. When considering the changing statehood, particularly its spatial aspects, an inter- or postdisciplinary way to approach the subject matter gives a unique way to understand the phenomenon. Furthermore when examining the changing statehood, the interconnected relationship between the structure and agency becomes particularly interesting in the institutional mediation of uneven development. In the context of the state, tension between the objectives of equalising or differentiating state spatiality; particularly the production and resolving of this tension in political struggles is interesting. Also in the context of the state, it is particularly productive to establish how the "central" and "peripheral" regions of the state are discussed, politically-struggled and finally-defined. This production of state spatiality also engenders material consequences. Therefore discourses and change in discursive structures becomes particularly interesting in examining the political rationales behind this tension.

3.2. State rescaling – from state-centred concept of scale into a multidimensional research

The state-centred conception of space – scale as a geographical level or hierarchy

In the following chapters, I will further concentrate on the vigorous debate of scale and its implications within political geography. In recent decades, scale has been under discussion particularly in relation to the issues of globalization, the nation-state, regionalism and localism (see Howitt 2003: 138). The concept of scale has provoked discussions among human geographers and social scientists since the 1980s (Howitt 2003: 139). The scale question emerged at the core of research interests and intense theorisation with the rise of Marxist geography and social theory in the 1980s and 1990s (Smith 2000: 725). Since the beginning of 1990s, the idea of scale has challenged dominant understandings of social and political processes (Howitt 2003: 138). However, the conceptualisation of scale has changed in the past years. My purpose is thus to concentrate on the transformation of the conceptualisation of scale and space from nation-state centric, hierarchical conceptualisations towards multidimensional conceptualisation.

Until the 1980s, the central position of the nation-state was not questioned in scale-attuned research (Smith 2000: 725). National states, geographically divided into smaller economic regions, were seen as basic building blocks of the capitalist world system (Smith & Ward 1987: 160). The centrality of nation-state originates in 1648 and the Treaty of Westphalia, where the political space was understood as becoming institutionalised as self-enclosed territorial domains with exclusive state control and the principle of non-interference in each other's internal affairs (Taylor 1994: 153; Brenner 1999a: 47). The modern interstate system was labelled with the intertwining of territoriality with state sovereignty (Brenner 1999a: 47). Space in the modern state was conceived as "a realm of stasis, as a pregiven, unchanging territorial platform upon which social action occurs" (Brenner 1999a: 41).

The foundations in scale-attuned theorisation of contemporary statehood and the state-theoretical analysis of contemporary rescaling process are found in the works of Henri Lefebvre (1991, 2009). Henri Lefebvre's 1991 work, *The Production of Space*, presents an idea of the social production of space and the transformation of absolute space towards abstract space that capitalism and neocapitalism, as he called it, are producing. Also David Harvey (1982) discusses interestingly, particularly in his book *The Limits to Capital*, production, capital, the dynamics of accumulation and the production of spatial configurations.

The first notions of the scale considered geographical scale mainly as an idea of a geographical level or territorial hierarchy. One may argue that scale attained a rather simplified content. The scale emerged as rather an unproblematically established concept or as a product of researcher's methodology (Smith 2000: 725). For example, in the 1980s and 1990s Taylor presented his understanding of scale as a vertical construction. He discussed scale as levels of "world-economy", "nation-state" and "locality" where the processes of the world economy were manifested (Taylor 1993: 47). Although the importance of the concept of scale as fundamental in human geography was admitted

(Howitt 2003: 139), this predetermined, self-explanatory and taken-for-granted nature of the geographical scale concept among political geographers and political analysts was criticised by referring to the dominant concept of geographical scale as "the nested hierarchy of bounded spaces of differing size, such as the local, regional, national and global" (Delaney & Leitner 1997: 93).

In past decades, the politico-economic changes that occurred, often labelled as globalization, have challenged the perceived container-like qualities of states and the model of state-defined societies and economies. Conceptualisation of space has therefore attained a more nuanced content. Taylor (2000: 6) sets out that at the core of the idea of globalization is the notion of the enhanced importance of trans-state processes. Philip Cerny (1995: 596) defines globalization as "a set of economic and political structures and processes deriving from the changing character of the goods and assets that compromise the base of the international political economy". He sees globalization as a structure involving transgovernmental networks, policy communities, internationalised market structures, transnational cause groups and many other linked markets, hierarchies and networks (Cerny 1997: 270–271). Globalization may also be seen as a process, practice, discourse and a paradigm, as a path-dependent process which cannot be verified empirically but rather a contested concept which constitutes a hegemonic discourse (Cerny 1997: 256–273). In general globalization signifies the changes in world politico-economic life, e.g. the opening, deregulation and reorganisation of the world economy, international footloose capital and foreign direct investments. The concept alludes also to the transformed interdepencies of places, localities and territories or questions of political consciousness, identity and transcending national boundaries of social relations (cf. Brenner 1997: 274–276; Brenner 1999a: 42; Gualini 2006: 882–883).

The globalization debate has also highlighted the intertwining nature between sociospatial and economic phenomena (Gualini 2006: 882). National states have contributed to the adoption and diffusion of neoliberal political ideology and the deregulation of markets and institutions and in that way actually promoted the process of globalization (Lobao et al. 2009: 2). The discussion of globalization has been associated with the reconfiguration of state territorial organisation, particularly in Western Europe. It has been argued that state-economy relations cannot be analysed adequately by concentrating only on the accumulation process and economic processes within a single nation-state, at the same time excluding subnational, regional units, and on the other hand supranational, international economic arenas from examinations. This is especially so as subnational regions have become arenas for societal activities, new units of competition and new arenas for political contestation. (cf. Brenner 1997: 274.) This shows that the conceptualisation on space has attained multidimensional content remaining still as a rather hierarchical concept.

Therefore, the abovementioned changes have also problematised the national-oriented conceptualisation of space. Furthermore, the changes have challenged the central status of the nation-state as a primary unit in the accumulation process (cf. Brenner 1999a: 40–41). The nation-state-centred approach was criticised by John Agnew (1994) with the notion of "territorial trap", by which he refers to the privileging of a national-territorial conception of the state. The notion of "territorial trap" rests

on three theoretically and empirically problematic geographical assumptions; states as self-enclosed geographical containers of socio-economic and politico-cultural relations, national/foreign or domestic/international polarisation and the conception of national spaces as units securing sovereign space (Agnew 1994: 91–92).

Scale as a socially constructed notion

Discursive influences and awareness of the relational nature of the scale concept contributed to the scale discussion especially in the 1990s (Howitt 2003: 140, Paasi 2004: 538). The concept of scale was previously used to analyse relations between given territorial entities (Gualini 2006: 885). Now the idea of scale as an ontologically given category has begun to be rejected (Marston 2000: 220). Instead, attention was paid to periodical transformations and the un-fixed nature of geographical scale (Delaney & Leitner 1997: 93). As Marston (2000: 220) puts it, the scale began to be seen as "a contingent outcome of the tensions that exist between structural forces and the practices of human agents". In other words, sociopolitical agency was seen as a central factor, a "dimension", in the production of scale, a fact that the emergent social-constructivist framework particularly emphasised (Gualini 2006: 884). This also began to question the hierarchical content of space as a spatial concept.

The understanding of geographical scale as a socially constructed concept emerged (Brenner 2001: 592). This theoretical project focussed attention on conceptions, ideologies and relations between space and power (Delaney & Leittner 1997: 96). The objective was to response to the inadequacy of the geographic scale conception and interest in scale constitution in order to better understand and respond to the current rapid global socio-spatial dynamics (Marston 2000: 220–221). In order to better understand this spatio-temporal structuration and dynamics of power relations, discourses and representations were brought to the core of discussion (Delaney & Leittner 1997: 94). In other word, discourses began to be seen as "instruments" in producing the scale. Attention was also increasingly paid to the symbolic-cognitive and ideological dimensions of scale (Gualini 2006: 885). Marston (2000: 221) presented the scale as "constituted and reconstituted around relations of capitalist production, social reproduction and consumption, and that attention to all three sets of relations is critical to understanding fully the social construction of scale". In summary, this approach highlights the formation of scale in processes of social, economic and political reworking, becoming visible in both dimensions of agency and discourse (cf. Gualini 2006: 885). A thinking of scale as a relational, discursive social construction has emerged (Paasi 2004: 538).

As Howitt (2003: 150) puts it: "The social and political construction of scale is precisely social action". The social production of scale signifies that neither material scales nor abstract scales can be taken for granted (Jonas 1994: 258). This points to the relational nature of rescaling. Already in 1994, Jonas (1994: 260) has shown that privileging a single scale in geographical research indicates an uncritical internalisation of a concept.

The notion of scale as socially constructed is connected to the changing conceptualisations of space. Henri Lefebvre's (1991) idea of (social) space as a (social) product

leads to fourfold implications and consequences. Firstly, it leads to the disappearing or vanishing of physical natural space to the background of thinking. The second implication is the contextual character of space production as every society produces its own space. The third consequence is the shift in interest "from things in space to the actual production of space", in other words, to the production and reproduction of space. Fourthly, space production is closely connected with the time-dimension. This indicates that social production of space deals with historical aspects (Lefebvre 1977: 341; Lefebvre 1991: 26–46). In other words, the notion of social production of space is not merely space as a "physical container within which capitalist development unfolds, but one of its constitutive social dimensions, continually constructed, deconstructed, and reconstructed through an historically specific, multi-scalar dialectic of de- and re-territorialisation" (Brenner 1999a: 43).

The space as a social product forms an arena for political struggles. This points to the production of scale, in other words the relational and processual notions of scale. As Henri Lefebvre (1977: 341) puts it:

> "Space is not a scientific object removed from ideology or politics; it has always been political and strategic. If space has an air of neutrality and indifference with regard to its contents and thus seems to be "purely" formal, the epitome of rational abstraction, it is precisely because it has already been occupied and used, and has already been the focus of past processes whose traces are not always evident in the landscape. Space has been shaped and molded from historical and natural elements, but this has been a political process. Space is political and ideological. It is a product literally filled with ideologies" (Lefebvre 1977: 341).

Towards the processual notion of scale

The understanding of the relational nature of the concept of scale as well as the understanding of the social construction of scale has altogether directed attention towards the production of scale. In other words, attention has increasingly been directed to the processual character of scale production in political struggles. The development of the constructionist perspective has particularly brought the political nature of scale and the process of rescaling to the core of scale discussions (Howitt 2003: 140). In this context, the term politics is not just limited to covering formal state structures or governmental institutions; rather it contains the relationship between state and society as well as state spatiality (Gualini 2006: 885). Despite the political nature of scaling, it should be noted, however, that scale-making appears not only as rhetorical or discursive practices, but rather more tangible having material consequences and influences on spatial relations (Marston 2000: 221; Gualini 2006: 885). This signifies that the target of political struggles is influencing material consequences on statehood. This is the reason why scale-making occurs in state space as social and political struggles (cf. Marston 2000: 221), which emphasises the processual and political nature of state rescaling (cf. Brenner 2001: 592). Rather than considering geographical scale

as a predetermined, self-explanatory and taken-for-granted platform for geographical processes, the struggling and transforming nature of scale and scale as an arena, container and sociospatial hierarchical practices within contemporary capitalism have emerged at the core of investigations (Brenner 2001: 592).

As Gualini (2006: 895) puts it: "As space is no more conceived as a container, scale also cannot be univocally referred to the "planned" spatial ordering of defined activities: it is largely an unintended outcome, which is contingent upon these activities, but not primarily dependant on them". In a similar vein, Neil Brenner (1999a: 40) has described space as no longer appearing as "a static platform of social relations, but rather as one of their constitutive dimensions, itself historically produced, reconfigured, and transformed". That is to say that the scalar organisation of state space is never fixed forever, but rather prone to restructuring, reorientation and reworking under socio-economic pressures and changes (Brenner et al. 2003: 5). Spatial scale is therefore produced in time; it is historically specific and subject to change (Jones 1998: 26). Intertwining the temporal dimension of changing statehood with the ongoing political struggles becomes meaningful in understanding scaling as a heterogeneous, contested process which can only be grasped as relationally emerged (Swyngedouw 2000: 70; Brenner 2001: 605). As Anssi Paasi (2004: 542) puts it:

> "Scales are not fixed, separate levels of the social world but, like regions/places, are structured and institutionalized in complex ways in de/reterritorializing practices and discourses that may be partly concrete, powerful and bounded, but also partly unbounded, vague or visible. Scales are also historically contingent; they are produced, exist and may be destroyed or transformed in social and political practices and struggles".

These notions focus attention on the processual notions of scale and particularly the rescaling process (Gualini 2006: 885). The scalar change and rescaling process are unquestionably intertwined in the production of state space (cf. Brenner 2009: 124).

The processual notions of scale are examined in order to understand the ways in which the scalar structures are being reorganised and reworked within contemporary capitalism. Gualini (2006: 884) describes this as "the evolutionary notion of rescaling". He presents that the representations of space manifest and mediate the prevalent power relations and hegemonic projects. The political nature of scale-making is particularly visible in the structuration of spatial units and sociospatial organisations. Therefore, the restructuring of scalar organisations and institutions challenges the articulation of existing spatial units (Gualini 2006: 885–893). Scalar structurations should therefore be understood as a dimension of particular sociospatial processes, constituted and reworked through everyday routines and struggles and intertwined with other forms of sociospatial structuration (Brenner 2001: 604–605). This is to say that the state spatial structures of contemporary capitalism are understood as historically transformed, reworked and restructured through the political strategies they enable (Brenner 2009: 126). The processual methodology, a spatialised version of Jessop's (1990) strategic-relational approach, was adopted in Neil Brenner's (2004) book, *New State Spaces*, in which state scalar selectivity was understood as an expression, a medium and an outcome of political strategies. The influence of path-dependency cannot be ignored as the scalar fixes

created in a specific historical-geographical context have a powerful structuring effect on the future evolution of scales (Brenner 2001: 607). In other words, the reworking of spatial structures, including the state spatial structure, is bound to the current spatial structure which affects the reworking of state space.

Anssi Paasi (2004: 538) has noted that "the politics of scale should be located in real-world practices where divergent struggles take place, and not only in theoretical discourse". Brenner (2001: 599–600), on the other hand, draws attention to two meanings that have been attached to the term "politics of scale". He introduces singular and plural connotations of the politics of scale to examine the creation of new scalar relations among scalar entities, not only the shifts in internal relations of given scalar entities (Gualini 2006: 895). In its singular meaning, the politics of scale refers to "the production, reconfiguration or contestation of some aspect of sociospatial organisation within a relatively bounded geographical arena", a self-enclosed geographical unit, where the scale is understood as a boundary which separates the geographical unit in question (Brenner 2001: 599). That is to say that the singular meaning of the politics of scale refers to the previously dominated understanding of space as a container, level or hierarchy. Brenner (2001: 604) implies that the singular meaning of the politics of scale can then be re-described through Jonas' (1994: 257) notion of the "scale politics of spatiality". In the plural meaning of politics of scale, Brenner (2001: 600) suggests that a politics of scale refers to "the production, reconfiguration or contestation of particular differentiations, orderings and hierarchies among geographical scales", in other words, the politics of scale in its plural meaning refers to "the production of differentiated spatial units as such, but also more generally, their embeddedness and positionalities in relation to a multitude of smaller or larger spatial units within a multi-tiered, hierarchically configured geographical scaffolding". This plural usage of politics of scale captures the relationality of all geographical scales and also their continually changing positions as differentiated units within multi-tiered sociospatial hierarchies (Brenner 2001: 600). This is to say that the plural usage of politics of scale clearly identifies the relative character of scaling.

Gualini (2006: 895) has stated that the constant discussions and theoretical definitions about scale have further elaborated the conceptual bases, which have highlighted the piquancy and applicability of the concept, at the same time exposing it to "concept stretching" and analytical incoherence. Despite constant re-evaluations of the scale concept and aspirations to further clarify the rescaling process, the concept of scale and the notion of rescaling leave the conceptual bases of the phenomenon somewhat blurred (Gualini 2006: 894–895). This indicates that the concept of scale is not unambiguous, and universally shared but under constant reconstruction and rather controversial.

The theoretical notion of scale and the process of rescaling have not been accepted without criticism. Kevin R. Cox (1998) criticised the discussion of the areal approach in the spatiality of scale and noted that network is a more appropriate metaphor. In conceptualising the politics of local economic development, he has aptly termed as spaces of dependence, "those more-or-less localised social relations upon which we depend for the realisation of essential interests and for which there are no substitutes elsewhere; they define place-specific conditions for our material well being and our

sense of significance" (Cox 1998: 2). Cox presents that the spaces of dependence are located in global networks of relationships and interrelationships which constantly challenge these spaces of dependence. Securing spaces of dependence is constantly pursued through key regional actors, e.g. people, firms and state agencies. In so doing, the key regional actors are involved in more extensive networks of social power. Cox (1998: 2) terms "the space in which the politics of securing a space of dependence unfolds" as a space of engagement. His rejection of the areal approach in the spatiality of scale and adoption of the concept of network is an interesting attempt to further develop the alternatives for spatially-oriented research and the discussion on the primary status of scale concept. Therefore the conceptualisations of Kevin R. Cox on "space of dependence" and "space of engagement" provide a fruitful viewpoint in my empirical examination.

Becky Mansfield (2005: 458–461) has criticised the debate on the notion of rescaling regarding abandoning or ignoring the national scale and its importance. She recommends moving beyond the rescaling argument to better understand and explain political economic patterns and processes. Her aim is to use the term "dimension" in order to illustrate the intertwined character of multiple scales in a relational process. Therefore she implies that national should not be considered as a discrete scale but rather as a dimension of political economic practices (Mansfield 2005: 458–461). Mansfield (2005: 468) further argues that a scale should be considered as a process and not as an object due to scale not having an ontological status outside social relations. As Jones (1998: 27) puts the same: "scale is an epistemological category, rather than an ontological one". From this perspective, national is not a level, hierarchy or scale but rather a dimension of social practice in the production of space (Mansfield 2005: 468). This directs attention to scalar dimensions of practices rather than practices occurring at different scales (Mansfield 2005: 468). Cerny (2006: 691) and Cox (2009: 108) have criticised the rescaling theorisations of Eurocentrism. However, Neil Brenner (2009: 130) has responded to the critique by presenting contextually specific state rescaling research conducted outside the European context, in Australia, South Korea and India.

Abandoning one-dimensionalism – scale as one dimension in sociospatial research

Neil Brenner (2009: 131–132) has criticised the concept of rescaling being increasingly used as "a generically descriptive category, as an all-encompassing label for contemporary socio-spatial transformations, […] lacking a clearly specified empirical referent". He suggests that the initial phase of theory development and explanatory research is now reaching maturity: greater attention to be given to questions of method, especially to the aims at linking abstract concepts to concrete, contextually specific investigations. In order to bring further methodological understanding into the rescaling debate, I have introduced the Q methodology in an empirical context-specific framework of state rescaling.

Brenner (2001: 597) describes geographical scale as arguably only one dimension of the multifaceted and polymorphic geographies of capitalist modernity, tied particularly to vertical, hierarchical ordering of social systems and territorial units (cf. Collinge

1999). However, the process of rescaling is only one form of structuration among other forms such as place-making, localisation and territorialisation (Brenner 2001: 603).

In this context, Jessop, Brenner and Jones (2008: 389–390) have also questioned the privileging of a single dimension of sociospatial processes. They have manifested that four distinct spatial lexicons have been developed by social scientists over the last thirty years: territories, places, scales and networks, which must be viewed as mutually constitutive and relationally intertwined dimensions of sociospatial relations. Interest in these issues is connected to the transformations of sociospatial organisation, globalization and urbanisation debates and the restructuring of capital accumulation and socio-political struggles (Jessop et al. 2008: 389–390). Jessop, Brenner and Jones describe one-dimensionalism, concentrating only one of these spatial lexicons leading to "short intellectual product life cycles for key sociospatial concepts, limiting opportunities for learning through theoretical debate, empirical analysis, and critical evaluation of such concepts" (Jessop et al. 2008: 389). They (2008: 391–393) also suggest the one-dimensionalism leads to fourfold trap: firstly to methodological territorialism that subsumes all aspects of sociospatial relations under the territoriality. Secondly, place-centrism that concentrates on the place as the main dimension of sociospatial relations. Thirdly, scale-centrism focuses unilaterally on scale or discusses scale as the primary basis around which other dimensions of sociospatial relations are organised. Fourthly, network-centrism focuses on networks as frictionless spaces of flows and interconnections of networks. They suggest that the problems of one-dimensionalism can be avoided through more systematic, reflexive investigations of the interconnectedness of the aforementioned spatial dimensions of social relations (Jessop et al. 2008: 391–393). Neil Brenner also reminds us that state rescaling is not synonymous with state spatial restructuring as such, but it represents one dimension of contemporary state space, along with territorialisation, place-making and networking (Brenner 2009: 131).

Jessop, Brenner and Jones (2008: 392–397) point out, however, that the presented theoretical framework is not to deny focusing on one dimension as a single entry point into a more complex enquiry of two or more dimensional approach. These representations are intended to direct attention to the deficiencies of concentrating one-dimensionally on questions of scale. Jessop, Brenner and Jones have termed their attempt to theorise polymorphy in sociospatial relations as the TPSN framework (territory-place-scale-network). Their objective is to promote investigations of how sociospatial relations interact in a particular spatio-temporal context under contemporary capitalism. In addition they seek to discuss how sociospatial relations reproduce and reorganise the geographies of accumulation, state power and hegemony. They also argue that their TPSN approach has significant implications in analysing and periodising the historical geographies of capitalist development. Jessop, Brenner and Jones allude to the idea that the TPSN combinations are more suited to a postnational, unevenly developing global economy and for the analysis of both historical and contemporary transformations of sociospatial relations (Jessop et al. 2008: 392–397).

Jessop, Brenner and Jones (2008: 398) present three types of applications for the TPSN research approach. Firstly, the TPSN research approach may be used in order to classify different social-scientific accounts of contentious politics. Secondly, the TPSN

approach can be used to illustrate the strategies and tactics of participants involved in political struggles. These kinds of participants are, for example, individual actors as well as collective actors, organisations and institutions. Thirdly, it is possible to utilise the TPSN research approach in order to ask new questions about the interaction between the spaces of contentious politics and the geohistorical periodisation of state power and capital accumulation (Jessop et al. 2008: 398). These claims for a multi-dimensional approach to sociospatial structuration of social processes open new research possibilities and approaches.

The TPSN framework of Jessop, Brenner and Jones (2008) has however raised questions and critique. The approach has been questioned by Edward S. Casey (2008: 402–404) and Michael J. Shapiro (2008: 411–413) on its choice of four privileged dimensions, territory, place, scale and network as the leading dimensions of sociospatial relations possessing exclusive explanatory and predictive value. One may ask, for example, why space is not chosen as one of these dimensions. Margit Mayer (2008: 418) claims that the divergent and contradictory sociotheoretical assumptions as well as methodological and political differences between the different sociospatial perspectives should be made clear and congruent before synthesising these chosen but different sociospatial perspectives as a TPSN framework. She (2008: 416) reminds us of the danger of synthesising multiple spatial dimensions into one totalising polymorphic framework may encourage a reification of the spatial form: by this she means that the spatial form does not act but social actors do. Casey (2008: 402–404) recognises the usability of these four concepts in state theorisation at the current time whilst questioning these dimensions in later research. Furthermore, he questions the equivalence of these concepts (Casey 2008: 402–404).

While supporting the need for developing a multi-dimensional approach Anssi Paasi (2008) has criticised the TPSN approach of Jessop, Brenner and Jones (2008) regarding the possibility that the framework itself may fix the conceptual meanings of the various dimensions of spatiality and the relations between them. He criticises the approach for not explicitly conceptualising the four concepts utilised and also discusses the shortage on methodological comments of the presented representations with regard to how these dimensions, their constellations and transformations can be studied. Paasi also points out the Anglo-American context of the approach presented (Paasi 2008: 405–410).

In general, Andrew E. G. Jonas (2011: 1–8) has suggested that more attention should be paid to the questions of territory and territorial politics of the state among these relational approaches, to which the "rescaling of state" discussion belongs. He actually presents the idea that the distinction between territorial and relational approaches is outdated when dealing with questions of territory and the territorial politics of the state. He felicitously points out the absence of discussions on the territory and territorial structures of the state in the relational approaches. For instance, territoriality and territorial politics have often been secondary to discussions about globalization, competition and economic development. He continues to suggest that it should be possible to show how the regional strategies of economic development and state redistribution are contingent upon territorial politics. In a similar vein, he recognises that the discussion about regions and regionalism has become estranged from the theoretical concepts of

territory and territorial politics. In other words, both relational thinking about territorial politics and territorial thinking about relational processes are needed (Jonas 2011: 1–8). Despite the criticisms put forward (Paasi 2008; Casey 2008; Mayer 2008; Shapiro 2008; Jonas 2011), the approach introduced by Jessop, Brenner and Jones (2008) seems to be a highly relevant attempt to overcome the privileging of a single dimension in sociospatial processes.

The approach introduced by Jessop, Brenner and Jones (2008) on the TPSN framework and their claims of using multidimensional conceptual bases in a single study is particularly pertinent issue in my empirical examination. In the empirical chapters, securing the spaces of dependence and constructing new spaces of engagement involves conceptualisations particularly on scale and network but also territories and places. It quickly became clear that merely using scale in examining the ways regional actors seek to secure their spaces of dependence provides an inadequate framework for this intricate phenomenon. Therefore place also has to be taken into consideration especially when considering the "space of dependence". The construction of new spaces of engagement is closely related to conceptualisations of network, particularly how the regional actors direct their activities in Europe-wide networks. Since my focus is on changing statehood, territory is one of the main issues in my study. Although the four spatial lexicons Jessop, Brenner and Jones (2008) have presented are not necessarily the only feasible spatial concepts to be utilised in research uniting social and spatial aspects, the TPSN theorisation focuses on the dangers of concentrating on one spatial concept alone as a conceptual framework. However, in some cases scale is clearly a valid entry point into the multidimensional phenomenon. This indicates that the usage of multidimensional conceptual bases is meaningful when examining changing statehood.

3.3. Changing spatiality of modern capitalism – from the Keynesian welfare state towards the competition state?

Investigating the changing statehood

Although my objective is not to theorise the state as such, some conceptual clarifications are needed. Michael Mann (1988: 4–30) proposes that the state can be referred to in institutional or in functional terms, in other words, along its institutional structure or according to its functions. He describes the four most persistent types of state activities: firstly, the maintenance of internal order; secondly, military actions against foreign foes; thirdly, the maintenance of communication infrastructures and fourthly, economic redistribution. Although the basic tasks of the state have remained, their weighting has altered over the course of time.

Mann (1988: 4–30) also distinguishes two approaches to state power; the despotic state power and the infrastructural state power. The despotic state power of state elite refers to actions which the elite are authorized to make without routine, institutionalised negotiations with civil society groups. When considering capitalist democracies, the infrastructural state power becomes particularly important. Infrastructural power refers to the capacity of state to interfere with civil society and to implement

political decisions concerning locational decisions. Capitalist democracies can be seen despotically weak but infrastructurally strong (Mann 1988: 4–30). The notion of infrastructural power becomes particularly informative when considering the material consequences of changing statehood.

The grounding of the state in the territorialisation of political power is a most general feature of the state as a political form (Jones & Jessop 2010: 1120). As Jones and Jessop (2010: 1120) put it:

> "States comprise historically variable ensembles of technologies and practices that produce, naturalize and manage part of terrestial space as a relatively bounded container within which political power is exercised to achieve various, more or less well integrated, policy objectives".

It is evident that the interaction between state government and state spatiality is especially powerfully dominated by what the government considers to be the central political problems at a given time (cf. Moisio & Leppänen 2007). That is to say that the state strategies which are chosen in order to answer those political problems seen as the most imporant at a given time, restructure and rework the statehood. Therefore enquiring into state strategies and state spatial strategies becomes essential when examining the changing statehood.

It is of great concern to study the practices producing changing statehood. As Bob Jessop (1990: 366–367) notes, it is not the state which acts, but the powers of the state are activated through the agency of specific political forces and groupings, in other words the state itself does not exercise power but politicians and state officials located in the state system activate the specific powers and capacities that it possesses. Changing statehood is produced by state governance and state actors by means of policy selection, decision-making, speech-making or other political actions. But at the same time as being the producers of this transformation, the actors and decision-makers are also objects of it (Moisio & Vasanen 2008: 20). Due to the dual nature of various actors as both producers of the transformation of statehood and also objects of it, they attain a role as key informants when examining the changing statehood. It can be argued that the transformation of statehood is produced in a political process. The political nature in the production of statehood is present in the political struggles between actors in producing the changing statehood both within and beyond the state. In these political struggles, the state space is re-evaluated, reworked and restructured.

The spatial structure of statehood represents the prevailing state strategies, social relations and political power relations. In other words, the politico-economic, ideological and power structures that the state represents at given time are visible in the state space as various formulations of spatial form of statehood within a given time period. A change in the politico-economic environment will offer a possibility for the re-formulation of the state's territorial and institutional structures; materialise the re-scaling of the state. (Moisio 2009a: 156–158.) Through policies influencing the state's spatial development, the related discourses and policy selections constantly reformulate some of the spatial units at the same time as others are reconstructed. In addition, a change in the state spatiality will represent a transition in the ways in which the government and other political actors value the state space (cf. Moisio & Vasanen 2008; Moisio

2009a). This indicates that by examining the statehood at a given time, it is possible to figure out the ways of state apparatus valuing its state space, particularly the value of state space in answering s the prevalent central political problems.

The welfare state – from blooming days towards crisis

Joe Painter and Alex Jeffrey (2009: 47) have presented two kinds of meanings that the welfare state has acquired: either it refers to a type of state or those state institutions providing health, education and other welfare-related services. I have focused my interest in the welfare state as a capitalist market economy with liberal-democratic political systems.

In his classical study, Gøsta Esping-Andersen (1990: 26–28; 2002: 13–17) presented three forms of welfare regimes: the liberal, the conservative and the social democratic. His three welfare state variations present different arrangements between state, family and market. Firstly, the liberal welfare state is based on modest social-insurance plans where entitlement rules are strict and often associated with stigma. At the same time, the state encourages the market by subsidising private welfare schemes. In other words, in the liberal welfare model, market solutions are actively promoted. Secondly, in the conservative state, welfare rights are attached to class and status. The conservative model relies heavily on a traditional family structure and the church, in other words, the state will interfere only if the family capacity is exhausted or insufficient. Thirdly, the social democratic regime pursues a welfare state that promotes an equality of the highest standards. In other words, the social democratic welfare states aim to socialise the cost of familyhood with political commitment to use the state capacity to promote geographical universalism in the provision of public services. The costs of an extensive welfare system require the minimising of social problems and the maximising of revenue income (Esping-Andersen 1990: 26–28; 2002: 13–17). Of these three divergent models, the Finnish welfare state represents the social democratic welfare state model. In Scandinavian social democratic welfare states, of which the Finnish model is an application, the states have actively de-familialized welfare responsibilities for greater individual independence and to strengthen families (Esping-Andersen 2002: 13).

When considering the welfare state, the theorisations of Bob Jessop and Neil Brenner about the development, crises and transformation on Keynesian welfare state are particularly interesting. Bob Jessop (2002a) connects the welfare state development to the accumulation regime of Atlantic Fordism. He (2002a: 58) sees the capitalist type of state in Atlantic Fordism, the Keynesian welfare national state, as an outcome of capitalist economic and social reproduction. He describes Atlantic Fordism as "an accumulation regime based on virtuous autocentric circle of mass production and mass consumption secured through a distinctive mode of regulation that was discursively, institutionally and practically materialised in the Keynesian welfare national state" (Jessop 2002a: 55). Jessop (2002a: 59–72) describes the Keynesian welfare national state as Keynesian because it aims to secure full employment in a relatively closed economy on which the state economic strategies and regulation were premised. Securing full employment was done mainly through demand-side management. The welfare

orientation becomes visible as the state contributes in generalising the norms of mass consumption and expands the welfare rights. The Keynesian welfare national state was national as the national territorial state was seen as the primary scale in developing and securing welfare policies. The role of localities and regions were mainly to serve national economic and social politics. The statist nature of Keynesian welfare national state is visible in state institutions having a dominant role in the institutions of civil society and being the main complements to market forces in the Fordist accumulation regime. Furthermore, the sovereign state level was regarded as primary among the various spatial scales of formal political organisations and the international activities were mainly enforced through interstate relations and were executed through international and intergovernmental agencies. This manifests the relative primacy of national scale in economic and social policy-making: in this context Jessop's thinking also emphasises the hierarchical nature of scale. These characteristic features manifest the linkage between the national state form and the Keynesian welfarism (Jessop 2002a: 59–72).

Urban sociologist, Neil Brenner (2004a) provides an interesting framework for examining the changing statehood. He has studied particularly the geographies of spatial Keynesianism by concentrating on the interplay between urbanisation processes and changing patterns of state spatial regulation. He argues that the Keynesian welfare national states were constituted on new ways of organising, producing and transforming politico-economic space, particularly the state space (Brenner 2004a: 116, 159). According to Brenner (2004a: 130), spatial Keynesianism may be understood as "a broad constellation of national state institutional forms and regulatory strategies designed to alleviate uneven geographical development within the national space-economy, and thereby, to promote stabilised national industrial growth". The objective of national states under Fordist-Keynesian capitalism was particularly to redistribute surplus through national social welfare policies and also through spatial political strategies to centralise, homogenise, standardise, and equalise national political-economic space (Brenner 2004a: 132). Brenner's processual approach on changing statehood nicely emphasises the connection between agency and structure.

Drawing on Jessop's strategic-relational theorisation and developing his "strategic-relational-spatial" framework, Brenner (2004a) makes reference that statehood was realised through state spatial strategies and state spatial projects. State spatial projects and state spatial strategies were harnessed in order to provide a uniform and equal state spatiality and to maintain national political and geographical cohesion, the reworking of the geographies of capital investments, infrastructure and public services (Brenner 2004a: 116). Brenner (2004a: 145–160) continues to argue that spatial Keynesianism as the state spatial project consisted of constructing public services, infrastructure and the integration of local political institutions within national systems of territorial administration. State spatial projects were mobilised in order to centralise regulatory control over local development and to establish centralised, uniform frameworks of state territorial organisation (Brenner 2004a: 145–160). Spatial Keynesianism as the state spatial strategy aimed to embed local and regional economies within national space-economy and to equalise the distribution of industry, infrastructure and population across the national territory. Regional policies, especially compensatory regional policies were launched to direct growth capacities and employment to less developed regions and

rural peripheries with financial aid, locational incentives and transfer payments. An interregional redistributive mechanism, the "automatic stabilisers" of taxation income, was "built in" to national fiscal and social welfare systems. These "automatic stabilisers" re-channelled state funds towards less favoured or marginalised regions to enable low-income regions to pay lower taxes while receiving higher levels of governmental expenditure. Also industrial and infrastructural policies were introduced to re-channel industrial production to less developed regions and rural peripheries. Nationalised industries were directed to operate as a propulsive firm or motor industry in state's peripheral territories through its subcontracting and business linkages with private firms. In addition, nationalised spatial planning systems, linked directly to national economic plans, were introduced in order to guide future patterns of territorial development comprehensively. (Brenner 2004a: 130–149.) In Brenner's thinking, I found his focus on the changing statehood by utilising state spatial projects and state spatial strategies as "instruments" in producing a change particularly fruitful. His processual thinking also directs attention to the temporal aspects on changing statehood.

However, various political economic shifts have occurred in the Western European context in last forty years which have led into the crisis of the Keynesian welfare national state in the 1970s and 1980s (Jessop 2002a: 80). Jessop (2002a: 84–90) and Brenner (2004a: 161–171) have described the economic, fisco-financial, political and social crises which occurred. By fisco-financial I refer in particular to the function of the state as a tax state having "fisco-financial powers" and redistributive capacities. I see the fisco-financial system as a measure for the spatial redistribution of welfare through e.g. transfer payments or tax reliefs, which in a spatial context may be targeted either to promote or hinder spatial equality. When considering the emerged crises, for instance the Bretton Woods monetary system broke down and the European and global economic spaces became more "open" and integrated. The mass production industries have declined and competition with newly industrialising countries has intensified. In other words, industrial production has restructured along with the rise of flexible production systems. In addition, the fiscal crisis of the Keynesian welfare national state occurred with the rise of mass unemployment, growing public debt, decaying public infrastructures and shrinking state budgets (Jessop 2002a: 84–90; Brenner 2004a: 161–171). These trends have questioned the legitimation of the objectives of the Keynesianism such as full employment, balanced territorial structure and sustained economic growth (cf. Brenner 2004a: 168). Jessop (2002a: 80–92) presents that these changes have also destabilised the temporal political-economic and scalar structures and the regulatory system of Keynesianism. Furthermore, these changes have increased our knowledge about state rescaling process and changing statehood being promoted by regulatory failure and crises in the capitalist organisation (Jessop 2002a: 80–92).

A crisis emerges when established organisational structures no longer provide legitimate and working political solutions in temporal political challenges. That is to say that a need for change emerges in state strategies which are intended to solve the political problems at a given time. The changes in the political surroundings initiate a political process where new temporary fixes are presented in order to provide solutions and to substitute the prevalent methods. Crises in the economic operational environment especially act as stimulus, opening political space for new solutions, political strategies

and political projects, alternative approaches to the regulation of capitalist urbanisation. However, crisis does not automatically produce responses or outcomes. Rather, crises create space for determined strategic interventions to establish new accumulation strategies, state projects or hegemonic projects that significantly redirect the course of events. This indicated that crises may also act as potentially path-shaping moments. (cf. Jessop 2002a: 92–94; Brenner 2004a: 163.) In spatial terms, state rescaling is a territorial approach, consequence or method in producing the changing statehood. State agency is fostering the rescaling as a response to crises as the value of state space as a production factor is changing. When examining the changing statehood in the Finnish context, I found it particularly interesting to focus on those path-shaping moments of politico-economic crises that emerged. This was at the core of my interest because any change in the politico-economic environment will call for an institutional reformulation of the regime of accumulation and regulation. Political forces have made their interpretations about the crises of the post-war mode of economic growth, its mode of regulation and the represented alternatives for the crises solutions. These divergent interpretations about the characteristics of the crises and the possible solutions have led to political struggles. (cf. Jessop 2002a: 94.) During the politico-economic crises of the Keynesian welfare state, new responses were developed to respond the emergent politico-economic challenges. The strategic reorientation of Keynesian welfare national state became visible through discourses regarding the changed economic situation, market failure and temporal strategic concepts (Jessop 2002a: 124–133).

It is evident that state administrations have adopted neoliberal thinking as a response to the emergent crises. As an economic project, neoliberalism calls for the liberalisation and deregulation of economic transactions within and across national borders, the privatisation of state-owned enterprises and state-provided services, use of market proxies in the residual public sector and the treatment of public welfare spending as a cost of international production. It promotes particularly market-led economic and social restructuring. As a political project, neoliberalism seeks to alter the forms of state intervention associated with the Keynesian welfare national state. This is so particularly in the crisis-originated forms of intervention which aim to manage, displace, or postpone crises of accumulation regimes and their modes of regulation in Atlantic Fordism. It also involves an enhanced state intervention to promote new forms of governance which are more suited to a market-driven globalizing economy. The intervention is often rescaled in order to promote the conditions of a market economy and to promote supply-side competitiveness in multi-level politico-economic competition. In practise, this means that state capacities are decentralised upwards, downwards, and sideways. (Jessop 2002b: 454.) The principal political response for the crisis of the Keynesian welfare state is the attempt of state actors to address the emerging problems of state and to transform, rescale and rearticulate state and state activities to be more able to answer the emerged new political problems at the same time pursuing to develop new forms of government and governance (Jessop 2002a: 123). Paradoxically, the economic, social and political measures pursued to promote the neoliberal project generally seem to increase state intervention (Jessop 2002b: 454).

Despite the ongoing political struggles, it seems clear that economic competitiveness has become a new point of comparison when evaluating patterns of state activity

and as the primary target of state activities (Heeg & Oβenbrügge 2002: 81). This indicates that competitiveness in global competition has become the central objective of state actors. The focus of the state is particularly on providing conditions for growth production: the objective of the state is therefore constructing a more competitive operational environment for footloose international capital and innovation-led economic growth. As the state increasingly comes to use new forms of economic intervention aimed at marketing itself and promoting the competitive advantages of national industrial and financial interests within the global economy it can be referred to as a competition state (Cerny 1990: 241). One characteristic of a competition state is that it provides conditions for the generation of growth by shifting the focus of economic policies from demand-side measures to supply-side ones (Pelkonen 2008: 33).

Spatially thinking, the adoption of competition ideology means that state strategies will be realised through the most important city-regions (Brenner 2004a: 243). Therefore, the urban policy has been targeted to maximise competitive advantages globally (Cerny 2006: 689). The heightened position of the objective of competitiveness has led to growing inequality in regional development and changed the spatial structure of industrialised European countries. Although ongoing global restructuring has led to profound transformations of scalar organisations, territoriality is still central in this process of rescaling (cf. Gualini 2006: 884). Despite the role of state and the spatial distribution of state power may have changed, the state has a major role in territorial distribution of capital accumulation (Brenner 1997: 288). It is clear that in this operational environment competition also occurs between political entities representing spaces, places or territories and not only between economic actors (Jessop 2002a: 187).

In research literature, the transformation of the welfare state has attained many contributions. For example, Jamie Peck (2001) has interestingly pointed out that despite tendencies to promote competition-oriented regimes, key public services provided by the state have strong support in most countries although services have become more conditional, changes in the service production have been executed and changes in budgets have emerged. The general idea of earning the welfare services and the growing emphasis on conditionality refer to a shift from the welfare state to the workfare state. The workfare may be seen as a regulatory project which is contested rather than a stabilised "postwelfare state"; workfarism is an ambition, a regulatory strategy rather than an achieved structure. In this context, welfare and workfare can be seen as alternative modes of labour regulation. (Peck 2001: 10–19.) As Peck (2001: 11, 342) puts it, workfare can be seen as a political-economic tendency, both a critique of the welfare-oriented regime and an alternative for it. The workfare ideologies and strategies are an outcome of institutional experimentation, policy reforms and political struggles which becomes as apparent in discursive representations, restructuring strategies and various institutional forms (Peck 2001: 11, 342). Peck (2001: 84, 348) emphasises particularly the shift toward workfare as a discursive project, which is reflected in attitudes and norms, but at the same time it has concrete expression in policies and programmes. Workfare constructs new vocabularies of regulation and as a regulatory antonym of welfare. It is often used as a discursive response to welfare-oriented rhetoric of passive income support, entitlement and needs-based provision. The meaning of workfare also varies over time and space (Peck 2001: 84, 348).

Workfare is a highly elastic and controversial term by nature. However, the idea of workfare does not mean the complete disappearance of welfare itself but rather the transforming of the logic, structure and dynamics of the welfare system in order to minimise dependency on welfare services and maximise work participation. (Peck 2001: 10; Peck and Theodore 2001: 429.) As Painter and Jeffrey (2009: 63) put it:

> "workfarism is an approach to labour market policy in which benefit recipients have to earn their money through behavioural changes and active participation in official programmes that are supposed to make them ready for work and more employable".

Workfare regimes privilege transitions from welfare to work, enforcing work rather than privileging the eligibility-based, claims-processing, check-printing rationale of welfarism (Peck & Theodore 2001: 429).

Peck (2001: 12) has defined workfarism in three dimensions, individually, functionally and organisationally. Individually workfarism means discarding the entitlement-based system and voluntary programme participation of welfarist models. In workfarism these are replaced with mandatory programme participation and behavioural modification concerning work. Functionally workfarism becomes visible as active labour-market policy in which the workforce is urged or pressured into labour-market instead of gaining welfare benefits. Organisationally workfarism involves a systemic orientation towards work and labour-force arrangements. Jamie Peck together with Nik Theodore (2001: 430) has differentiated three levels of workfare policy development and transfer process. Firstly the structural level of different welfare regimes, secondly the political level reflecting the priorities and orientations of domestic politics. The third level is the more concrete, institutional level of programmes, governance systems and policy measures.

As Painter and Jeffrey (2009: 63) have noted, workfare in its purest form is relatively rare, although it is internationalising and becoming increasingly widespread. Indeed the politics of workfare are manifested differently in different contexts and it has different forms and variations in different states, which reflect the political traditions and institutional structures of the state in question (Peck 2001: 11). Peck and Theodore (2001: 429) point out that despite the path-dependent character of welfare restructuring and the emergent local forms of workfare strategies, the national and local experiences of welfare restructuring reflect a generalised movement toward more work-oriented regimes.

When considering the impacts of workfarism on state spatiality, Peck (2001: 362–364) argues that the geographic variability becomes normalised, even an objective, under workfarism. Along heterogeneity, spatial unevenness and complexity, nationally constituted welfare regimes are giving way to locally constituted workfare regimes. The scale privileged in workfare policy is commonly the local scale, but the established oppositional and defensive forces, developed under the welfare era, tend to be anchored at the national or federal level. However, Peck and Theodore (2001: 432) present in their studies of the phenomenon of rapid international policy transfers in welfare-to-work/workfare in the context of the UK and US that rather than eroding national state power, nation-states have acquired some kind of regulatory roles in the management, coordination and articulation of new institutional structures and modes

of governance. They (2001: 455) suggest particularly that the role of the nation-state remains powerful as the nation-state has a key role as a regulator, manager and mediator in the reform and decentralisation processes: the power of the state to enact far-reaching welfare reforms is extended under this neoliberal context rather than hollowed out.

It is evident that the crisis of the Keynesian welfare state has led to the re-evaluation of the basic principles of Keynesian objectives: social and regional equality. Furthermore, the adapted competition-oriented objectives in all public spheres and the reworking of social policy have drawn attention to the issue of eligibility as well as social and regional equality. Although workfarism is quite rare in its purest forms, the basic message of it should be listened to carefully: particularly the eligibility question when concerning social services. Jamie Peck's theorisation (2001) on workfare becomes particularly interesting when dissecting it in parallel with theorisations of the competition state (Cerny 1990, 1997), the Schumpeterian workfare postnational regime (Jessop 2002a) and rescaled competition state regime (Brenner 2004a). Considered in this manner these will together bring further understanding on the research on changing statehood, particularly in relation to questions of social and spatial equality and in discussions about rationalising the public sector.

Theorisations about the competition state

I have chosen three partly overlapping theorisations for closer investigation on emergent new forms of statehood under contemporary capitalism. The logic of changing statehood has aptly been examined by three scholars: Philip G. Cerny (1990, 1997), Bob Jessop (1990, 2002a, 2008) and Neil Brenner (2003b, 2004a, 2004b). There are also other laudable interpretations of the changing scalar structures of the state which are constructed, for instance in order to understand the changing scalar divisions of labour in the state (e.g. Cox & Mair 1991; Cox & Jonas 1993). However, I have chosen these three theorisations because they provide useful conceptualisations on changing statehood, particularly exposing the logic of competition state. The advantage of these theorisations lies in their capability to capture the processuality of changing statehood which directs the focus on the production of statehood.

Philip G. Cerny (1990, 1997) has constructed a basement for competition state theorisations. Both Bob Jessop (1990, 2002a) and Neil Brenner (2004a) have theorised the logic of state transformation, especially the trajectory from Keynesian welfare state into a more competition-oriented state form. Jessop provides a more generic analysis making universal generalisations, concentrating particularly on the context of the state (Jessop 1990, 2002a). Bob Jessop (1990, 2002a, 2008) has discussed the political economy of state rescaling during the transformation of the Keynesian welfare national state and presented the idea of the Schumpeterian workfare postnational regime. He concentrates particularly on welfare policy transformation towards workfare-oriented competition regimes. Brenner (2004a) has focused particularly on the spatial aspects of changing statehood, in other words, the spatial transformation of statehood. He has combined spatial aspects of changing statehood to the strategic-relational approach developed by Bob

Jessop (1990) and developed a spatialised theorisation of state space in his mesolevel investigations both on a theoretical but also on empirical level. All three theorisations are relevant from the perspective of my own contribution.

Philip G. Cerny (2006) has discussed Bob Jessop's and Neil Brenner's theorisations on state restructuring. He notes that both Jessop and Brenner place their analysis in a laudable way within an interdisciplinary theoretical framework: Jessop in a broader range of issues as Brenner focuses particularly on state rescaling in more circumscribed studies of urban governance. However, they are both involved in the nature of capital accumulation which they see as the driving force of changing statehood in addition to economic globalization: the adoption of accumulation strategies determines the direction of a structural shift and institutional change of the state from concentrated policy-making and economic regulation towards a more structurally differentiated process of a multi-level restructuring of the state. Both Brenner and Jessop give socio-political variables a high degree of independence in explaining change. (Cerny 2006: 679–695.)

Cerny (2006) also argues that Jessop's most interesting argument in his rigorous analysis of the changing "capitalist type of state" is to claim that the kind of "extra-economic" institutional support that the Keynesian welfare national state is no longer sufficiently supporting the capitalist accumulation in its globalising, post-Fordist phase. Brenner's theorisation is closely related to the spatial aspect of changing statehood as he sees the search for a sociospatial fix as a necessary structural imperative of capitalism itself; capitalism is not spaceless, but rather it depends upon spatial fixes. At the same time, state policies have indirect spatial effects regardless of whether they explicitly address the spatial dimension. (Cerny 2006: 679–695.) Although Cerny (2006: 679–695) recognises the merits of Jessop and Brenner in theorising the transformation of statehood or the state, he raises criticism relating to their retention of elements of classical Marxist analysis, especially in their focus on "accumulation strategies" and Marxist theories on value. He also criticises their orientation almost entirely in developed industrial states, particularly Western Europe.

Cerny's theorisation of the competition state

Philip G. Cerny (1997: 251) has represented that the transformation of the nation-state into a "competition state" lies at the core of political globalization. In his thinking globalization forms a central factor behind the development of a competition state. By globalization, Cerny (1997: 256, 273) understands a polarising and fragmenting phenomenon, a hegemonic discourse engendering the strategies and tactics which restructure the phenomenon itself. He also claims that the expansion of competition state is itself promoting the process of political globalization which relativises the sovereignty of states (Cerny 1997: 252).

The main focus of a competition state is to promote economic activities within a relatively open world economy (Cerny 1997: 272). Therefore, the competition state can be characterised as the state using new forms of economic intervention, marketizing the state itself and promoting the competitive advantages of its industrial and financial activities (Cerny 1990: 241). A characteristic of the competition state is also

the deregulation of economic activities and the promotion of private investments, innovations and profitability in both private and public sectors. In terms of policy transformation, several levels of government activity are affected in the competition state development, particularly trade policy, monetary and fiscal policies and deregulation (Cerny 1997: 260–264). Cerny's thinking clearly reflects the emergence of governmentality: the role of the state is transforming – political and entrepreneurial actors have to learn new skills to be able to operate in several asymmetric "playing fields": networks, scales, places and territories at the same time above and beyond the national politico-economic spaces (cf. Cerny 2009: 36). This conceptualisation alludes to the theorisation of Jessop, Brenner and Jones (2008) on their TPSN framework.

In tightening global competition, it seems clear that the competition state has to act increasingly as a market player in international economic arenas. In other words, state has to promote, control and maximise the returns of market forces (Cerny 1990: 230). Cerny (1990: 205) claims that the competition state regime signifies a shift in the focus of economic policy from macroeconomic demand management towards mesoeconomic and microeconomic policies: the promotion of enterprises, innovations and profitability in both private and public sectors has thus replaced the objective of the general maximisation of welfare within national society. However, the neoliberal reform of the welfare state has not rolled back welfare itself but rather restructured and marketised it (Cerny 2009: 34). In general, rapidly evolving international marketplaces have demanded flexible responses in generating preconditions for competitiveness: a change in the pursuit of "comparative advantage" to a "competitive advantage" has occurred along with the promotion of a competitive state (Cerny 1990: 205; Cerny 1997: 259–260).

The new objectives that have emerged for public management which Cerny has discussed seem to be increasingly workfare-oriented: firstly to replace public provision with private provision. The second objective is to replace direct welfare payments, for example an unemployment compensation or income support, with time-limited, increasingly means-tested or work-related measures and the third is to maintain the confidence of the international business and financial community with stable economic circumstances. This indicates that Jamie Peck's (2001) theorisation of the workfare state is linked to Cerny's thinking about the emergent workfare-oriented objectives of public management. All these measures reflect the major objective of creating a workfare-oriented social policy in which the central aim is to create an attractive environment for private business endeavours. Therefore there is a danger that competition state development eventually leads to a reduction in public services and the redistributive arrangements characteristic of the national welfare states. (Cerny 1997: 269–270.)

In general, in a competition state one can observe a shift from the Keynesian welfare objectives such as full employment, redistributive transfer payments and social service provision towards a more entrepreneurial approach to both the private and public sectors: the promotion of enterprises, innovations and profitability (Cerny 1997: 259–260). As Colin Hay (2004: 40) felicitously puts it, it seems that all aspects of state policy are exposed to exacting and exhaustive competitive audit at the hands of globalization. However, political action is what primarily determines the outcomes of the interaction of politics and economics in a transnational political context, not merely

the economic-structural variables (Cerny 2009: 28–29). That is to say that despite the process of globalization or "embedded neoliberalism", political actors are those who primarily direct the policy-making and its outcomes. In general, the state acts as an agent of its own transformation into a competition state. This emerges for example, in the state promoting the economic activities of firms in order to promote their competitiveness in international markets. This goes to suggest that the state is no longer able to act taking economic activities out of the market but rather the state acts as a market actor itself putting activities into the market. (Cerny 1997: 267–272.) It also seems that the state is adapting entrepreneurial attitudes in its actions when seeking to adapt itself to changes in cultural, institutional and market structures. Therefore the connection between the economic transformation and state agency is leading to state restructuration as state actors and institutions are actually promoting globalization in their attempt to adapt state structures to global realities. (Cerny 1997: 251–252.)

Cerny (1997: 265) has characterised the models of a competition state. The strategic or developmental state with strong technocratic guidance from the state remains prevalent mainly in the Third World. The strategic or developmental state partly hinders the integration of these economies into global markets due to state's strong control over private companies. However in a globalizing world, states are less able to act as strategic or developmental states and therefore the orthodox model of the competition state, the neoliberal state, with characteristics of free market ideology, flexibility and openness has become more prevalent in Europe and the United States (Cerny 1997: 265–270). Cerny (1997: 269–270) continues to represent that state actors are nowadays increasingly involved in international relations and transgovernmental networks. The established new interdependencies, co-operation relationships and networking between national actors strengthen the transnationalisation of the capitalist world economy and the overall internationalisation of subnational and local actors as well (see Cerny 1997). This directs attention to the spatial categories involved in Cerny's thinking.

However, the process of states adapting to the changes in cultural, institutional and market structures does not lead to the decline of the state but rather the increase of state intervention and regulation. This is done in the name of marketization in the national territory or promoting the competitiveness and internationalisation. This indicates that the nation-state has clearly not "hollowed out" but rather that its role has changed: states are more likely to monitor and supervise privatised services according to financial criteria and performance indicators. (Cerny 1997: 251–266.) The total amount of state intervention will actually tend to increase as the state becomes a part of promotion, support and maintenance of socio-economic activities (Cerny 1990: 230).

It seems evident that Cerny sees political globalization as the most important factor in the background of the transformation of the nation-state into a competition state. He has constructed a conceptualisation on a competition state which Bob Jessop and Neil Brenner have aptly developed towards a more spatialised way of theorising on changing statehood. In this context, Cerny's (2009) more recent theorisation on globalization, neoliberalisation and place nicely illustrates emergence of spatial categories in his thinking, in which I am particularly interested: the development of recent spatial

categories in the globalizing politico-economic world. He has pointed out the failure of the nation-state as a long-term political project and political construct in the face of globalization. He has pointed out that the state has adopted neoliberal doctrines which have led to the erosion of modern nation-state boundaries from below and above. He has claimed that the state form we have used to name a competition state has presently come to be characterised by an "embedded neoliberal consensus". This consensus has developed from the hegemonic status of the need to capture the benefits of globalization and discard the redistribution away from the core of discussions. The "embedded neoliberal consensus" has led to the promotion of competitiveness, growing acceptance of a more open world economy, reform of national finances, privatisation, public-private partnerships and flexibilising the state itself. This has led into the understanding of boundaries as less about distinctions between territorial units and more about economic sectors, socio-cultural networks, state agencies and new groupings of "winners" and "losers". (Cerny 2009: 25–28.) This indicates a change in thinking towards space- and network-oriented spatial categories.

Jessop's Schumpeterian Workfare Postnational Regime

The strategic-relational approach (Jessop 1990, 2002a) provides a useful theoretical framework for understanding the reworking, restructuring and rescaling of state space in a specific spatio-temporal context. In his strategic-relational approach, Jessop (1990: 260) argues that the state is a social relation which can be analysed as the site, the generator and the product of state strategies. In this context, the state is a site of strategies and a system of strategic selectivity in which the ability of political forces to pursue their interests and execute their strategies in a specific spatio-temporal context differs due to their access to control the state power and resources. Therefore in a specific spatio-temporal context some political forces have greater access to create their strategies to gain access to state power and state resources. In addition, strategic selectivity emphasises the state's differentiated impacts on the balance of political forces and strategies which they can pursue. The state as a generator of strategies serves as an institutional base for political struggles and enforces hegemonic projects. On the other hand, the state is a product of strategies because of both its structure and its operational framework can be understood in terms of their production in and through past political strategies and political struggles (see Jessop 1990: 9–10, Jessop 1990: 260–261; Jessop 2002a: 40). This may be understood that the current strategic selectivity of the state is a result of the past patterns of strategic selectivity and the strategies adopted for its transformation (Jessop 1990: 261). This emphasises the relational character and the path-dependent character of state strategic selectivity (Jessop 1990: 9–10, 260; 2002: 40).

Jessop (2002a: 123) describes the emerging new state form firstly as a "Schumpeterian competition state", which has developed as a response to the challenges and opportunities of the present politico-economic development. The term competition state refers to the state's aim to secure economic growth, international competitiveness and to protect jobs and welfare within its borders. Jessop (2002a: 123) claims that

> "the principal political response can be summarised briefly as the

> attempt by state managers, officials, economic and other forces to transform the Keynesian full employment state into a Schumpeterian competition state, to rescale and rearticulate its activities, and to develop new forms of government and governance to address the emerging problems of state as well as market failure".

On some levels, the logic of the Schumpeterian competition state manifests the workfare-oriented tone in Jamie Peck's (2001) thinking. This is especially so when considering the trimming of the welfare state into the competition-oriented state, particularly the rationalisation of social political aspects and eligibility of welfare services.

The Schumpeterian competition state is a changing regulatory framework which facilitates labour market flexibility and mobility in national economic space. It also liberalises and deregulates the movement of foreign capital and foreign direct investments. However, the transformation of regulatory framework is not an automatic process but rather involves political struggles. The rise of the Schumpeterian competition state is reflected in changes in economic discourse and concepts. It is mediated through discourses about the economic situation and the crisis of the Keynesian welfare national state. The emphasis is particularly on flexibility, entrepreneurialism, lifelong learning and knowledge-based growth. In addition, the emergence of globalization discourse is seen as signifying a shift in the capital accumulation dynamics. (Jessop 2002a: 124–138.)

There is a significant spatial aspect in Jessop's theorisation. He pays attention to the scalar restructuring of states: the emergence of competition states becomes visible on various territories as cities, regions and national states promote their competitiveness on the regional, international and supranational levels, respectively. The competition state development often involves refocusing economic strategies around the features of specific economic spaces. Jessop claims that the emergence of Schumpeterian competition state can be seen in many scales from entrepreneurial localities to the national effort to increase competitiveness on international, pan-regional or supranational basis. In this transformation, the role of the state in generating favourable conditions for economic growth is emphasised. All these efforts are reflected in the concept of competitiveness. (Jessop 2002a: 95–133.) However, Jessop (2002a: 252) points out that the relativisation of scale has decreased the expected primacy of national scale. Despite this, no other scale of economic and political organisations has attained a similar kind of scalar primacy (Jessop 2002a: 179). This is not to propose a decline of the national state but rather the national state remaining a crucial institutional site and discursive framework for political struggles (Jessop 2002a: 212) which is a central focus in my study.

The recent changes in economic and social policies that exist at different times in different places, lead to major implications in the politics and restructuring of the welfare state. Therefore the qualitative shifts in the role of the welfare state are to be further highlighted; the reorganisation of labour processes, accumulation regimes and modes of regulation cause challenges and have major implications for the politics of the welfare state. The fiscal pressures have attributed greater demands for a change in the Keynesian welfare state and enhanced the crisis-tendencies of Atlantic Fordism. (Jessop 2002a: 140–144.) These change pressures have led to changes in all three aspects of welfare policy: insurance, fisco-financial redistribution and collective

consumption. As a result, these aspects of welfare policy are witnessing the subordination of social policy to economic policy. Downward pressures on the social wage have also emerged. Jessop points out that the use of social policy to enhance the flexibility of labour markets and to create flexible workers suited to a globalizing, knowledge-based economy have emerged. He summarises these changes by further developing his Schumpeterian competition state towards a Schumpeterian workfare postnational regime (SWPR). Jessop also emphasises the path-dependent character of the emerging welfare-workfare mix. (Jessop 2002a: 247–259.)

Four characteristics particularly distinguish the Keynesian welfare national state and the Schumpeterian workfare postnational regime. Firstly, the Schumpeterian workfare postnational regime aims to promote supply-side policies, international competitiveness and socio-technical innovations rather than full employment and planning. Secondly, economic policy has gained priority over social policy in the SWPR. Thirdly, there is a shift from barely national-scale policymaking towards interscalar partnerships in resolving the current economic, political, social and environmental problems in the SWPR. Fourthly, in the SWPR there is a shift from tripartite corporatist arrangements between business, labour, and the national state and top-down planning towards a growing reliance on partnership, networks, consultation, negotiation and other forms of reflexive self-organisation. (Jessop 2002b: 459–460.)

In Jessop's (2002a: 250–254) terms, the SWPR is Schumpeterian as it tries to improve the structural and systemic competitiveness of the most important economic spaces in relatively open economies. In addition, it promotes innovation and flexibility of activities. On the other hand, the term "workfare" refers to the expanded notion of economic policy and the subordination of social policy. The main concern is to prioritise the welfare service production for business life at the cost of individual needs. The SWPR is postnational as it identifies the increased meaning of various spatial scales or territories; the significance of national territory as a power container has decreased (Jessop 2002a: 250–254). However, Jessop's Schumpeterian workfare postnational regime is a regime rather than a form of the state due to the fact that "it involves more diffuse patterns of international policy transfer, partnership working, local solutions and governance networks" (Painter & Jeffrey 2009: 67).

Characteristic of a Schumpeterian workfare postnational regime is its attempt to promote innovation and flexibility in relatively open economies. The core concept is the knowledge-based economy which becomes visible in the development of accumulation strategies, state projects and hegemonic visions. (Jessop 2002a: 250.) In a Schumpeterian competition state the economic competitiveness is increasingly seen to depend on extra-economic factors (social, cultural, and environmental), which leads to substantial expansion of the economic spheres (cf. Pelkonen 2008: 36).

Of the four ideal-type alternatives of SWPR strategies; neoliberalism, neocorporatism, neostatism and neocommunitarianism, neoliberalism and neocommuniatarianism are rather controversial to each other. Neoliberalism is the hegemonic strategy for economic globalization with a primacy in the United States and other Anglophone countries. It promotes the market-led transition towards new economic and social regimes as well as free competition and also reduces the role of law and state. In addition, neoliberalism promotes internationalisation and privatisation. Neocommunitarianism, at the

other extreme, aims to limit free competition. It opposes the extension of capitalist logic to other spheres of life. It also promotes the social economy as a challenge to the logic of capital accumulation in the economy and enhances the role of third sector. Its emphasis is on social use-value and social cohesion. Between these two extremes lies neocorporatism and neostatism. Neocorporatism aims to rebalance competition and co-operation, and expands the role of public-private partnerships. At the core of neocorporatism is the protection of its major economic sectors in an open economy. Neostatism, on the other hand, is a market-conforming but state-sponsored approach to economic reorganisation which has the aim of regulated competition instead of extensive state control. In other words, the state intervenes to guide the development of market forces. It guides national strategies rather than planning in a top-down way. It promotes public-private partnerships under the state guidance. There are various, path-dependent routes to each forms of the SWPR. However, these ideal-type strategies are rarely found in pure forms but rather combined in a case-specific manner. (Jessop 2002a: 259–264; 2002b: 460–464.) For example, Pelkonen (2008: 59–63) has examined the merging of Jessop's ideal-type alternatives of SWPR strategies in a Finnish context of technological upgrading. However, Painter and Jeffrey (2009: 68) have claimed that the unclear future of the state is defined in constant political struggles and political decisions due to its political nature. Therefore, the present neoliberal trajectory and the SWPR have alternatives (cf. Painter & Jeffrey 2009: 68).

Jessop's theorisation of Schumpeterian workfare postnational regime presents some kind of combination and further development of Cerny's (1990, 1997) theorisation of a competition state and Peck's (2001) theorisation of workfare state. Colin Hay (2004) has identified some differences between the Schumpeterian workfare postnational regime and Cerny's (1990, 1997) competition state. Hay manifests that for Jessop it is particularly the shift from a Fordist regime to post-Fordist regime of accumulation that has promoted the transformation of the Keynesian welfare state instead of globalization in Cerny's thinking. He presents that Jessop's Schumpeterian workfare postnational regime is still in a process of emergence, and is not a stable construction. Hay also proposes that Jessop allows variations in both of his conceptualisations of the Keynesian national welfare state and the Schumpeterian workfare postnational regime which identifies the fluctuation between political dynamics and economic logic (Hay 2004: 41).

Brenner's Rescaled Competition State Regime

In his book, *New State Spaces* (2004), Neil Brenner has elaborated theoretical foundations for a processual approach to the production of state spatiality in order to escape the "territorial trap" (see Agnew 1994). He focuses on the transformation in the spatial dimension of statehood. In particular, Brenner focuses on state rescaling, in other words the transformation of state power and statehood in spatial terms. He has presented a "spatialised version" of Jessop's strategic-relational approach in which state scalar selectivity is understood as an expression, a medium and an outcome of political strategies (Brenner 2004a).

Neil Brenner (2003a, 2004a) draws fruitfully from Bob Jessop's strategic-relational

theorisation of state form, state projects and state strategies and expands Jessop's strategic-relational theorisation into a "strategic-relational-spatial" framework. He emphasises that the state spatiality is never permanently fixed but rather a politically contested process (Brenner 2004a: 89). Brenner (2004a: 92) introduces three dimensions of state spatial configurations under the auspices of capitalism. Firstly, the spatial form of the state is closely related to its territoriality and the formation of its political-territorial units. Brenner reminds us that territoriality remains the most important attribute of state spatial form where state regulatory activities are executed. Secondly, state spatial projects refer to specific programmes and initiatives which directly or indirectly affect state spatial structures and the geographies of state policy, at the same time targeting spatially differentiated or integrated state institutions and structures. That is to say that state spatial projects may refer to the state's internal scalar division of its administration as well as to programmes to modify the geographical structure of governmental activities (Brenner 2004a: 92). Thirdly, Brenner (2003a: 205; 2004a: 93) argues that state spatial strategies target spatially selective accumulation strategies or hegemonic projects referring to the capacity of state institutions to influence the geographies of accumulation. Politicians and other political actors represent their ways of reasoning as temporal fixes that are suitable for dealing with current political problems, fixes which have the appearance of state spatial strategies and take their form in a discursive space. It is clear that state spatial strategies are articulated through various policy instruments and economic development initiatives. These policy instruments have however differentiated scalar and spatial effects, discursive but also material, as social forces interfere with and influence in spatial privileging (Brenner 2003a: 205, Brenner 2004a: 93).

In other words, Brenner proposes that the state scalar structures are historically malleable, reworked and restructured through the political strategies they enable (Brenner 2004a: 11). He (2004a: 110–111) represents that the evolution of state spatiality is strongly a path-dependendent process. Brenner claims that the reworking of state spatial structure does not occur simultaneously in various places but rather at different speeds in different places at different times. In this reworking of state spatiality, the past decisions have an influence on the current development, in other words, historically inherited configurations contribute to the current reworking, restructuring and reconceptualisation of state spatiality. He argues that his strategic-relational-spatial framework towards the changing statehood offers a way to scrutinise the path-dependent layering process (Brenner 2004a: 110–111).

Through these theoretical foundations for his processual methodology, Brenner has conceptualised medium and long-term tendencies of state rescaling in Western Europe. He has concentrated particularly on capitalist urbanisation processes and the context of uneven spatial development. Brenner has also been interested on how and why political strategies are temporally mobilised to rework the state scalar organisation (Brenner 2009: 127). He (2003b, 2004a, 2004b) has studied the state spatiality and particularly the state spatial restructuring in the Western Europe. This mesolevel approach includes abstract concepts but also extensive empirical research. In particular, Brenner has examined the temporal trajectory of spatial planning policies from spatial Keynesianism towards urban locational policies. In his studies, the

restructuring of state space has accelerated and intensified during the 1980s leading to fundamental urban policy reform in Western Europe (see Brenner 2004a). The way in which Neil Brenner combines abstract concepts and empirical material in his "strategic-relational-spatial" research provides an interesting framework of examining the medium and long term state rescaling also in the Finnish context. The geographical location in European margins, the late opening of Finland to global competition and adoption of the principles of spatial Keynesianism for decades have all together moulded unique circumstances according to which state rescaling occurs in Finland.

According to Brenner (2004a: 176), the rescaling of statehood has eroded and destabilised the nationalised formations of urban governance and the redistributive forms of state spatial policy that prevailed under the Fordist-Keynesian period (Table 1). Brenner points out that a shift in spatial policies of the state occurred during the crises tendencies of spatial Keynesianism. The region-originated endogenous development strategies were established to promote economic growth and technological innovations in a particular region (Brenner 2004a: 193–194). Brenner (2004a: 193) alludes to this laying the foundations to a scale-sensitive approach to spatial policy of state and identified the specific role of a region not merely as subunits of the state or an administrative hierarchy. In Brenner's highly sophisticated theorisation on urbanisation, cities and regions came to be recognised as having their own place-specific socio-economic assets, developmental trajectories and structural problems to be solved in political decision-making. These new forms of spatial policy concentrated on national urban policies targeted to address the new socioeconomic problems of large cities (Brenner 2004a: 193).

Table 1. Characteristics of Fordist-Keynesian capitalism and competition regimes (revised from Brenner & Theodore 2002: 22–25).

	Politico-economic framework	
Variable	**Fordist-Keynesian capitalism**	**Competition state**
Objective of the territorial structure	balanced territorial development (industrial and urban decentralisation), territorial and social integrity of the nation	city-centred economy, concentrative territorial structure (industrial and innovation activity concentration), emergence of metropolis politics
Forms of governance	state-centred and state-guided government	territorially decentralised governance
Role of the state	state as a producer of welfare (social welfare programmes and public spending), extensive state ownership, state subsidies	state as an enabler and facilitator (public sector operating on a commercial basis)
Monetary and financial regulation	Bretton Woods system, regulation of national central banks, public investments by the state	market regulation, international free trade principles, enhanced capital mobility
Scale	national scale	various scales overlapping
Forms of regulation of uneven spatial development	national compensatory regional policies, cohesion policies, spatial planning initiatives	competition policies, growth policies, individualisation of social risks

Brenner (2004a: 176–206) further continues his analysis and presents the new approach to urban governance as a locational policy where the main aim of state is to enhance the economic competitiveness of particular regions in supranational circuits of capital. The urban locational policy, the institutional reorganisations and regulatory strategies mobilised by post-Keynesian competition states, target cities and urban regions as sites for the enhancement of territorial competitiveness. Urban locational policies aim to promote economic growth and in particular to enhance the economic competitiveness of subnational units such as regions, territories, cities and city-regions in supranational circuits of capital accumulation. In other words, the creation of competitive advantages becomes a central policy goal. In this transformed context, cities are increasingly to be seen as growth engines through which the national competitiveness is to be promoted (Brenner 204: 176–206).

The urban locational policies have emerged through the interaction of multiple scales of political authority. Urban locational policies have been oriented towards the positioning of major cities and city-regions in supranational circulation of capital accumulation. The approach is based on an assumption that different territorial units compete against each other to maximise profits and economic growth. Therefore, the main aim of urban locational policies is to secure territorial competitiveness and promote economic growth by maintaining and expanding the capacities for profit-making and economic growth. (Brenner 2004a: 204–207.)

In his attempt to develop a scale-attuned theorisation of contemporary statehood and the state-theoretical analysis of contemporary rescaling process, Brenner (2004: 176–304) has appointed the emergent competition-oriented state form as the concept of "rescaled competition state regime" (RCSR). Brenner considers the rescaled competition state regime to be rescaled because it rests upon scale-sensitive political strategies in order to promote subnational spaces in supranational capital accumulation spheres. He proposes that Western European nationalities, subnationalities and localities have established place- and scale-sensitive approaches to institutional renewal and regulation. Many of these have concentrated on cities and city-regions. In establishing these place- and scale-sensitive approaches, state actors have targeted state spatial projects in order to decentralise key aspects of economic regulation to subnational institutional scales and actors. On the other hand, recent state spatial strategies aim to re-concentrate socioeconomic assets and advanced infrastructural investments within the globally most competitive city-regions. Brenner continues that the spatial development of post-1970s Western Europe is characterised by the enhanced concentration of socioeconomic capacities, high-skilled labour and advanced infrastructure investments into major metropolitan regions. A growing differentiation among local and regional economies and enhanced levels of connectivity and interdependence among the most dynamic, globally integrated metropolitan cores have emerged. The increasing functional disarticulation of major urban regions from their surrounding peripheries and from other marginalised areas within the same national territory has also emerged. The state form is considered as a competition state because it privileges the goal of economic competitiveness over welfare objectives. Brenner uses the term regime because this state form represents "an unstable, evolving institutional-geographical mosaic rather than fully consolidated framework of statehood". (Brenner 2004a: 176–304.)

Neil Brenner has aptly modelled the ongoing transformation of state spatiality particularly in the Western European context. His processual approach to the changing statehood unites theoretical concepts and empirical material in a way that offers a fruitful approach to the research foci. It also shed light on the nationalised, context-specific ways of reworking the statehood. Particularly his conceptualisation of state spatial strategies has been utilised in my research on the changing statehood in Finland; state strategies and state spatial strategies get their meaning when examining the political struggles and the production of the changing statehood in particular. The processual notion put forward by Neil Brenner concerning the transformation provides an informative way of examining temporal changes in state spatiality. I have pursued this particularly for the purpose of developing further the methodological

understanding in utilising Neil Brenner's conceptual framework. Although the approach of Neil Brenner is widely conceded, it has also confronted criticism concerning its approach to the question of how state rescaling and regulatory processes are territorialised and how territorial politics can in turn shape wider processes of regulation and state rescaling (Jonas 2011: 7). Jonas (2011: 7) suggests that instead of relying on a notion of territory and territorial politics as the outcome of wider processes of globalization and state rescaling, it should be possible to show how regional strategies of economic and state redistribution are contingent upon territorial politics.

In the forgoing, I have discussed the most central conceptualisations concerning changing statehood, particularly concerning the theorisations on a competition state. I have introduced these conceptualisations in order to provide a framework for my empirical examinations on changing statehood in the Finnish context. In the following sections, I will firstly empirically examine the changing state strategies and furthermore changing state spatial strategies in Finland. Secondly, I will enquire into how regional actors perceive and reason the recent regional development of Finland and in particular how they conceive the recent attempts to foster metropolitan city-regionalism. Thirdly, I will present the drivers to secure the local interests of the Southwest Finland, the case study region which I have chosen. I will also examine the evolving strategies of regional actors to locate their region in relation to different spatial "scales". In other words, I study the territorial positioning of Southwest Finland in the context of evolving and integrating European politico-economic space. Furthermore, I will introduce the constructed strategies and targets of regional actors when securing their local interests in a multi-level operational environment.

4. Changing statehood – The case of Finland[1]

4.1. The changing state strategies from 1965 up to the present times

The interaction between the state and territory is in the process of constant transition. Governments use different measures to affect the relationship between the state and its territory at different times, and the institutional structures of the state, such as its legislation, assume crucial importance in the process of expanding the state power within its confines. The state may use public infrastructural investments such as the construction of roads, railways, airports, seaports and telecommunications systems to intensify state/territory relations. These physical and social infrastructures can thus be seen as capital goods for which users do not pay a market price (cf. Rietveld 1989: 256). As such, public investments in social infrastructure such as education belong to these measures through which the state seeks to "stretch" itself throughout its territory. It is self-evident today that states should provide the basic infrastructure without which capitalist exchange could not operate (cf. Dicken 2003: 131).

From a spatial point of view, there are two perspectives when considering public investments. It has been common to examine the impacts of public investments on economic growth within a particular state. In such a view, the public infrastructure can be understood as a factor influencing the location of private investments. The provision of a basic infrastructure in a certain region can thus be argued to lead to an increase in the productivity of private production factors (Rietveld 1989: 255–272). It has been common in economic geography to study the role and impact of public investments in affecting regional divergence (Costa-i-Font & Rodriguez-Oreggia 2005: 310). In such a view, the domestic infrastructure is a factor explaining industrial relocation (cf. Gramlich 1994). Public infrastructure may have a role in attracting industries from other regions in a context where there are negative effects of industrial concentration in the place of departure (Costa-i-Font & Rodriguez-Oreggia 2005: 310), while Haughwouth (1999), for his part, has studied the impact of state infrastructure growth on the interstate distribution of economic activity.

State investments are regarded as instruments which uncover something crucial about the changing interaction between the state and its territory. It is argued that public investments serve well to characterise changes in the spatial strategies of the state as these are employed in different historical contexts. In other words, public investments are practices which always reflect their time. In the ensuing pages, the general justification sections of Finnish state budgets from 1965 to 2011 will be used to disclose the

1 Chapter 4 is partly based on the article *Towards a Nordic competition state? Politico-economic transformation of statehood in Finland, 1965–2005*. The article has been co-authored (equal authorship) together with S. Moisio & L. Leppänen (2007) and published in *Fennia – International Journal of Geography.*

changing strategies of the state apparatus as it has sought to manage and steer politico-economic practices. The year 1965 has been chosen as the initial point given the fact that Finnish regional policy legislation, which had the aim of launching a massive state intervention throughout the territory, dates back to 1966.

As indicated in Figure 2, investments (including both public and private investments) have fluctuated significantly in the history of Finland, and these fluctuations reflect the changing state strategies that are to be introduced in the following pages. Roughly speaking, three investment eras can be distinguished. The first was before the Second World War, when Finland was mainly an agricultural society and the investment rate fluctuated between approximately 10% and 20%. Investments tripled from the early 1920s to the late 1930s, even though the recession in the early 1930s was a crisis which caused a significant reduction in state investments (Hjerppe 1988: 124).

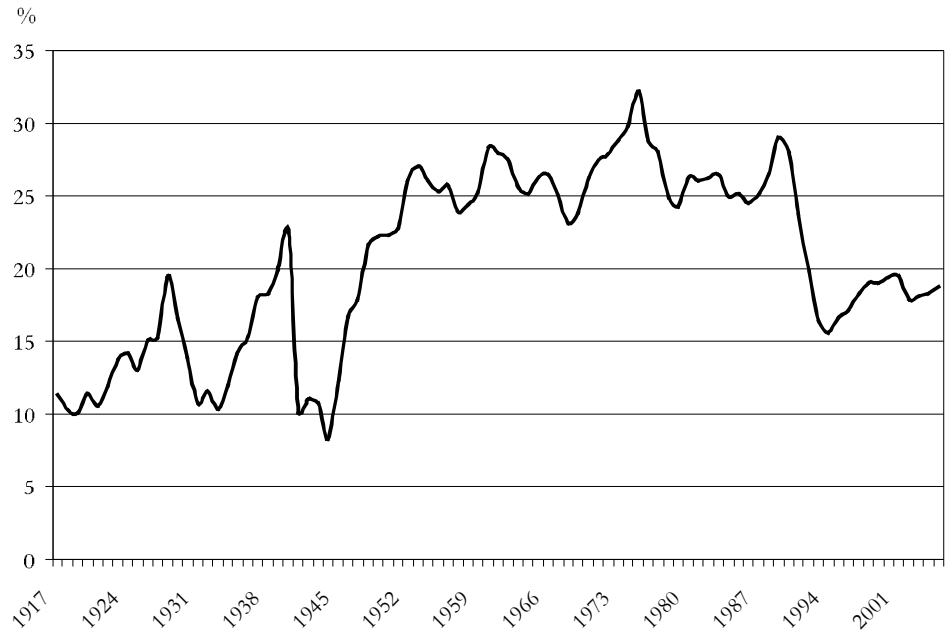

Figure 2. The investment rate (gross fixed capital formation/GDP) from 1917 to 2005 indicates that there have been three "investment eras" in the history of Finland since gaining independence: 1) c. 1917–1939, 2) c. 1944–1989 and 3) 1990– (source: Statistics Finland 2006).

World War II was an interruption during which investments dropped significantly and the second investment era began shortly after the end of the war and continued until the late 1980s. The investment rate rose gradually over this period from approximately 10% to over 33%. The development that took place from the 1960s onwards therefore exemplifies the more general trend in Western Europe that had already begun in the 1930s, when states began to interfere directly in the actions of society through subsidies, income transfers, grants, loans, tax advantages, public investments and the state ownership of production facilities. In the Finnish context, the latter half of the second investment period is usually considered to mark the creation of the welfare state, thus being characterised by a record of significant public investment in both material and non-material sectors. The severe recession which took place in the early

1990s was coupled with a considerable decline in investments, to be followed by the third "investment era", which began more or less in the early 1990s and has continued up to the present time. Central to this period is not only a significant decline in the rate of investments (to c. 10%), but also a significant increase in the proportion of non-material investments by the state at the expense of material ones.

The changing strategies of the state are examined as these are presented in the annual budgets. The purpose is to identify the basic dimensions of these changing strategies with respect to three issues: general investment policies, education policies and regional policies. The reason for making such a distinction is that the spatiality of the state is not moulded only in the context of "official" regional policies in Finland often called as "small regional policies" but also, and perhaps even more so, in the context of general economic and social policies.

Looking inward: territorial equalisation in the 1960s and 1970s

Centralised state planning was launched in Finland in the mid-1950s, but it was only in the mid-1960s that the rationale which considered the state to be an indivisible entity could be said to have been in operation in full swing. From that time onwards the state took a decisive role in strengthening and supporting the diffusion of settlement and economic activities into peripheral areas, with the help of public investments aimed at homogenising spatial economic development in a manner typical of an equalising state. The laws and decisions enacted in order to establish an integrated nation caused a considerable growth in state expenditure (Hallituksen esitys… 1964). From the very beginning, the interaction between the state and territory was based on the ideas of growth and "unity".

The state made a forceful expansion into its territories in the 1960s and 1970s and had already started to construct territorial equality and unified welfare systems during the first of these decades (Tulo- ja menoarvioesitys… 1967). The same phenomenon continued throughout the 1970s. In general, the state's distribution of its centralising power throughout its territory was a crucial strategy in the 1960s and 1970s, and perhaps surprisingly, it included plans to transfer tasks and authority from the central administration to the regional and local level in view of a perceived need to relocate offices and institutions outside the Helsinki region (Tulo- ja menoarvioesitys… 1974). The argumentation of harmonious and equal territorial development of one nation was highly visible in the state budgets of the early 1970s, coupled with the need to create a well-balanced territorial structure with full employment (see Tulo- ja menoarvioesitys… 1968, 1974). Far-reaching measures to construct an integrated and well-balanced nation-state based on both regional and social equality were thus highlighted at that time (Tulo- ja menoarvioesitys… 1974). In summary, the politics of one nation included a wide range of practices such as development of the educational system and the construction of basic infrastructure throughout the territory. These actions were coupled with the promotion of industrial production and the construction of further transport infrastructure.

The development of vocational education and extension of the higher education

system played an important role in the budgetary argumentation of the 1960s. There was an awareness of the need to develop an educational system which would overcome both regional differences and differences between the social classes. As far as basic education was concerned, the schools network expanded significantly and the preparation of the state-wide comprehensive school system started in 1964. A law on the development of the higher education system over the period 1967–1981 was enacted in 1966, and new universities were established in the "development regions". This was when the term "development regions" was established and "development regions" were defined for the first time (cf. Vartiainen 1998: 4). In order to fulfil the requirements of equal opportunities to study, the government developed a system of study grants in the late 1960s and this was coupled with the launch of the State Study Grants Centre in 1969. Further work on developing the grant system continued in the 1970s and was presented as one of the key state strategies in the national budgets (Tulo- ja menoarvioesitys… 1967, 1968, 1970, 1972, 1974).

The argument based on the need to develop the education system persisted further throughout the 1970s and the focus of state strategies in the early years of the decade in particular was clearly on providing and guaranteeing equal study opportunities on a regional basis. Implementation of the comprehensive school system began in northern Finland in 1972. The specific aim of this system as explained in the budget documents was to reduce differences between the core areas and the more peripheral parts of the country. All in all, the state increased education opportunities in the development areas at all educational levels from the mid-1960s onwards (Tulo- ja menoarvioesitys…1970, 1972, 1974). As articulated in the state budget for 1973, "In order to equalise the persisting regional differences in vocational education, it is hoped to increase educational opportunities in the development areas by directing a considerable proportion of the student places to these regions" (Tulo- ja menoarvioesitys… 1972: 16). The state budgets of the 1960s and 1970s also indicate that the expansion of the entire education system to cover the whole country was considered to be of the utmost importance. Given the crucial importance of the education system in the national context, the creation of a unified educational system can be said to be inherently intertwined with an attempt to create societal order throughout the territory.

In addition to active education policies, the government began to implement an active public investment policy from the late 1960s onwards. This included large public investments in welfare infrastructures such as local hospitals, office buildings and transportation which increased the visibility of the state in peoples' everyday lives. The construction of transportation infrastructure continued throughout the 1970s with the electrification of the rail network, road investments and automation of the telecommunications network. Particularly the transport investments must be seen as crucial attempts to connect the geographical peripheries under the direct influence of the central government. Even though investments in infrastructure were not a focal point of the state budgets in the 1970s (contrary to the 1960s, when industrial investments required massive public financing), they nevertheless remained central to them. Investments in the state-owned Post and Telecommunications of Finland were already being legitimised in the early 1970s by emphasising the significance of economic growth especially in less developed areas (Tulo- ja menoarvioesitys… 1970, 1972, 1974; Valtion

tulo- ja menoarvioesitys… 1976, 1978). In general, extensive public investments and financing were argued to be the key means of promoting balanced regional development and social cohesion. The mining industry in northern Finland, for example, together with geological research in those areas, was strongly supported in the state strategies. In other words, the territory of the state was regarded as a fundamental economic and social resource, a type of spatial capital. As a result, industrial and power plants, mines and forest industries were established in less developed areas, largely with public investments. In addition to these investments in infrastructure, large forest improvement strategies were emphasised in the state budgets (Tulo- ja menoarvioesitys… 1967).

State ownership was the backbone of the welfare state strategies, which aimed not only to improve economic growth but also to foster national integrity. The budgets in the 1960s and 1970s highlighted close linkages between employment, societal order and public investments. The basic objective was to increase consumer demand. In the 1970s, when the argumentation legitimising large public investments was notably evident, state strategies were often justified with reference to poor employment conditions. In fact, in the mid-1970s, when the number of unemployed exceeded 100,000, President Urho Kekkonen declared a state of national emergency. As late as 1979, the state budget proposal (Valtion tulo- ja menoarvioesitys… 1978: 13) still clearly revealed a classical Keynesian tone: "weaknesses in domestic investment and consumer demand have been the reason for the high unemployment".

It was argued in the 1960s and 1970s that unemployment was the major threat to societal order and economic growth, and the ability of public investments to smooth over the cyclic variations in employment was often highlighted in state strategies from the mid-1960s up to the mid-1980s (Hallituksen esitys… 1964; Tulo- ja menoarvioesitys… 1967, 1968, 1970; Valtion tulo- ja menoarvioesitys…1976, 1978). Public investments were especially directed to areas which suffered from unemployment (Tulo- ja menoarvioesitys… 1974). In addition to employment, public investments were also seen as measures designed to avoid production shortages. In 1975, for example, the government argued that "economic policy has been especially directed towards supporting investments in industry in order to create additional export capacity for the needs of the new economic boom" (Tulo- ja menoarvioesitys… 1974: 9). Arguments also emerged for a need to increase production capacity because of the rapid growth of exports to the Soviet Union. Interestingly, the justifications for public investments gradually altered from employment aspects towards the management of production.

The aforementioned educational and investment policies were both remarkably inward-looking in the 1960s and 1970s, and the same applies to the regional policies, which paid special attention to the welfare conditions and economic growth in the "less developed areas". Concepts such as "development regions" and "balanced regional development" were notably visible in the state budgets of the latter half of the 1970s (Tulo- ja menoarvioesitys… 1974; Valtion tulo- ja menoarvioesitys… 1978). Various measures and actions took place in the less developed areas in the 1970s to balance out the developing territorial differences. The specific objective was to use public funding to promote entrepreneurship that would later operate in a financially independent manner. One of the most important actions in the 1970s was the establishment of Kehitysaluerahasto Oy in 1971, an organisation which started to finance small and

medium-sized enterprises in the development areas. Its main office was built in Kuopio (Herranen 2009: 167). The external development potential of companies in the development areas in particular was subsidised through state funds (Tulo- ja menoarvioesitys… 1970), and financial subsidies were also allocated directly to the promotion of industry. The mining industry, power production, electrification, the construction of hydroelectric power plants, ore prospecting and geological explorations in the development areas were particularly supported by the state (Valtion tulo- ja menoarvioesitys… 1976, 1978). In other words, rational state planning, the material infrastructure, natural resources and an attempt to foster economic growth formed a single entity.

Education, investments and regional policies in the 1960s and 1970s revealed a strong need to raise the development regions to the same level as the rest of the country. The "policies of one nation", an attempt to construct a coherent national state with well-balanced economic development throughout its territory coupled with the objective of attaining territorial control both vertically and horizontally, were strategically pursued through education, investments and regional development policies. These interlinked policies were based on an understanding that the state territory was the key constituent of societal order as well as a strategic asset for increasing economic prosperity. These policies also clearly reveal that the state strategies in the 1960s and 1970s were mainly inward-looking and based on equalising principles.

The understanding of national competitiveness in the state budgets changed remarkably from the 1970s to the late 1990s. Despite the inward-looking state strategies, the concept of competitiveness had already emerged in the budgets by the early 1970s, but it referred specifically to a need to develop national competitiveness through active labour and education policies which were to be spatially extensive. State investments in education were therefore seen as a crucial prerequisite for gaining competitive advantages in international trade. The term competitiveness therefore referred at first mainly to the price competitiveness of the state owned industries (Tulo- ja menoarvioesitys… 1970). Some initiatives for launching research and development projects were already being made in the late 1970s, but this form of reasoning remained marginal to the state strategies until the 1990s.

In the 1970s the concept of national competitiveness was inextricably connected with the promotion of industrial structure and employment (Valtion tulo- ja menoarvioesitys… 1978). In this form, the rhetoric of "being competitive" was highly visible in the state budgets of the late 1970s (Valtion tulo- ja menoarvioesitys… 1976, 1978). It is also important to note that the concept of national competitiveness in the 1960s and 1970s was inherently spatial in nature, as it referred especially to balanced economic and regional development.

Looking inwards and outwards: state strategies in the 1980s

Development of the welfare state in Finland reached its culmination in the 1980s, as education, investment and regional policies gradually took on new forms (Valtion tulo- ja menoarvioesitys… 1980, 1982), so that investments in social capital, know-how and education increased in state budgets in the early part of the decade and investments in

research and innovation towards the end. It was now argued that national competitiveness could be constructed and maintained through research, product development and the promotion of exports (Valtion tulo- ja menoarvioesitys… 1982). The state budget for 1987, for example, emphasises that "the enhancement of the professional skills of personnel and their motivation towards their work are the factors on which real competitiveness is ultimately based" (Valtion tulo- ja menoarvioesitys… 1986: 9). The budgets therefore started to highlight the importance of research in promoting the competitiveness of domestic production. For the first time universities were explicitly linked to the concept of economic competitiveness, although regional stability in higher education was still highly valued in the state strategies (Valtion tulo- ja menoarvioesitys… 1980, 1988).

The increasing importance of non-material investments, especially in the form of research and development, indicated a significant change in strategy in the late 1980s. In fact, investments in research and development increased significantly from the 1980s onwards, with the aim of reaching an "international level" (Figure 3). State subsidies were allocated to the development of new applied technology, product development and production systems (Valtion tulo- ja menoarvioesitys… 1980), and it was now conceived that regional policy funding for entrepreneurship would improve the country's long-term competitiveness (Valtion tulo-ja menoarvioesitys… 1982, 1988). As a result, public funding was increasingly being diverted away from direct investment assistance and towards research and development subsidies (Valtion tulo- ja menoarvioesitys… 1984, 1986) (Figure 4). It is important to note that regional access to research activity was also taken into consideration and growth in the research sector was channelled outside the Helsinki region (Valtion tulo- ja menoarvioesitys… 1986).

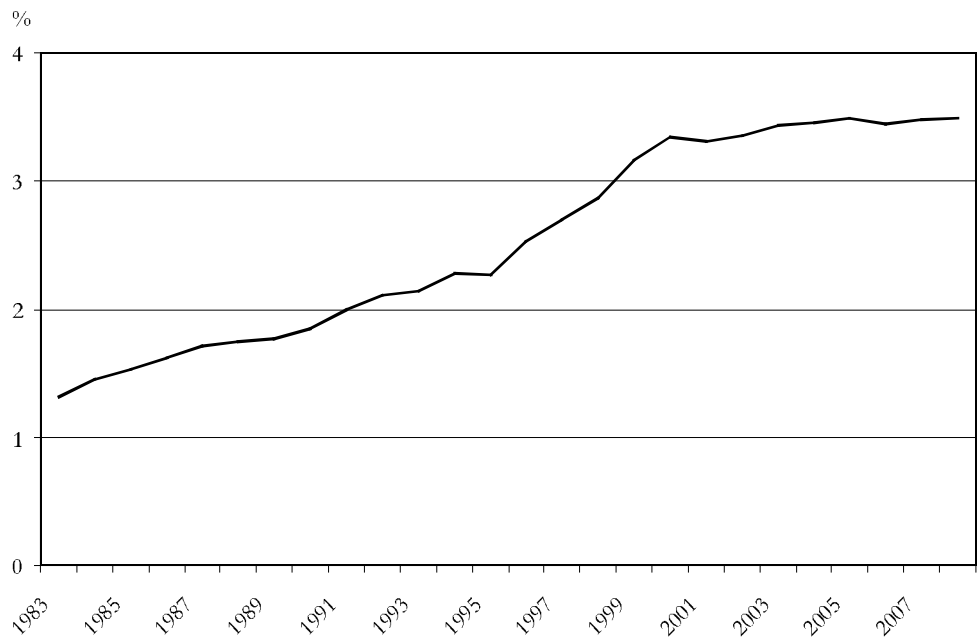

Figure 3. Gross domestic expenditure on R&D as a percentage of the GDP (source: OECD MSTI Database 2010).

Where the construction of the welfare state, especially in the 1970s, had taken place with the help of large public infrastructure and service investments, these basic infrastructure investments had largely been completed by the early 1980s. It is also important to note that the possibility of using state investments for achieving permanent improvements in the employment situation was questioned for the first time in the state budgets of the early 1980s (Valtion tulo- ja menoarvioesitys… 1980, 1982). This criticism took place in a situation in which political interventions by the state had started to be increasingly perceived as economically harmful rather than advantageous. It was in this context that the justifications for the use of public investments changed from the improvement of employment to the creation of competitiveness. In 1981, for example, the government emphasised that a rapid and balanced expansion in investments was necessary for regeneration of the production structure and the competitiveness of production. However, the government also went on to stress that great variations in investment activity could potentially lead to unstable economic development, which would weaken the possibilities for creating favourable preconditions for sustainable economic growth (Valtion tulo- ja menoarvioesitys… 1980).

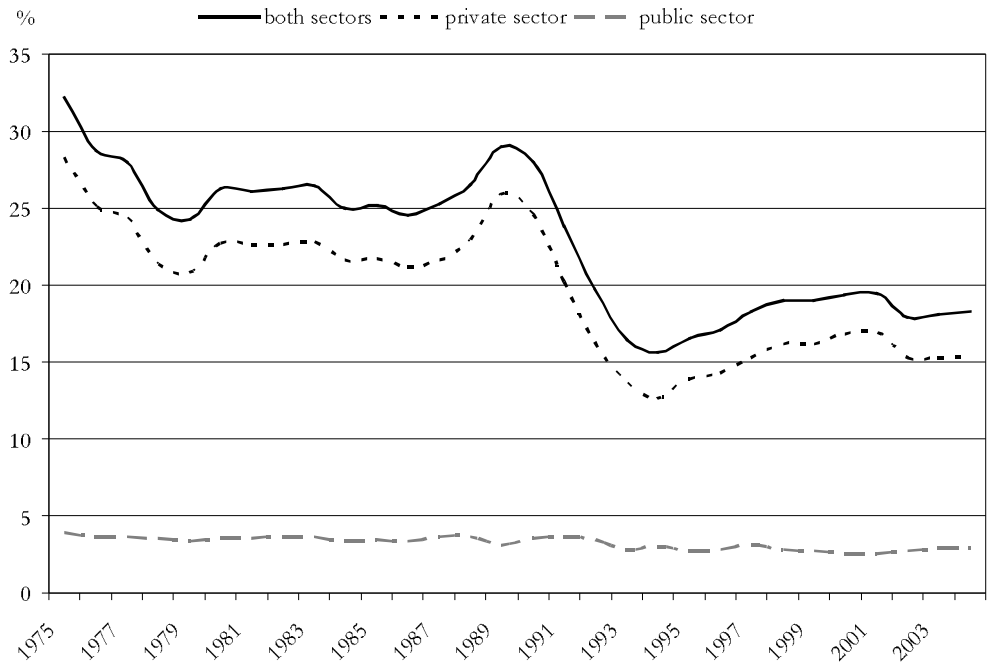

Figure 4. Rates of investment in the public and private sectors from 1975 to 2004 (source: Statistics Finland 2007).

Where the state-owned companies were heavily subsidised in the 1960s and 1970s, a change in thinking with regard to the productivity of state-owned companies took place in the early 1980s. It was now argued that state-owned industries should operate as real enterprises with the objective of making an economic profit (Valtion tulo- ja menoarvioesitys… 1982, 1986). This is considered as the first step towards

the gradual privatisation of the state-owned industries that took place especially in the 1990s. Moreover, this new principle indicates that the notion of competitiveness was becoming a more central part of government strategy. It was now argued that it was necessary to allocate funds to fields that had the prerequisites to survive in the face of international competition without continuous public sector investments. It must be noted, too, that this policy was launched even though the unemployment rate was high and there were shortages in the supply of skilled labour in southern Finland, especially in the growing branches of industry and in the service sector (see Valtion tulo- ja menoarvioesitys… 1984, 1986, 1988).

A distinct need to renew regional policies emerged in the late 1980s in response to increasing regional differentiation. This was argued in the state budget of 1989 with reference to changes in economic structures: "The structural change in industry and the growth in the service sector together with the increasing importance of knowledge and research investments in fostering international economic activity have given rise to a need to intensify regional policy measures" (Valtion tulo- ja menoarvioesitys… 1988: 32). Regional policies were gradually reformulated, with a new emphasis on industrial restructuring and service sector growth, and the increasing importance of knowledge and research investments also surfaced in their reformulation in the late 1980s. It is also striking to note that the idea of internationalisation was for the first time added to the previously inward-looking and equalising regional policies of the mid-1980s. This internationalisation was closely connected with the need to increase regional competitiveness through know-how and research activity (Valtion tulo- ja menoarvioesitys… 1988).

Regional policy reform was articulated especially with reference to competitiveness. The decline in economic competitiveness was characterised as a threat that would jeopardise not only economic development and employment but also the growth of foreign trade (Valtion tulo- ja menoarvioesitys… 1986). For the first time regional policies were explicitly connected to the improvement of living conditions in the Helsinki region. Moreover, the balance between economic growth and the autonomous development of the regions surfaced as an important issue in the state budgets. The development activities mentioned in the state strategies began to concentrate especially on southern Finland. As a consequence, the role of the development areas in the state budgets diminished in the course of the 1980s (Valtion tulo- ja menoarvioesitys… 1984, 1986, 1988).

Economic competitiveness gained in importance in the state strategies at the expense of employment which had characterised the period from the 1960s up to the late 1970s. This transformation can be taken as an indication of a gradual change from Keynesian strategies towards Schumpeterian competition strategies. The absolute necessity of economic growth was justified by increasing the requirement for competitiveness, and professional high-tech skills, the development of technology and related R&D activities were already being considered by the late 1980s as forming a background to the competitiveness of the state, which sought to bolster economic growth (Valtion tuloja menoarvioesitys… 1982: 29, also 1984, 1986). The concept of competitiveness thus became a ubiquitous formulation in state budgets at the expense of the price competitiveness typical of the 1970s (cf. Tulo- ja menoarvioesitys… 1972).

In addition to the increasing demand for competitiveness, the notion of internationalisation became central to the state budgets in the late 1980s. All these changes that took place in the 1980s indicate a gradual shift from inward-looking to outward-looking state strategies which were structured around and which thus constituted the "national scale". This was so even though inward-looking and equalising policies still played a central role, especially in the fields of education and regional policy.

An outward-looking state: emerging competition strategies from the early 1990s onwards

By 1990 the economic boom had been continuing for some time and the unemployment rate was at its lowest point since the early 1970s (Valtion tulo- ja menoarvioesitys… 1990). The boom passed its peak at this point, however, and the national economy fell into a period of deep stagnation, as a result of which both public and private investments decreased markedly (Valtion talousarvioesitys… 1992). Employment also declined rapidly, the problems of structural and long-term unemployment deepened and the public sector was unable to increase employment with its own activities (Valtion talousarvioesitys… 1994). Also the private financing sector drifted into difficulties, in other words financing was not easily available. The bottom of the economic depression had passed by the end of 1992 however, and the government started to seek to restore sustainable economic growth and improve the employment situation. It was now argued that the low rate of inflation would support competitiveness, accelerate investments and increase employment (Valtion talousarvioesitys… 1994).

It was in the middle of the deep economic recession that profitability and effectiveness, the key catchwords of the neoliberal rule of maximising economy, were adopted as key principles of public administration (Valtion tulo- ja menoarvioesitys… 1990). The growing demands to increase effectiveness led to a number of administrative reforms which it argued would secure the service basis of the welfare state (Valtion talousarvioesitys… 1992). These reforms in all sectors of the administration have continued up to the present day.

In general, education and research were highly valued in the state budgets throughout the 1990s. New polytechnics were established to increase the instruction in applied technology, and growing demands were expressed to increase the efficiency of the whole education system, which was now being increasingly conceived of as the backbone of economic growth. The new, outward-looking state strategies called for an increase in measures to gauge the effectiveness of the education system (costs per unit, quantitative objectives) (Valtion tulo- ja menoarvioesitys… 1990; Valtion talousarvioesitys… 1996), and it was now argued, especially internationally, that competitive research and development activities were essential for the nation to survive in the integrating and expanding world markets (Valtion talousarvioesitys… 1992). The emphasis on R&D was coupled with growing demands to create an "information society" based on technological innovations. In fact, the concept of the information society became a key reference point in the state budgets, implying that it was a central role of the state to create the preconditions necessary for the internationalisation of Finnish science and technology (Valtion talousarvioesitys… 1992, 1996). State budgets have clearly disclosed that government

expenditure on research and development is viewed as crucial in order to increase the country's international competitiveness in global markets. This strategy is coupled with a noticeable aim to educate highly-skilled workers, who are seen as the sources of technological innovations and economic success. That is to say, the country's international competitiveness and its very survival has been closely connected with technological innovations and the technological skills of the people.

Given the fact that it is especially the neoliberal theory of technological change which relies on the coercive powers of competition to drive the search for new technologies and new production methods, the budgets reveal a fairly clear change towards strategies typical of competition states. In other words, they disclose a belief that there is a technological solution to each and every problem, so that technological innovations become an integral part of the state which seeks to foster international competitiveness (cf. Harvey 2005: 68).

From the early 1990s onwards, investments in economic innovations and non-material assets were argued to be important for economic growth. It was now argued that the national economy demanded massive non-material investments in education, research, product development and marketing. As such, the state began to develop new infrastructures for creating an attractive business climate (Valtion tulo- ja menoarvioesitys… 1990; Valtion talousarvioesitys… 1996). The need to attract foreign direct investments into Finland emerged in its rhetoric in the late 1990s in particular, when it was emphasised that economic and industrial policies must ensure that Finland provides advantageous conditions for the relocation of both domestic and foreign investments (Valtion talousarvioesitys… 1998).

The establishment of the Centre of Expertise Programme in the 1990s, coupled with the gradual development of the "national innovation system", epitomises the way in which both centralised research and development and technological innovations have become incorporated into contemporary regional policies (Valtion talousarvioesitys… 1998). Indeed, considerable changes in regional policies took place in the state budgets from the early 1990s onwards. Not only have the ways of thinking about regional development changed, but regional policy concepts have also been renewed during the past fifteen years. Networks, innovations, clusters, city districts and private-public partnerships have more or less replaced the previous spatial language in which concepts such as development regions, central place hierarchies, regional development and regional stability were often employed.

European integration has naturally had a major impact on regional policy practices since 1995, but it is also the emphasis on international competitiveness, high-tech and privatisation which has had a significant impact on the changes in these policies. The programme-based regional policies of the EU adopted by Finland in the mid-1990s further emphasised the principles of both the autonomous development of regions and their specialisation. Now urban and rural policies have become increasingly separated from each other and the state has started to act as a provider of the preconditions necessary for entrepreneurship (Valtion tulo- ja menoarvioesitys… 1990; Valtion talousarvioesitys… 1992, 1994). Thus the Finnish government currently acts as a risk taker which finances "innovative" companies, especially in the high-tech sector (Valtion talousarvioesitys… 1992, 1994, 1996). As a consequence, substantial financial resources

are now being allocated to the information and communication technology sector in particular (Valtion talousarvioesitys… 1996, 1998). The Schumpeterian formulation of competitiveness has therefore been clearly visible in the national budgets from the mid-1990s onwards. As Jessop (2002a: 121–122) points out, it is especially typical of competition state policies that public resources are increasingly allocated to the promotion of technological innovations that are assumed to increase the pace of economic growth.

Regional development became increasingly understood from the 1990s onwards as the responsibility of the regions rather than the central government. In general, the state began to oblige the regions to strengthen their international economic competitiveness and attractiveness without giving them any notable degree of political self-determination (cf. Hautamäki 2001: 44–45). In Finland, the decision-making concerning, for instance, of transport infrastructure and higher education has been fairly tightly under the authority of central administration, while the vocational education is largely the responsibility of local actors; the majority of the organisers of vocational education are municipal organisations. Because the regional actors consider both the higher education system and traffic infrastructure to be factors which greatly affect regional development, the decision-making in those branches has remained a central target for local actors' interest supervision for decades.

The notions of international competitiveness were already built into all state policies by the late 1990s and investments were being allocated especially to improve the international competitiveness of private companies and production structures in major urban regions (Valtion talousarvioesitys… 1996, 1998). Know-how infrastructures and entrepreneurship played a crucial part in these new policies. Thus the budget articulations from the early 1990s up to the present day reflect the fact that the city-centric and outward-looking approaches to spatial policy have fundamentally challenged, if not entirely superseded, the forms of territorial redistribution that were launched in the 1960s.

Looking outwards: Innovation policy as a new state strategy

In the early 2000s, the general justifications of state budget indicated balanced and rapid economic growth (Valtion talousarvioesitys… 2000). After the mid-2000s the world economy bypassed the peak of the economic cycle into slower economic growth. However, in Finland the economic growth continued and employment rose throughout 2000s until the economic recession began in the mid-2008 and the economic growth decreased (Valtion talousarvioesitys… 2006, 2008). Presently the world economy has slowly recovered from the financial crisis and growth is expected to be rapid during next few years. This is expected to be reflected positively also in the Finnish economy (Valtion talousarvioesitys… 2010).

The politico-economic challenges that the Finnish state will confront have been repeatedly elicited in state budgets throughout the 2000s. The challenges originate from both the state's internal and external conditions. The inward pressures of the state, particularly the change in the age structure of the population will eventually lead to the

ageing of the population and a decrease in working-age population. This will create a risk of the national economy weakening and endanger the economy of municipalities. It will also endanger the welfare services provided and sustained by municipalities (Valtion talousarvioesitys… 2000, 2002, 2004, 2006, 2008). The outward pressures of the state are based on the ongoing changes in the world economy, global competition and the transfer of less competitive business fields to locations abroad (Valtion talousarvioesitys… 2006). Therefore the demand for a change in the measures targeted to respond to the emerging political problem began to be identified during the 2000s.

The emerging politico-economic challenges have forced public actors to further tighten the principles of profitability and effectiveness, adopted as key principles in public administration in the 1990s (Valtion tulo- ja menoarvioesitys… 1990). The principles of effectiveness and productivity have been raised to the core of those strategies directed to secure the welfare services. However, the objective of welfare itself and the objective of securing the welfare services have both remained highly visible in the state budget rhetoric. In this context, the national economic growth and high rate of employment are seen as preconditions for securing the welfare services and maintaining a balanced regional development in the state space (Valtion talousarvioesitys… 2002, 2010). Therefore economic growth, productivity and effectiveness of the public sector are at the core of state strategies in the 2000s.

The rhetoric of state budgets in the 2000s manifests that the challenges that the Finnish state has confronted, particularly the competitiveness in global market competition, require new allocated methods of response. The main aim of state actors is to promote the development of the Finnish state as a competitive and attractive place for the international businesses to locate their business activities (Valtion talousarvioesitys… 2004, 2006). Therefore education as well as research and development activities were both highly valued in the state budgets throughout the 1990s as methods of constructing a functional operational environment for business life. In the 2000s, education and research along with innovation activity has further increased their importance at the core of state strategies targeted to improve the competitiveness of the Finnish state in global market competition (Valtion talousarvioesitys… 2006, 2010). Innovations and know-how, particularly investments in education, research, technology development and innovation activity, are seen to provide the preconditions for economic growth and competitiveness by providing an internationally high-quality operational environment for private business life (Valtion talousarvioesitys… 2006, 2010). The high level of education and knowledge have even been seen to construct a basis for the further development of the state (Valtion talousarvioesitys… 2002). Therefore I argue that innovations and innovation activity have particularly found their way to the core of state strategies after the economic recession of the late 2000s.

In general, immaterial investments are seen as highly relevant for the success of the national economy. However, in the 2000s, the slight increase in allowances in education has been considered inadequate. The need to allocate resources to the most important development targets and in particular to the most productive targets has emerged, particularly in the field of education (Valtion talousarvioesitys… 2006). This is to suggest that the spatial focus of regional development has been altered during the 2000s of which the major reform enforced in the field of higher education is indicative. When

compared to previous decades, the development has changed from expanding the higher education network towards the reduction of it particularly when considering its spatial scale. This is a manifestation of a penetration of profitability and effectiveness into all branches of state activities. Small branches in higher education networks were to be put together to form larger, multi-discipline educational branches (Valtion talousarvioesitys… 2006). The most valuable single renewal was the reworking of the university system in 2010, in which several consolidations of Finnish universities were prepared and realized (e.g. merging of the University of Turku and Turku School of Economics and establishing the University of Eastern Finland by merging the universities of Joensuu and Kuopio as well). However, the most financially notable was the creation of Aalto University in 2010 from the merger of three Finnish universities, the Helsinki School of Economics, Helsinki University of Technology and the University of Art and Design Helsinki. Furthermore, other universities were changed into the institutions subject to public law since the beginning of the 2010 (Valtion talousarvioesitys… 2008, 2010).

In the 2000s, a shift from the financial support of regions towards the promotion of endogenous development of regions as well as the promotion of preconditions for regional development has occurred in full swing. When considering regional development, particularly the promotion of the preconditions for regional development is emphasised in state budgets instead of direct state subsidies. It is stated in state budgets that the government promotes the endogenous development of regions based on their particular strengths. Furthermore, the objective of state governance is the promotion of regional growth preconditions, the strengthening of regional know-how and the improvement of regional co-operation rather that financially supporting actual development (Valtion talousarvioesitys… 2000, 2002, 2004). This all indicates that a shift in the focus of regional policies has occurred during the 2000s.

Furthermore it could be argued that a change in the content of regional policy has occurred. This has occurred due to the general understanding of regional development having altered slightly to consist mainly of the endogenous regional development or development of preconditions for growth generation instead of maintaining financial subsidies of the state as the core measures of regional policy. In general, regional development is realised through regional programmes financed both by the Finnish state and partly financed by the European Union (Valtion talousarvioesitys … 2002, 2004, 2006, 2010). The evaluated state budgets clearly signify a shift in regional policy thinking to a new era from the mid-2000s onwards.

In the early 2000s, polycentricity was the objective of Finnish regional policy in spatial development of the state. The objective in urban policy was the development of regional centres, a balance in migration, and the creation of a network of vital regional centres consisting predominantly of small and medium-sized centres (Valtion talousarvioesitys… 2000). In the early 2000s, the target for urban policy was particularly seen to focus on problems and development possibilities of large urban regions. In state budgets, urban policy was set out as a programme directed to solve problems caused by growth, long-term unemployment and social displacement, which is to say that urban policy was mainly seen as a problem-solving activity rather than a measure

constructing competitiveness (Valtion talousarvioesitys… 2002).

However after the mid-2000s, the emphasis of state budget rhetoric slightly transforms as the large city-regions and particularly the metropolitan region are increasingly perceived as constructing competitiveness in global market competition. The state budgets began to promote the development of the competitiveness of the metropolitan region in the form of metropolitan policy (Hallituksen esitys eduskunnalle… 2011). This indicates that the focus of urban policy is changing towards metropolitan or city-regionalism-oriented thinking.

4.2. Changing state spatial strategies

Understanding the territorialisation of state power: inward-looking and equalising state strategies at a time of internal and external pressures

The spatial form of state and historically specific forms of state spatiality manifest the outcomes of spatially selective political strategies (Brenner 2004a: 84). In articulating these spatially selective state political strategies, economic development initiatives, spatial planning programmes and public infrastructure investments are utilized as well as various sectoral policies such as regional policies, urban policies, industrial policies but also labour market policies and housing policies (Brenner 2004a: 93). It seems evident that a transformation in state spatial projects and strategies has a profound impact on statehood. It can also be argued that the territorial structure of the state represents the prevalent state strategies, social relations and political power relations (Moisio 2009a: 156). Therefore, the territorial structure of the state offers a way to examine the changing statehood.

Changes in the politico-economic operational environment have caused the state to reconsider its spatial strategies. The changing statehood is a strategically-selective and politically-contested process (Brenner 2004a: 89). Furthermore, the transformation of state spatiality is clearly a path-dependent process which occurs on the basis of the current territorial structure of the state. That is to say that the historically constructed spatial configurations affect the speed, penetration and shape of the restructuration of state spatiality. In Finland, the definition of core and peripheral regions and the interaction between those regions have been an essential part of the trajectories of the state spatiality (Moisio & Vasanen 2008: 22). In this context, it is important to delve deeply into how and why some state territories are considered as more valuable than others in relation to the national economy, national culture and to national politics.

The trajectory of Finnish state space from Finnish independence up to the 2000s has aptly been described by Moisio and Vasanen (2008: 20–31). They have constructed generalisations from the prevalent forms of state spatiality in a certain historical situation. With these generalisations it is possible to seize on some wider trajectories regarding the relationship between the state and its spatiality. It is also possible to scrutinise the alternatives presented for the future development on state spatiality by comparing the visions put forward. Moisio and Vasanen (2008: 20–31) have divided the development of Finnish state space into four temporal phases: the areal state, the

spatially decentralised welfare state, the spatially decentralised competition state and the metropolitan state.

According to Moisio and Vasanen (2008: 23–29), the areal state describes the Finnish state spatiality from independence to the 1950s. In an areal state (Figure 5), a small-scale cultural-political core region was located in the Helsinki capital region and a wide state periphery existed elsewhere. The visibility of the state was minor. A central political problem of the time was a question of land and natural resources, forests in particular, in other words the financial benefit that land was producing, ownership questions about land and resource distribution. This indicates that state territory was held as an important production factor (Moisio & Vasanen 2008: 23–29).

Figure 5. The areal state (source: Moisio & Vasanen 2008: 24). The grey area indicates the core region of the state and the white area the state periphery.

The history of Finland is often conceptualised as a continuing attempt to survive on a turbulent world political map (see Jakobson 2006). It is argued here that from the early 1950s up to the late 1980s the logic of survival especially revolved around the issue of securing the territorial state, its membership of the non-communist camp and its political institutions. These formed the basis of state sovereignty from the early 1950s to the late 1980s. It is proposed here that power politics in Finland had a major impact on the ways in which governments understood the relations between territory, population, security and societal order.

Keijo Korhonen, one of the key political figures in Finland during the Cold War period, stressed in 1969 that "The foreign policy of every country is a result of both external and internal circumstances, of both existing conditions and the political will" (Korhonen 1969: 31). In a similar vein, the interaction between the Finnish state and its territory in the 1960s and 1970s may be understood as a result of both internal

and external circumstances, of both existing conditions and the political will. In other words, the state space at that time was a manifestation of changing political contexts in which global economic ideologies mattered as well as power politics.

The "central political problem of the government" which developed in Finland from the 1950s onwards included two inherently intertwined issues: national integrity and economic growth, i.e. it was inherently tied up with security policy concerns. It was in this political context that the idea that the state had the ultimate responsibility to create territorial and social integrity began to develop. This goal was inextricably conditioned by both internal and external pressures, which were connected with the more or less undisputed ideological goal of the leading political groupings. The Social Democrats, Conservatives and Agrarian Party all shared the view that Finnish society should belong ideologically to the non-communist camp. Externally, therefore, the rising industrial and military power of the Soviet Union operated arguably as a significant stimulus for developing national integrity.

In the late 1960s, President Urho Kekkonen pointed to a need to create a "uniform pattern of behaviour for the Finnish nation" (Jakobson 2003: 16). Even though personal contributions should not be overestimated in the context of historical development, neither should the actions of powerful individuals be underestimated. As far as the expansion of the power of the Finnish state from the 1960s onwards is concerned, the efforts made by Urho Kekkonen should especially be taken into account. As Prime Minister in the early 1950s, Kekkonen had already sought to launch a political programme which epitomises the later Keynesian territorial policies of the state. In his important political pamphlet, *Does our country have enough presence of mind to become prosperous?*, Kekkonen (1952) not only required that the government should take an active role in enhancing regional development, but he also argued that strong state regulation should exist throughout the country. Kekkonen thus demanded active state participation in the development of the peripheral areas. His idea was that the national state should operate as the key initiator of development, given the lack of private sector investments in the peripheral regions. He therefore introduced a major investment and financing programme especially to promote industrialisation in northern Finland:

> "The special conditions with regard to industrialisation in northern Finland, the scarcity of capital and the tendency for private entrepreneurship to support the southern part of the country in particular mean that we cannot construct industry in northern Finland – at least not as quickly as the benefits of our national economy demand. If the mission is to be carried out as it has to be, other measures have to be found. The only useful means is that the state should use public investments in northern Finland to build up its heavy industry" (Kekkonen 1952: 118).

In order to make the investment programme possible, Kekkonen (1952) claimed that the income level of the people should not increase notably in the short term. All these radical political openings were legitimised by reference to the challenges posed by both foreign and domestic politico-economic pressures which threatened the societal order within the confines of the state. Kekkonen thus conceived the creation of an integrated nation as a means to secure this sovereign political unit in the era of both

internal and external uncertainty. As such, the central governmental problem was inherently connected with the strength of a collective body. The increasing power of the centralising state was considered crucial to providing a territorial basis for social equality and social order. All these actions were clearly aimed at transforming the state into a powerful locale, an unquestionable framework for societal interaction.

During the era of the 1960s and 1970s, the underlying idea when considering the state territoriality was to secure the territorial unity of the state. This was seen best achieved through constructing a national consensus, creating welfare throughout the state and preventing radical political movements from spreading in the state space. The politics of one nation were pursued through various processes aimed at producing a regionally and socially homogenised state space. Internally, it was the danger of political and social unrest posed by the communists and socialists that was seen to require state interference. In Taylor's terminology (2006), the creation of territorial integrity from the 1960s onwards was inextricably connected with guardian practices which were aimed at controlling social relations within the state. The national territory was thus clearly understood as a seat of power and a fundamental resource for securing a sovereign state. The state became an inward-looking, equalising unit which operated through the creation of both spatial and social capital. In short, the Finnish state and its territory began to interact in such a way that they became mutually constitutive (cf. Lefebvre 2003: 87). The state constructed what Carl Schmitt (2003: 67–79) calls nomos: the measure by which the land in a particular order is divided and situated and the form of social and political order determined by this process. Moreover, the internal and external pressures led to the development of what Michael Mann (1984) calls the state's infrastructural power across its territory: the state possessed infrastructures that penetrated universally throughout the civil society.

In this context, despite the fact that the political viewpoints were overriding in the 1960s and 1970s, the economic factors were no less a present issue in public discussion. During each decade, the competition between states has been economic, of course, but in the case of Finland, the issue of economic competition has been tightly connected to political issues. The underlying idea was that the strengthening of the state's economic competitiveness would contribute to economic growth and lead to national consensus; the more rapid economic growth in Finland than in the neighbouring states was seen as important for retaining the territorial unity and territorial security of the state so that the Finns would not begin to experience lack of confidence towards their own territorial state. On the other side, the domestic economic competition was seen as harmful to the national social order (see Moisio 2011; Moisio et al. 2011). Already from the 1950s onwards, economic growth, industrialisation and social equalisation were considered fundamental prerequisites for containing the communist ideology within the state. Indeed, social scientists tailored theories according to which Finnish communism was a "spatial disease" which was located not only in the poor neighbourhoods of the major urban centres but especially in the vast peripheries within which the power of the state was poorly developed (cf. Koikkalainen 2004). Therefore it can be argued that the present idea of economic competitiveness deviates significantly from the earlier conceptualisation; the ability to compete has been loosened from the objective of cohesion of the state.

In a similar vein, Finland was no less subject to the tendencies of globalisation or

internationalisation pressures in this era than it is today, but the content and meaning of those pressures have profoundly changed as the economic globalisation has moved into a new phase. In the 1960s and 1970s, the economic pressures emerged as subsidiary to the political pressures towards the territorial integrity of the nation and its citizens. In general, this is not to deny the growing economic pressures, for instance the growing presence of transnational corporations, global mergers or acquisitions, but to remind that in the Finnish context the opening of the state for global competition, however, occurred in a later phase than in the Western European states. This indicates that the ways of reasoning the economic competition and internationalisation have profoundly changed. This also arrests attention to the qualitative changes both in the globalising world and its demands for states as well as to the central political problem of the state. Both of these changes have demanded qualitative changes in state strategies.

Alleviation of the patterns of uneven spatial development by directing state spatial strategies towards the channelling of infrastructure investments, industrial activities and social welfare policies evenly across the surface of the national territory was characteristic of the spatial Keynesianism (cf. Brenner 2004b: 479). In addition, characteristic of the Keynesian era was also the direction of state spatial projects towards the establishment of uniform frameworks of state territorial organisation (Brenner 2004a: 116). In Finland, the government thus began in the 1960s to create industrial environments in the less developed areas. In general, the development of the state's infrastructural power included massive investments in the material infrastructure of the peripheries, significant transfer payments to the less developed areas, development of the social security system and the construction of a unified education system and a nationwide university network. The government began to implement an active public investment policy and financing from the late 1960s onwards in order to promote balanced regional development and social cohesion. This included large public investments in welfare infrastructures and the establishment of state owned industry particularly in Northern and Eastern Finland. In other words, the territory of the state was regarded as a fundamental economic and social resource, a type of spatial capital. The principle of equal rights to services across the territory of the state was at the core of the development of infrastructural power. The state, therefore, took the key sectors of the economy such as health care and education out of the market on the grounds that access to basic human needs should not be determined by market forces. As the state budgets clearly disclose, the state sought to foster not only its visibility but also the national consciousness through these interventions which entailed expansions in public expenditure. As Painter and Jeffrey (2009: 46) have felicitously put it, the dissemination of welfare by reducing poverty, inequality and inadequate access to education, health care and housing has be seen to reduce the appeal of more radical solutions, the risk of widespread social unrest and the possible overthrow of the capitalist economic system. Therefore the utilisation of the wide state territory and stable societal conditions were seen to prevent radical resistance movements and to protect the prevalent political system and the role of state territory was seen as a key constituent of societal order and as a strategic asset for increasing economic prosperity. Through its intervention, the national consciousness and the national integrity

were constructed. This "one nation politics" clearly emphasised the welfare ideology: the principles of spatial and social equality as its core values. (cf. Moisio & Leppänen 2007.)

From the 1960s onwards welfare state policies started to colonise the everyday life of the Finns through bureaucratisation and discourses of state planning and surveillance (cf. Lefebvre 1991). As such, a unique expansion of state infrastructural power across its spaces took place through state regulation, which, it was argued, would increase economic efficiency. The government therefore accepted that the state should focus on full employment, economic growth and the welfare of its citizens, and if necessary intervene in or replace market processes in order to achieve these ends. The expansion of the state's infrastructural power was further "bolted to the ground" by the regional political legislation, which was aimed at producing societal trust among the different social classes across the regions. The spatial expansion of state power was executed through decentralisation of state activities into peripheral regions. The spatial extension of state power, in other words extending the infrastructural power of state in state space from the 1950s to the end of the 1980s was manifested in Finland in the spatial structure of a decentralised welfare state (Figure 6) (Moisio and Vasanen 2008: 25–26).

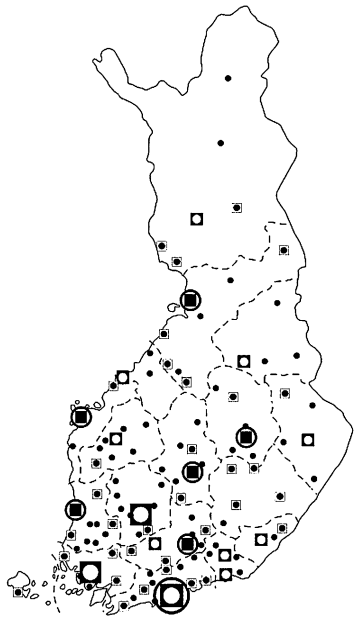

Figure 6. The spatially decentralized welfare state (source: Moisio & Vasanen 2008: 24). The map shows the hierarchical ordering of cities and municipalities in the Finnish state space; the size of the figure reflects the hierarchical significance of the centre.

Constructing a spatially decentralised competition state

In Finland, the security-political meaning of state space changed throughout the 1990s with political upheavals in Finland's neighbouring countries, the end of the cold war and the disintegration of the Soviet Union (Mäkinen 1999: 68). The security-political reasons for supporting the eastern parts of Finland in particular eroded and the importance of state territory for social cohesion decreased (Remahl 2008: 121; Moisio & Vasanen 2008: 27). As Remahl (2008: 120) has stressed, the economic depression of the 1990s caused deep and long term changes in the society: long-term unemployment, widening income disparities, poverty and widening regional welfare differences. Further pressures were applied through European integration, opening the economic system to international competition, rapid development of information technology, enhancing neoliberal ideology and global market economy (Remahl 2008: 120). Together with emerging pressures for change it caused policy actors to reconsider the ideological bases for the spatially decentralised welfare state. Although the universality principle was not entirely questioned, the erosion of financial resources and the opening up of a global economy and pattern of trade were raising new challenges for political actors.

Already in the 1990s the principle of competitiveness, adapted from international political arenas, emerged at the core of thinking and as a central concept in characterising the society. Nowadays, neoliberal principles and the competition state ideology are seen to be penetrating the structures of the Finnish welfare state, and to a great extent its Nordic equivalents, in response to the problems that an inefficiently run welfare state was seen to cause. In more radical views, this is seen to have already happened in Finland (e.g. in Helsingin Sanomat, 23rd August 2008).

At the core of competitive state strategies are the reconcentration of state resources in those selected "growth regions" that are seen to be worthy of state support, e.g. infrastructure investments and socioeconomic assets, in order to complement local initiatives and achieve success in global competition (cf. Cox 2009: 113). In this context, Antikainen and Vartiainen (2005: 143–148) have examined the development of the urban structure and urban system in Finland. When considering the state spatiality in Finland, city-regions have come to be seen as producers of competitiveness, growth generators and as producers of welfare from the 1990s onwards; this growth centre approach has characterised the Finnish urban policy in the 1990s. Particularly from the 1990s onwards, the Finnish urban regions have emerged at the core of the strategies announced to promote Finland's survival and success in global competition. The core of Finnish urban policy has been a set of polycentric ideologies, realised from the 1990s onwards through three urban programmes: the Centre of Expertise Programme (1994), the Regional Centre Programme (2001) and measures established by the Urban Policy Committee, particularly the Urban Programme (1997) (Antikainen & Vartiainen 2005: 143–148; Kähkönen 2006: 7). The aims of these development measures have been to create new jobs, foster regional development, distribute economic growth and welfare to the areas surrounding growth centres, as well as promote the strengths and deal with the problems of these urban areas (Regional Centre Programme 2009; Centre of Expertise Programme 2009, see also Kähkönen 2006).

The abovementioned implies that Finland has also begun to employ city-regionalism

as a locational key to national economic competitiveness, a similar development to that which has been occurring in Western Europe since the mid-1980s as specific cities have increasingly come to be seen as dynamic growth regions through which the national welfare can be secured (cf. Brenner 2004b: 470). At the core of growth-oriented politics is the idea of urban regions as major generators of innovations, knowledge and know-how, and their influence on the state's overall success, welfare and economy. Moisio and Vasanen (2008: 26–27) have aptly named this era in state spatiality as a spatially decentralised competition state (Figure 7) in which an attempt to construct strong regional entities to various parts of state that are able to "compete" in a tightening international knowledge market is central.

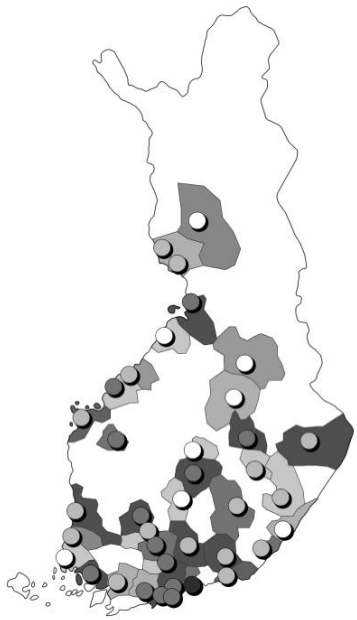

Figure 7. A spatially decentralised competition state. The figure represents the interpretation of Moisio and Vasanen of the central element of the decentralised competition state, the functional city-regions; the central cities and their spheres of influence in Finland (source: Moisio & Vasanen 2008: 24).

The objective of regional competitiveness and specialisation of urban regions strengthened from the mid-1990s. Despite city-regions emerging at the core of Finnish urban policy, there was a strong ideological and political support for regionally and socially equal development in Finland (Remahl 2008: 121).

In Finland, the objective of strategic polycentricism occurred in the late 1990s (Antikainen & Vartiainen 2005: 145). By strategic polycentrism, Antikainen and Vartiainen (2005: 144–146) have referred to the post-recession situation where gradual regional differentiation began and the recognition of differentiated significance of regions emerged. It was now recognised that some regions have wider significance in the national urban system than others and this was accomplished for example in the urban network study of 1998 (Vartiainen & Antikainen 1998) by using statistical criteria and

studying the functionality of urban regions (Antikainen & Vartiainen 2005: 145). Antikainen and Vartiainen (2005: 145) continue to propose that the post-recession period of differentiation can be seen as the actual starting point for concerns over an unbalanced urban and territorial structure. The idea of strategic polycentricism also shows that the emerging regional inequality had became more acceptable in hegemonic discourse.

Since the beginning of the 2000s, neoliberal principles and the competition state ideology have fully penetrated the structures of the Finnish welfare state as a response to the problems that an inefficiently run welfare state was seen to cause. Finland's survival and success in global competition has become the government's central mission – a new political "problem" which demands new approaches and responses (Moisio 2008: 10). The concept of competitiveness has become a starting point for political acts due to it being manifested as an overall objective which obliges political actors to undertake certain measures in order to improve competitiveness. In the discussion of the competition state, it seems evident that the welfare state is often articulated as the opposite state form to the competition state. The "old" welfare state is also often expressed as an inflexible structure suffering from exiguous competition and the new trimmed welfare state is presented as providing a change in this situation. (Kantola 2006: 165–176, see also Jessop 2002a: 133.)

Anu Kantola (2006) has examined the construction of competition state terminology in Finland. In her studies, competitiveness has emerged as the core terminology and a point of comparison for other terms, such as knowledge, innovations, technology, flexibility, entrepreneurialism and globalization which are intertwined around the concept of competitiveness. Moisio (2007: 242) has argued that a whole new vocabulary has been adopted in regional politics, where creativity, economic competitiveness, know-how and innovations take spatial shape in the form of metropolises, growth centres, nodal points and networks.

Despite the consensus achieved regarding the need to enhance state competitiveness, the political struggle of the state space was largely unfinished in the mid-2000s. Regional actors did not have well-defined opinions about the spatial development of state (cf. Remahl 2008: 123). As Finland has turned to neoliberal politico-economic principles of unregulated markets, enhanced capital mobility and restricted state intervention, it also began to promote the principles of economic competition in its spatial development. The question was primarily whether to focus on further competitive development of the major urban regions or on the less-competitive smaller urban regions (Antikainen & Vartiainen 2005: 150).

In Finland, the political acceptance of spatial differentiation became visible in 2003, as the programme of Prime Minister Matti Vanhanen's first government (Finnish Government 2003: 28) highlighted the regions' responsibility for their own success:

> "Regional success supports growth of the national economy and is reflected throughout the country. Regional expertise, entrepreneurship and employment will be strengthened, thus boosting growth and creating potential for maintaining the basic infrastructure of the welfare society. Better regional competitiveness will be invested in by enhancing regional expertise, strengths and development initiative."

This statement indicates a partial transfer of the responsibility for the success of the regions in international competition to the regions themselves. The welfare state ideology was nevertheless still prominent in the rhetoric of the government's programme in 2003. At the same time, the programme-based regional policies of the European Union were similarly emphasising active attitudes on the part of regions, responsibility for their own success and creation of the prerequisites for differentiated regional policies (Kähkönen 2006).

Matti Vanhanen's second government took the urban policies and preconditions for spatial differentiation a stage further in its programme published in 2007, paying particular attention to policies for large urban regions. Its objective of reinforcing the international competitiveness of such regions signifies a response to the central political problem of the time. In addition, the government introduced a metropolitan policy into its programme in 2007 in order to address certain special issues affecting the Helsinki metropolitan region, and in particular to identify solutions to problems associated with land use, housing and traffic, as well as to promote business and internationalisation and prevent social exclusion. The government programme of Matti Vanhanen's second cabinet (2007) clearly manifests the growth centre approach as the promotion of big cities is aimed at reinforcing the international competitiveness of major urban regions whereas the metropolitan policy is more likely seen as a problem-solving activity.

However, the argumentation about regional development and regional equality has changed in recent years. The focus has moved from solving problems in the metropolitan region towards promoting the competitiveness of Helsinki metropolitan region in global competition. The competitiveness of Helsinki metropolitan region is repeatedly highlighted in policy documents as a measure that would ensure the welfare and economic development of the whole nation; implying that Finland would succeed in international competition if it had a metropolitan region with sufficient vitality. In addition, the Helsinki metropolitan region is often highlighted as the most productive region, from which affluence can be diffused to the whole country (see Suomen Aluekehittämisstrategia 2020 2010). These arguments reflect the idea of a metropolitan region as a nodal point (cf. Heeg & Oßenbrügge 2002: 83).

Innovation policy as a new state spatial strategy

In Finland, the economic recession which began in the latter half of 2008 has stimulated the changing statehood into a new phase. As Jessop and Oosterlynck (2008: 1160) imply, crises often produce discontent with strategic choices and increase in alternative discourses and solutions. Although a mere crisis cannot produce a change, it opens political space for new political openings (Heiskala 2006: 14). As the crises erupt, political space is opened and political struggles will emerge for state strategies and state spatial strategies. Particularly during crises, actors constantly define and redefine the chosen measures to current political problems and propose new innovative strategies, projects and visions (Jessop & Oosterlynck 2008: 1160).

After the mid-2000s, knowledge and innovations were brought to the core of state

strategies directed to improve and secure the national competitiveness in global competition. This shows the increase in the importance of immaterial investments. A notable financial investment was made by the state in 2009 in a consortium of three university-level institutions in the Helsinki region to be known as the Aalto University (Valtion talousarvioesitys… 2008). The statement by the influential businessman Antti Herlin (2008) that the Aalto University was "a matter for the whole nation", gives a strong indication of the importance of education as a strategy for promoting Finland's survival and success in global politico-economic competition.

The main objective of state strategies is presently to produce state spatiality which would attract international capital and promote innovativeness. The present innovation policy displays the present neoliberal market economy development with its central objectives of economic growth and creating preconditions for business life. As it is stated in the state budget (Valtion talousarvioesitys… 2009):

> "The aim is for Finland to provide a working environment with an internationally high standard for businesses, one that also foreign companies will find appealing as a location for their research and development operations. During an economic recession it is important to secure investments in expertise and innovation in order to create conditions for new growth and renewal."

The roots of innovation policy are traceable to the formulation of the science and technology policy in the 1960s and 1970s (Lemola 2002: 1483). Particularly from the end of the 1990s, the innovation policy has challenged the technology political discourses (Kolehmainen 2008: 3). Lemola (2002: 1483–1486) divides the Finnish science and technology policy into three eras of which the first is the formation of basic structures of Finnish science and technology policy in the 1960s and 1970s; the second the strengthening of technology orientation in the 1980s and the third the building of knowledge-based society from the 1990s onwards. Lemola (2006: 13–14) has also noted that supporting technical research and development activity and promoting innovations has previously been at the core of innovation policy. A wider definition of innovation activity has however been adopted which concentrates particularly on the promotion of preconditions for business life but contains also more "soft" issues. Innovation policy signifies particularly the state activity or state (public) intervention aimed at promoting technology development in the market economy (Lemola 2006: 13–14).

The concept of a national innovation system (Figure 8) has been utilised in Finnish innovation policies since the beginning of 1990s (Suorsa 2009: 19). The Finnish science and technology Information Service (2010) defines the innovation system as follows:

> "The national innovation system is an extensive entity comprising the producers and users of new information and knowledge and know-how and the various ways in which they interact. At the core of the innovation system are education, research and product development, and knowledge-intensive business and industry. Varied international cooperation is a feature running through the system".

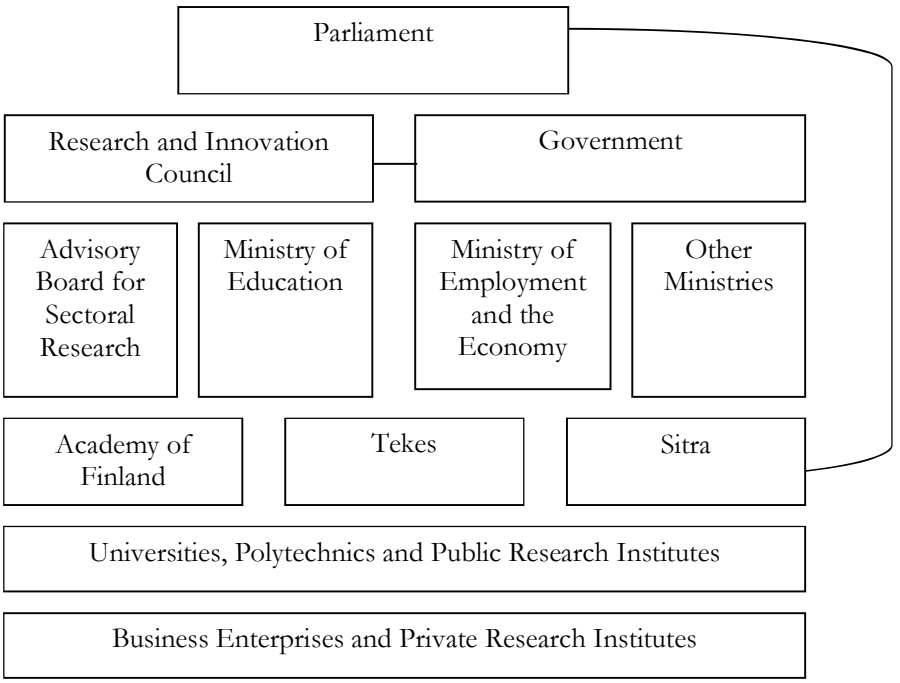

Figure 8. The Finnish national innovation system (source: Finnish science and technology Information Service 2010).

The Science and Technology Policy Council of Finland was established in March 1987 (Ministry of Education and Culture 2011). It was reformulated into a Research and Innovation Council in January 2009, chaired by the Prime Minister. It formulates national science, technology and innovation policies. In general, the Ministry of Education and Culture and the Ministry of Trade and Industry are particularly responsible for science and technology policies. Education and training, science policy, universities and polytechnics, and the Academy of Finland fall within the responsibility of the Ministry of Education. Industrial and technology policies, the Finnish Funding Agency for Technology and Innovation (Tekes), and the VTT Technical Research Centre of Finland fall within the responsibility of the Ministry of Trade and Industry. (Finnish science and technology Information Service 2010.)

The immediate preparation of a National Innovation Strategy was determined in the Government Programme of Prime Minister Matti Vanhanen's second Cabinet (2007). The National Innovation Strategy (2008: 4), established in 2008, asserts the significance of innovation activity at the core of state strategies as follows:

> "In order to succeed, Finland needs to be a global leader in its chosen innovation segments. […] This leadership will secure the competence of business life and national economy in the face of ever-increasing international competition. Finland must be able to create globally significant added value and attract expertise and investments to the country."

However, despite speaking of changes in the welfare state and adopting competition-oriented principles, the adoption of innovation policy does not mean discarding the objective of welfare itself. The main objective of the innovation policy – the growth of productivity, is particularly targeted to increase and secure the welfare of Finnish society (The National Innovation Strategy 2008: 4). As it is stated in the National Innovation Strategy (2008: 4):

> "The sustainable and innovation-based improvement of productivity is widely required in corporations and other organisations in order to increase welfare. The aim is for Finnish companies to succeed and grow on the international markets as a result of competitiveness based on expertise and the development of productivity."

The statement indicates that the argumentation about welfare is still a central part of political control and welfare itself has not become a secondary question, although methods for producing it have changed (see Moisio & Vasanen 2008: 20).

The relationship between innovation policy and regional policy has been a particular point of political discussion. According to Kangasharju (2009: 3–4) the aim of the regional innovation policy is presently to find innovation potential throughout the whole state space by motivating regional actors and spreading information about the possibilities and meaning of innovations. The main objective of the regional innovation policy is therefore the diminishing of the local character of knowledge. According to the Council of State, the regional innovation policy is only this and it does not include cohesion objectives unlike the regional policies (Kangasharju 2009: 3–4). Katri Suorsa (2007: 15–26) has studied the regionality, innovation policy and peripheral regions in Finland, Sweden and Norway. She suggests that regionality is not widely discussed in recent Finnish national innovation policy documents and therefore the innovation policy has somewhat ignored the regional dimension of innovation activities. However, Kangasharju (2009: 4) argues that the regional innovation policy has a strong regional political view. He claims that it is difficult to distinguish regional policy from regional innovation policy because of the innovation-oriented character of both policies.

It seems that innovation policy has penetrated all social policy and various policy sectors have been harnessed to serve innovation policy, such as education policy, regional policy, metropolitan policy as well as agricultural and foreign policies (cf. Suorsa 2007: 16). This indicates that the innovation policy has become the main accumulation strategy in Finland, a specific economic growth model complete with its various extra-economic preconditions, which also outlines a general strategy appropriate to its realisation (see Jessop 1990: 198–201).

The general acceptance of innovation policy has given the innovation policy even an economic hegemony. As Jessop (1990: 199) describes an accumulation strategy:

> "Such a strategy must advance the immediate interests of other fractions by integrating the circuit of capital in which they are implicated at the same time as it secures the long-term interests of the hegemonic fraction in controlling the allocation of money capital to different areas of investment advantageous to itself".

Jessop (1990: 201) reminds us that "a strategy can be truly "hegemonic" only where it is accepted by the subordinate economic classes as well as by non-hegemonic fractions

and classes in the power bloc". In Finland, the well-defined status of innovation activity at the core of state strategies clearly signifies the general acceptance of innovation activity as a new measure to secure and to further develop Finland's survival and success in global competition (cf. Ministry of Employment and Economy 2008; Ministry of Employment and Economy 2010).

The rise of innovation policy together with the adoption of neoliberal principles and the competition state ideology has clearly caused pressures on state spatiality. The spatial consequences of innovation policy consist of the establishment of national innovation centres which were proposed in the national innovation strategy in the 2008. In establishing these innovation centres, financial programmes such as The Strategic Centres for Science, Technology and Innovation (SHOK), Centre of Expertise Programme (OSKE), Cohesion and Competitiveness Programme (COCO) as well as the financial programmes of the European Union and other development measures directed to develop an attractive operational environment are to be utilised. Firstly, the Strategic Centres for Science, Technology and Innovation (SHOK) established in Finland in the late-2000s, are public-private partnerships for speeding up innovation processes. Their main goal is to thoroughly renew industry clusters and to create radical innovations. In addition, centres provide a permanent co-operation and interaction forum for companies and research organisations. (Tekes 2009.) Secondly, the Centre of Expertise Programme (OSKE), established in 1994, regionalised the innovation policy and brought innovation-oriented thinking to the fore in regional policy (Kolehmainen 2008: 3). The Centre of Expertise Programme aims to increase regional specialisation and strengthen co-operation between centres of expertise where the highest international standard of knowledge and expertise exists (Centre of Expertise Programme 2009). Thirdly, the Cohesion and Competitiveness Programme (COCO) aims to develop regional prerequisites of innovation activities by developing the co-operation between regional actors. The aim of the programme is to enhance the competitiveness of all regions while balancing regional development through supporting the interaction and networking of key operators in regional development (Ministry of Employment and the Economy 2009b).

Antti Hautamäki (2009) has described in a more detailed way the actual construction of innovation centres by strengthening the co-operation between local actors, enhancing the urban networks, developing the network of higher education and by synchronising various funding programmes in innovation centres which are to be constructed. With the strengthening of co-operation, Hautamäki (2009) refers especially to the strengthening of horizontal co-operation between the municipalities, regional councils, companies, organisations, the local actors of state governance but also citizens in order to promote and supervise the regional interests. That is to say that a network of the key regional actors forms the basis in constructing innovation centres in a particular place. Hautamäki sees the strengthening of urban networks, enhancing the functional areas and supporting the innovation zones as significant especially around the innovation centres. This emphasises that the territory in question is itself important when constructing innovation centres. By developing the higher education network Hautamäki emphasises the securing of know-how for regional purposes. The synchronising of programmes signifies the collection of different programme tools (e.g. the Strategic

Centres for Science, Technology and Innovation, the Regional Centre Programme, the Centre of Expertise Programme, programmes of Tekes, Sitra and the Academy of Finland as well as the structural funding interventions) to serve in building innovation centres (Hautamäki 2009). The establishment of innovation centres clearly emphasises the role of regional endogenous development. When considering the role of the state, the measures presented to construct innovation centres clearly manifest a shift from government to governance. One may ask what the role of the state governance will be in selecting and defining the actual innovation centres to be developed further.

The Finnish Regional Development Strategy 2020 (Suomen Aluekehittämisstrategia 2020 2010) constructs a vision of Finnish regional development in 2020. It is a proposal for the basic guidelines and politics of long term regional development for the year 2020. The Finnish Regional Development Strategy 2020 (Suomen Aluekehittämisstrategia 2020 2010: 84) and National Innovation Strategy (2008: 27) articulate that regional innovation centres should be constructed on the basis of the regional strengths and national choices. The operational environment of those innovation centres should be global. Both the Finnish Regional Development Strategy 2020 (Suomen Aluekehittämistrategia 2020 2010: 84) and National Innovation Strategy (2008: 27) state, however, that it is possible to construct only few innovation centres in Finland which would be competitive in global markets. On the other hand, neither the Finnish Regional Development Strategy 2020 (Suomen Aluekehittämisstrategia 2020 2010) nor the National Innovation Strategy (2008: 27) provide a precise proposal of how many innovation centres should be established. At the core of establishing competitive innovation centres is the question of competitive spatial structure of Finland. All these documents nonetheless highlight the fact that competition ideology has clearly found its way to the core of thinking. That is to say that innovation centres are clearly seen as a response to the challenges of global competitiveness. One may wish to consider whether the undefined amount of innovation centres may actually increase competition between regions.

The hegemonic discourse of the current time presents a strong metropolitan region at the core of competitive state spatiality. This goes to show that a consensus in public debate has been achieved regarding the need of a metropolitan region in developing Finnish competitiveness and the national economy (see e.g. Suomen Aluekehittämisstrategia 2010: 13). Therefore, according to the Finnish Regional Development Strategy 2020 (Suomen Aluekehittämisstrategia 2020 2010) the development of the territorial structure is continued according to the "network metropolitan" model. However, the structure of the network metropolitan region or its geographical scope is not defined in a more detailed way. The status of the rest of the state space remains nevertheless subject to political struggle. The blurred position of the rest of the state space may lead to an inter-regional competition in national political space.

Due to the specific spatial structure of the state not being thoroughly defined in policy documents, various visions for changing statehood have been presented. Firstly, Hautamäki (2008) has presented the establishment of 5–6 regional innovation centres based on regional strengths and the regional university network (Figure 9). The central idea in his vision is that the metropolitan region alone is not sufficient or politically correct in strengthening the competitiveness of Finland in global competition (Hautamäki

2008, Hautamäki 2009). Secondly, Santtu von Bruun (2009) has illustrated an idea of a network metropolitan region which would compete with other metropolises on a global scale. At the core of his thinking is the gathering of regional strengths, particularly competence-related recourses together in order to create scale advantages. The idea of a network metropolitan region consisting of 5–7 big urban regions is particularly based on a heavy utilisation and development of rail infrastructure between the metropolitan region and city-regions of Hämeenlinna, Lahti, Turku and Tampere (see Taavitsainen 2009: 14–17). Thirdly, Sotarauta (2009: 1–13) has even put forward that some counties, subregions or municipalities are not able to survive in the tightening competition. He felicitously names these regions as "the regions of elegant recession". Sotarauta further suggests that the state, counties and municipalities should provide assistance in order to shutdown some of the activities in these regions in order to secure the compulsory basic services and to find the right level to be maintained in future (Sotarauta 2009: 1–13). This clearly manifests a neoliberal way of thinking.

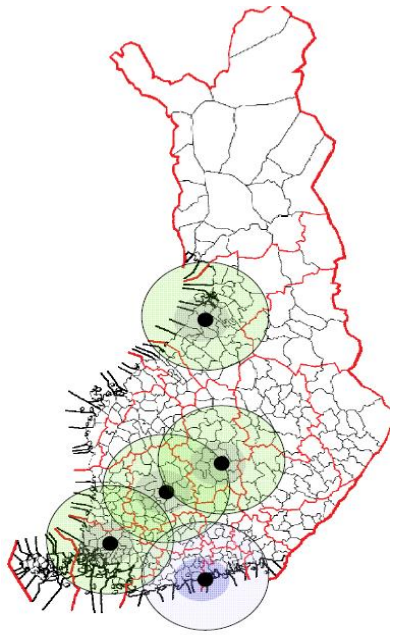

Figure 9. The Finland of innovation centres. The figure represents the vision of Antti Hautamäki of the location of the innovation centres to be built in Finland and the geographical covering of these innovation centres (source: Hautamäki 2009).

The fourth vision presented on state spatiality is the metropolitan state. In Finnish public discussion, the metropolitan state has often been represented as "the worst scenario" of Finnish regional development (see e.g. Hautamäki 2009) if nothing effective is done to prevent this development (Figure 10). In the vision of a metropolitan state, the core idea is to challenge the polycentric model of urban structure. The vision of a metropolitan state suggests that the global competitiveness of Finland would develop in only one transcendent metropolitan region where development resources are to be

directed instead of less developed regions (Katajamäki 2009: 32). The idea of a metropolitan state presented by Moisio and Vasanen (2008: 28) is based on the concept of a strong polarisation of state spatial development into developing and regressing regions at the same time reflecting the strong adoption of neoliberal doctrines. In a metropolitan state, the importance of the state space as a production factor, as a spatial capital, would further decrease. In addition, the role of the state would also change as the importance of the state as an organiser of social relationships and as a realiser of national policy would decrease (Moisio & Vasanen 2008: 28).

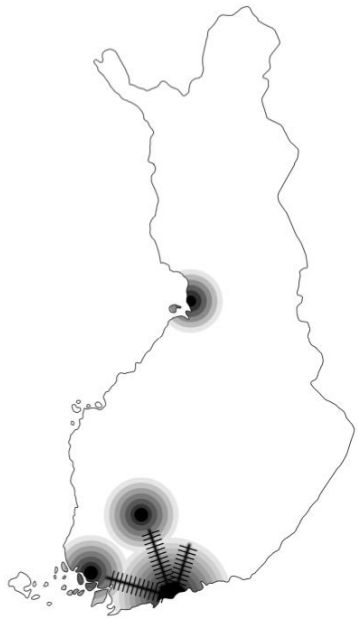

Figure 10. A metropolitan state (source: Moisio & Vasanen 2008: 24). The figure represents the core areas of development in a metropolitan state as darkened; the Helsinki metropolitan region, a few growth centres and the development corridors.

According to the Ministry of Employment and the Economy (2009a: 74–75) it is rather clear that innovation-related policies have been unsuccessful in compressing the differences in competitiveness among Finnish regions. Some policy actions may have even promoted regional divergence (Ministry of Employment and the Economy 2009a: 74–75). *The Evaluation of the National Innovation System* (Ministry of Employment and the Economy 2009a) was initiated with the aim of guiding the development and renewal of the Finnish innovation system. In *the Evaluation of the Finnish National Innovation System* (Ministry of Employment and the Economy 2009a: 76), it was further manifested that Finland would benefit from redesigning its policy combination in order to foster the reallocation of its resources to their most productive uses. In practice this means allocating resources from "disadvantaged" regions to already "advantaged" ones. In *the Evaluation of the Finnish National Innovation System* it is clearly stated that Finland is experiencing a growing divergence in the competitiveness of its regions, mainly because

of the relatively smaller size of efficient firms in "disadvantaged regions" (Ministry of Employment and the Economy 2009a: 74). In *the Evaluation of the Finnish National Innovation System*, productivity is seen as the best measure of competitiveness. Furthermore the contribution of innovation policy to productivity growth is the best measure of its success. It is clearly stated in the evaluation report that:

> "Regional imbalances should be of no concern for direct national innovation support [...]. The reason is that any regional agenda may lead to slower productivity growth and cumulative losses in value added" (Ministry of Employment and the Economy 2009a: 77).

Sami Moisio (2009b) describes the ongoing centralisation of state space as an indicator of the ongoing thinking about the state space. He aptly names the ideology background of further centralisation of state space as territorial economism which is manifested in centralising regional political ideology. Moisio (2009b: 19–22) has listed central features of "territorial economism". First of all, in territorial economism it will be a question of the efficient trimming of the whole state in totally new global circumstances. Competition, effectiveness and the centralisation of state space are particularly emphasised. The relationship between the operation of the market and centralisation of state space is justified and scale advantages are sought. According to territorial economism, general social policy has to follow the changing production structure. A difference between the new and old politics is clearly made up. In general, giving up the old policy attached to the Keynesian-oriented values such as balanced regional and social development is considered as a good and sensible, even "natural" practice (Moisio 2009b: 19–22). According to Moisio (2009b: 20–22), in the territorial economism the state is seen as an entrepreneurial-like unit in which the costs caused by ineffective territorial units can only be minimised. The other characteristic feature of territorial economism is the division of regions and citizens according to economical criteria, which goes to say that the aim of regional equality is deemed contradictory to national competitiveness. In territorial economism, spatial centralisation is seen a prerequisite for competitiveness. Regional policy is seen equal to supporting agriculture, equalisation, the closed economy and political consensus. In other words, redistributional regional policy is seen as contradictory to the market economy. In territorial economism regional political benefits and spatially decentralised territorial structures are presented as unfair; individuals should be free to choose their residences but this freedom of choice cannot cause disadvantages to other people. Therefore the equality takes on a kind of new content as the capital region as funding other regions is seen to insult the rights of wealthier regions. The criticism of this kind does only not apply to rural environments but also the big cities located outside the development triangle of southern Finland. Territorial economism clearly promotes the idea of giving up of the principle of spatial universality (Moisio 2009b: 20–22). However, territorial economism cannot yet be seen as a prevalent way of thinking about territorial development, although many of its indicators are already visible in the legitimation of the present development.

5. Polarisation of views on spatial development in Finland

5.1. Q methodology combining qualitative and quantitative aspects

The reworking of the society has spatial consequences as competing state strategies have emerged with the aim of responding to the current political problem of the state, enhancing competitiveness and the "survival" of Finland in various global politico-economic arenas. It is evident that state space has acquired new meaning along with the changing political problem of the state. This has led to a spatial restructuring of the state and to a re-conceptualisation of the state space, i.e. the spatial manifestation of state power, as the government seeks to respond to various political challenges. Thus, in view of this ongoing transformation and the somewhat unclear trends away from spatial decentralisation and towards spatial centralisation, in the Finnish context it is crucial to examine how regional actors perceive and reason the recent regional development, and in particular how they regard the recent attempts to foster metropolitan city-regionalism. More specifically, this chapter discloses a political conflict between different forms of urbanisation and demonstrates the inherently conflicting nature of state spatial restructuration in the Finnish context. In this way, I argue that despite the political conflict between different forms of urbanisation, a consensus still exists in Finland over the legitimacy of the welfare state and that welfare itself has not been invalidated as an objective. Rather the question concerns the further transformation of statehood, "trimming" of welfare state.

In order to answer the second research question about how the political struggles of state spatial strategies emerge in regional actors' ways of perceiving "the Helsinki metropolitan region" and the recently emerging metropolis politics, subjectivity is placed at the core of the analysis. To be able to examine subjectivity in a scientific manner, I have chosen the Q methodology as a methodological tool. The Q methodology is an intensive tool for the analysis of subjectivity, which is to say that the collection of data, its analysis as well as the interpretation thereof are closely intertwined in the research process. It is often mentioned that Q methodology consists of the following methodological steps, which are to be followed in order achieve reliability. These "steps" are the specification of the problem, collection and theoretical structuring of the Q sample and P sets (participants), the specification of the instructions, post-sorting settings, statistical analyses and rotation of factors, and the interpretation (Brown 1980: 258–259). I found these "steps" to be useful in my examination. I will further discuss the data collection and analysis in the ensuing pages. After that, I will present the factors found in the Q methodological analysis which I have named here as discourses.

After specifying the research question, I collected data for my Q methodological

study. The raw material for the Q methodology, the concourse, is a collection of all possible statements the respondents can make about the subject in question, containing all the relevant aspects of the discourses (Brown 1986: 58–59; Aalto 2003b: 119; van Exel & de Graaf 2005: 4). That is to say that representativeness is the main principle in collecting the concourse (cf. Watts & Stenner 2005: 75). Despite all efforts at objectivity, the influence of the researcher in choosing the concourse cannot be avoided however (Brown 1980: 53). As Brown puts it, the selection of statements in a Q sample is important, but it still remains more of an art than a science (Brown 1980: 186).

I compiled the concourse of 384 arguments to cover the recent debate on changing statehood in Finland. The collection was initiated in a data-led manner. My purpose was to concentrate on the discussion about spatial centralisation and spatial decentralisation tendencies within the state space, discussion about national unity and the issue of the spatial polarisation of Finland. My objective was to reveal how the possible change in regional balance, the emergent city-regionalism and particularly the established metropolitan policies have been defined in Finland. I collected an extensive set of arguments from several Finnish newspapers (Helsingin Sanomat, Lapin Kansa, Karjalainen, Ilkka, Suomenmaa), a magazine (Kuntalehti), public policy documents, Internet pages and written records of speeches in a data-led manner. The years examined were 2003–2008. The collected concourse included clauses, sentences or thematic entireties of a few sentences. These were assumptions, arguments, claims and statements. The spectrum of different subjects was rich, yet in spite of this richness, the subject matters were nicely reflected in relation to changing statehood: the spatial centralisation or decentralisation. The collected concourse distinctly reveals that the regional development is understood as a very wide phenomenon which is influenced by both "official regional policy" and general social policy, i.e. education policy and transport policy. As one argument in the concourse puts it: "The most important political document in regional policy is the state budget".

The discussion reveals the uncertainty about the direction of the transformation of statehood in particular. Despite this, the concourse manifests the unanimity opinion on the need for a transformation itself in order to trim Finland for success in global competition. The collected concourse firstly contains general statements about the ongoing transformation of statehood for example, "the increase of success, welfare and national economy have to be the objectives of regional development". Secondly, the concourse contains arguments which strongly argue for the spatial development either for its spatial centralisation or spatial decentralisation like "the development of a strong metropolitan region is essential for the future success of Finland" or "for the sake of Finnish competitiveness it is reasonable to invest in small and medium-sized cities". Thirdly, the concourse contains arguments which exemplify those issues considered to be threats in the transformation of statehood in Finland, even quite strong statements like "Finland will unavoidability be torn apart: the development and regression of parts of Finland". The spatial differentiation of "winners in southern Finland" and "losers in northern Finland" was also elicited. However, the inevitability of the transformation in general was clearly displayed in arguments.

The discussion on the spatial decentralisation of state power to peripheral regions is brought out in the concourse. Decentralisation is seen on the one hand as "wise regional policy" and on the other hand, "it is not a modern-day activity". Furthermore, the importance of higher education branches is clearly recognised as "promoters of regional development" and the higher education network is characterised as a "modern regional policy". The role of transport connections is also emphasised as a central measure in transforming growth to peripheral regions as well. However, the perceived failure of national regional policy in constructing balanced national spatial development is put forward in the concourse: even a notion of "reversed regional policy" is mentioned when describing the present regional policy measures and priorities. In addition, the "atrophy" of peripheral regions and leaving the regions only a role as "suppliers of raw materials" was also brought out in the concourse. In general, regional development is perceived strongly as state-led activity.

The concourse represents a conflict between the polycentric territorial structure and the metropolitan state. In general, the arguments collected show that those places where the growth is produced will gain more importance in future regional policy. The big cities are seen as key actors when considering the development of the national economy, displayed as "the engines of development", "central innovation environments" and "the concentrations of education and knowledge" from where the added value produced "radiates welfare" to the whole state space. In the arguments which manifest a spatially centralising form of statehood, the development of the Helsinki metropolitan region is seen as a "necessity" for the future success of the Finnish state.

It became clear when collecting the concourse that the spatial transformation of statehood has acquired a meaning in the policy fields of transport, education, urban, metropolitan and growth centre policies, state activities with regard to the decentralisation of public governance, peripheral regions and the transformation of welfare state. These themes were very often reflected in the concepts of competitiveness, growth or national unity. After the thematic structure of arguments became clear, I formulated a theoretical structure (Table 2) to assist in securing the scope of the concourse and later on particularly in choosing the final concourse. My purpose was to collect neutral arguments, arguments supporting spatial centralisation and arguments supporting spatial decentralisation in each category. After the categorisation of the concourse, I supplemented it at points where deficiencies were found. I considered the concourse as complete when new arguments began to repeat what had already been collected rather than adding new elements into the debate (see Eden et al. 2005: 416).

Table 2. A theoretical model constructed for collecting the concourse.

	a. Positive to centralisation	b. Neutral arguments	c. Negative to centralisation
A. Transport policy	Aa	Ab	Ac
B. Education policy	Ba	Bb	Bc
C. Metropolitan policy	Ca	Cb	Cc
D. Urban and growth centre policies	Da	Db	Dc
E. Regional policy	Ea	Eb	Ec
F. State activities (decentralisation of public governance)	Fa	Fb	Fc
G. State activities (peripheral regions)	Ga	Gb	Gc
H. State activities (welfare state)	Ha	Hb	Hc

I chose the final Q-sample of 36 arguments by classifying the arguments firstly in terms of their content into the above policy fields (transport, education, urban, metropolitan and growth centre policies, state activities with regard to the decentralisation of public governance, peripheral regions and the transformation of welfare state) and secondly according to their positive, neutral or negative meanings towards the centralisation of state space. When the collection of the concourse was complete I chose at least one argument of each category describing the positive, negative and neutral meanings towards the centralisation of state space from each policy field (transport, education, urban, metropolitan and growth centre policies, state activities with regard to the decentralisation of public governance, peripheral regions and the welfare state). These chosen arguments formed the final Q sample. I reworked the linguistic form of some of the arguments for the sake of clarification. Eventually I selected 36 representative samples to form the final Q sample (Table 3).

Table 3. The Q methodological sample.

1. Fast and reasonably priced telecommunications and transport connections are of central importance for the competitiveness of regions.
2. It is possible in Finland to maintain only three top-rank universities capable of reaching international standards. We should concentrate on the development of those three universities.
3. If society invests heavily on developing the Helsinki region, the competitiveness of our economy will decline significantly because of increasing costs.
4. Those places where growth is generated will increase in importance in future regional policies.
5. The concern over regional inequality and a division of the nation into privileged and less privileged is justifiable.
6. Finland will inevitably be divided into two parts; one of progress and one of regression.
7. From the 1960s to the 1990s the state was the main driving force behind the success of Lapland. Now it is assuming the role of a bystander and even creating new problems.
8. The regional policy approach seems to have disappeared and has been replaced by a quiet acceptance of the fact that different parts of the country are developing differently.
9. The Helsinki region is not large enough to constitute a metropolis. It is better to create something small and special. The whole of Finland as an item of export is more impressive than the Helsinki region alone.
10. Special rights and an autonomous status (as in Åland) should also be granted to Lapland.
11. The idea of decentralisation is outdated.
12. The welfare differences between regions are minor, the accessibility of services is assured and basic public services are operated well throughout the state territory, even in the sparsely populated rural areas.
13. In terms of Finland's competitiveness it is sensible to invest in small and medium-sized cities, which usually are the most cost-efficient.
14. The state has recently been taking smaller and larger steps in retreating towards the capital city. Now it is time for it to return, not only to some regional centres but to all corners of the country.
15. The network of higher education institutions in its current form is wide and fragmented, with plenty of room for improvement.
16. Highway investments must be targeted at areas with traffic and people.
17. It is not fair that the limited funding of road maintenance is directed ever increasingly to densely populated Southern Finland.

18. Both polytechnics and universities are important generators of regional development.
19. Large metropolitan regions are becoming more and more important to the success, welfare and economics of the whole country as a lot innovations, new information and expertise is produced in those areas.
20. The state is giving up its wide responsibility of regional development and focusing the most innovative economic development measures to major cities.
21. Financial resources are adequately provided for regional development.
22. The state has been "retreating" to the south in the last decades, focusing its operations on the Helsinki area even though regionalisation has been emphasized in public discussion.
23. There is no returning to a decentralised welfare state.
24. The metropolisation of Helsinki would also lessen the conflict between Helsinki and the rest of Finland.
25. Setting the focus on metropolises is costly to society.
26. The Nordic welfare state model provides a competitive advantage for Finland even today.
27. It is true that Lapland has lost all of its political weight in Finland.
28. Decentralisation of the central administration represents sensible regional policy. It is important for the provinces that the decentralization trend continues.
29. The maintaining of settlement practically throughout the country remains a viable aim for Finnish social policy, and a compensatory regional policy is a good instrument for achieving this.
30. It is more profitable to invest in the development of major cities than in that of other areas.
31. We must stop talking about university merges or decreasing the higher education institution network in conjunction with regional policy.
32. The powerful metropolitan region that is developing around Helsinki is a necessary factor for Finland's future success.
33. Stable social circumstances, an egalitarian society, knowledge and human capital are success factors in the global economy. A regionally unequal society may lead to the erosion of these success factors and the erosion of competitiveness based on them.
34. It is possible to decentralise the government within the Helsinki metropolitan region.
35. Somehow it seems that the decision-makers have been focusing more and more on Southern Finland while forgetting the eastern and northern parts of the country.
36. The state has to begin taking responsibility once again for the regional impacts of its own actions.

After the Q sample had been selected, I chose 39 test subjects. Q methodological analysis is an intensive methodological tool in which small participant samplings, typically 20–40 participants, are exploited (Aalto 2003b: 118–120). In Q studies the sample elements are statements which interact; that is to say, a subject is asked to sort the statements, constantly comparing them (Brown 1980: 51). The people I chose as participants were the 20 chief administrators of all regions of Finland and 19 selected administrators from selected subregions, including an executive manager, a development manager, business development directors, an executive secretary of a subregion, directors of subregions, and also chairpersons of subregional decision-making bodies. I have listed all respondents in the appendix I.

Despite the obvious political aspect of this topic, I did not consider the respondents, the heads of regional and subregional administrative bodies, as party-political actors. My objective was to examine the opinions of the respondents from a regional viewpoint rather than consider them as party-political actors. When considering the chief administrators of regions, these persons are the directors of regional councils which act as authorities in regional development, are responsible for the general development of the region in question and are also liable for provincial planning. In Finland, every municipality belongs to some regional council. The overall decision-making body of regional councils is the assembly of municipalities. The general administration, preparation and execution of the provincial decisions are led by the managing board authored by the assembly of municipalities. The chief administrator of regional council presents the issues of the regional council to the managing board, which is the political organ making the actual decisions. Although several chief administrators of regions are politically active, their role in this study was considered as officers, chief administrators of regional councils. In a similar vein, among the interviewees of subregions there are both party-political actors and civil servants but they are, however, considered as officers in this examination. This is to say that I have excluded the political orientation of respondents from this study.

As distinct from the party-political actors who mainly participate in producing the spatial transformation of statehood, however, the chief administrators of the regions and the subregional representatives had experienced the spatial effects of the ongoing spatial transformation of statehood and were able to reflect upon their discoveries in addition to having a broader view of the spatial development of the Finnish state space. Nevertheless, this did not exclude them from participating in the production of the spatial transformation of statehood. It was for this reason that I chose the chief administrators of the regions as the actual target group and subregional representatives to complete the sample. I selected these people with a view to territorial representativeness, the respondents' knowledge and experience of regional operations, the supervision of regional interests and the future scenarios of the regions in question. My interest was in their reasoning with regard to the spatial transformation of statehood that has recently occurred in Finland, especially the emerging political conflict between different forms of urbanisation.

I sent the respondents the Q sample (arguments on cards and a Q methodology matrix), sorting instructions and some supplementary questions to explore their viewpoints by mail, for two reasons. Firstly, to minimise the influence of an interviewer

and to expose the subjectivity of the respondent, and secondly, to overcome the problem of arranging personal meetings with individual respondents scattered across the country, a natural result of the drive for regional representativeness. In any case, the response rate of 61.5% turned out to be excellent in terms of both representativeness and regional scope.

In the sorting instructions, I asked respondents to first read the arguments through and then classify the arguments into three categories, agreeable arguments, disagreeable arguments and finally those arguments which the respondent did not consider relevant or on which they did not have an opinion at all. Then I asked the respondents to place the arguments on cards in a Q methodology matrix which is a normal distribution matrix (Figure 11), so that a score of 5 denoted a statement that was most like the respondent's opinion and -5 one that was most unlike the respondent's opinion. The arguments that the respondents considered neutral were to be placed in the centre. Naturally, I did not give any information for respondents about the classifications I have made beforehand concerning the thematic structure of the concourse.

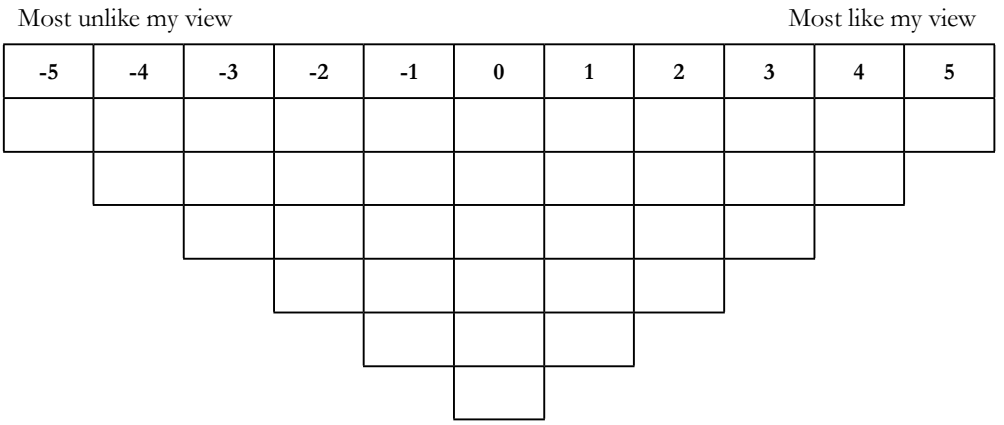

Figure 11. The Q methodology matrix.

In many Q methodological studies, a possibility for a post-sorting interview to help with the interpretation of discourses found and to produce illustrative material is often undertaken (e.g. van Exel & de Graaf 2005: 10). However, post-sorting interviews are not the only option for the gathering supporting information from the participants. A "response booklet" or a post-sorting questionnaire can also be used here (Watts & Stenner 2005: 78). As van Exel and de Graaf (2005: 10) note, "sometimes a single quotation says it all". In order to better understand respondents' viewpoints; especially how respondents interpreted the items they gave highest and lowest rankings in their Q sorts, I also sent them a response booklet (cf. Watts & Stenner 2005: 78). This was carried out by asking the respondents, after having sorted the arguments into a matrix, to specify their reasons for giving certain arguments scores of 5 and -5. This actually encouraged them to explain their opinions fairly explicitly.

After the respondents had sorted the arguments into a Q methodology matrix, the data was analysed statistically using the PQMethod Software, which is freely available

on the Internet (PQMethod Software 2008). This programme provides a simplified approach to data input and factors analysis (Eden et al. 2005: 418). The program can perform correlation and principal component analyses on data from a Q methodology procedure. Firstly, the data was entered into the program in numerical form.

Van Exel and de Graaf (2005: 8–9) defined the steps in the Q analysis which I have utilised in the empirical analysis. Firstly, the correlation matrix of all Q sorts was calculated representing the level of agreement or disagreement between each Q sort. Secondly, this correlation matrix was subject to a factor analysis (principal component analysis) with the objective of grouping Q sorts with similar or dissimilar results with other groupings. In other words, people with similar viewpoints share the same factor. A factor loading was determined to each Q sort. This factor loading presents the extent which each Q sort is connected with each factor. The number of factors depends on the variability of Q sorts. Then the selected factors were rotated with Varimax rotation, which shifts the perspective from where the Q sorts are studied (van Exel & de Graaf 2005: 8–9). However, there is a significant proportion of the degree of researcher's judgment involved in retaining factors and their rotations (Eden et al. 2005: 418). That is to say that the subjectivity of a researcher cannot be avoided in a Q methodology procedure. Factor scores point out the statements that require further attention in the factor interpretation. Factor scores also point out the characteristic statements which is to say those statements that are ranked at both extremes of the composite sort of a factor (van Exel & de Graaf 2005: 10).

After this quantitative analysis, a qualitative approach was adopted, which involved interpretation of the factors identified. My objective was to conceptualise how the changing statehood is manifested in the discussions of state spatiality in the Finnish context, especially in the discussion of the Helsinki metropolitan region. My interest was particularly related to examining the discursive space in order to describe the ongoing debate, instead of studying single respondents' personal opinions (cf. Aalto 2001: 110). It became evident that the analysis of Q sortings represented the regional actors' views on the changing statehood in Finland. It reflected the options for state spatial strategies and elicited the regional actors' ways of reasoning with regard to these strategies. The results strongly supported the notion of a polarisation in the respondents' ways of thinking in matters of regional policy, regional development measures and the different forms of urbanisation in Finland. It also revealed the political conflict between different forms of urbanisation. The Q methodology turned out to be highly suitable in this kind of investigation.

5.2. The regional actors' views on the changing statehood in Finland

In the analysis, I identified two factors which I have referred to later as discourses (Table 4). The extent to which participants are associated with a factor is expressed by a factor loading. Twenty-one participants received significant loadings in one of these two factors which is to say that there were 9–13 participants in each factor. A loading of 1.0 means that the participant placed the items in totally identical ways with the factor in question and a loading of -1.0 means that the participant placed the items in the sorting grid in

totally conflicting ways when compared to the factor in question. A loading of 0 signifies that there is no interconnection between the participant and the factor. In my study one respondent (18) did not receive a significant loading to either of the factors found. Two respondents (7 and 21) had significant loadings to both of the factors. These sorts were not therefore attributed significance in the interpretation of factors. I interpret that these respondents have not yet formed their opinions on the changing statehood.

Table 4. A factor matrix of the Q methodological study. This factor matrix represents participants and the loadings of their Q sortings on both factors (X indicates a defining sort). In order to protect the anonymity of respondents, the names of participants are not revealed in this context.

Respondent	Factor I (Discourse I)	Factor II (Discourse II)
1. Chief regional administrator	0.7601X	0.2585
2. Representative of a subregion	0.6949X	0.3036
3. Representative of a subregion	0.5619X	0.1915
4. Chief regional administrator	0.8342X	0.2306
5. Representative of a subregion	0.6529X	0.1356
6. Chief regional administrator	0.8632X	0.1042
7. Chief regional administrator	0.4645X	0.5690X
8. Chief regional administrator	-0.0876	0.7417X
9. Representative of a subregion	0.6277X	0.2509
10. Chief regional administrator	0.3286	0.5206X
11. Chief regional administrator	0.0750	0.6539X
12. Chief regional administrator	0.2648	0.6746X
13. Chief regional administrator	0.8006X	0.2440
14. Chief regional administrator	-0.6173X	0.5359X
15. Chief regional administrator	0.0412	0.7675X
16. Chief regional administrator	0.1746	0.7596X
17. Representative of a subregion	0.6959X	-0.0144
18. Representative of a subregion	0.3944	-0.0693
19. Chief regional administrator	0.7369X	0.3274
20. Representative of a subregion	0.1550	0.5743X
21. Representative of a subregion	0.6099X	0.6733X
22. Representative of a subregion	0.5875X	0.2917
23. Chief regional administrator	0.5100X	-0.0699
24. Chief regional administrator	0.0661	0.7521X

In this case study, the participant's factor loading must be in excess of ± 0.430086 to be significant. I calculated this by using the following formula (cf. Brown 1980: 222): (1√36) * ±2.58(Ser) = ±0.430086. Factor loadings of ±0.430086 exceed the significant level in using the Q methodological sample of 36 arguments. The factors found partly overlap which becomes evident in reviewing the correlations between factors (Table 5). The idealised Q sorts which are formed from factor scores provide a way of understanding and interpreting the factors found (appendix II). The idealised Q sorts summarise the characteristics of each discourse.

Table 5. Correlations between factors.

	Factor 1	**Factor 2**
Factor 1	1.00	0.4184
Factor 2	0.4184	1.00

Discourse I: "The welfare state ideology is still a valid method for responding to the current political problem"

This discourse echoes strong support for the Nordic welfare state structures in various ways. In particular, the ideology of a spatially decentralised, balanced spatial structure and social equality are looked on as core values. The fact that spatial and social equality in every aspect of society is central to this discourse manifests that it emphasises the welfare state ideology and methodology as valid measures not only for the future societal development of Finland but also its national competitiveness. For example, the respondents highlight a territorially extensive higher educational network, a balanced pattern of settlement throughout the country, a workable transport network covering the whole state territory (despite low transport volumes) and the spatial decentralisation of public governance outside the Helsinki metropolitan region as valid measures for promoting competitiveness and regional development in Finland. In addition, the importance of knowledge and a regionally balanced higher educational network also allude to the manifestation of a knowledge-based society. In general, these measures are supported as preconditions for the smooth functioning regional business operations and regional development.

Respondents paid particular attention to the meaning of a higher educational network in supporting the local development (Table 6). In particular, the respondents agreed on the importance of universities in developing regional innovations and internationally top-level knowledge but also local research and development activity. They also agreed on the role of universities in increasing the local "human capital" but also placed significance on higher education branches for the local consumption and business life. Therefore respondents saw placing a focus on a few universities in Finland as a threat for regional development. As one respondent put it: "A reduction in the national higher educational network would decrease innovation activity and competition. Finland is geographically-wide and consists of diverging regions where several universities may

succeed in international competition". As another respondent states: "Only regionally-equal higher education can keep the state on the path of equally-balanced development". As it is shown, the use of knowledge and education are seen central factors leading to international competitiveness, particularly utilising the knowledge potential of the whole state space with a regionally extensive higher educational system.

This discourse explicitly echoes the interpretation of the state as a developer and supporter of regional development throughout the state. In other words, the state is seen to be responsible for development measures. In the present context, discourse I confirms concerns about the erosion of national regional policy measures as a consequence of the prevailing shortage of national regional development funding. It also affirms that respondents have perceived the gradual acceptance of territorial inequality and possible the polarisation of successful and regressive regions that has partly occurred in Finland. As one respondent puts it: "The most influential concern or threat is the polarisation of Finland. Although it is mentioned in discussions, it is not taken seriously and nothing effective is done." Likewise, another respondent notes that: "Spatial differences in welfare and in the accessibility of public or other services will expand: differences will increase sharply in the future." Respondents see the polarisation of the nation as a threat and having already taken place in part when considering the regional differences in welfare services in particular. This becomes visible in one respondent's comment on the argument "The welfare differences between regions are minor, the accessibility of services is assured and basic public services are operated well throughout the state territory, even in the sparsely populated rural areas", with the respondent's comment: "This is not true. The accessibility of services is not assured throughout the state territory, particularly in peripheral regions" and another respondent: "The argument is not from this world". Although other respondents reacted more moderately to this statement, they did however, see a great risk in the widening of differences in welfare services and eroding basic services in peripheral regions.

The responses indicate that the balanced and equal development of the Finnish society is seen as an intrinsic value itself. It is also manifested as a guarantor for stable and balanced societal development. One respondent describes this as follows: "Both the spatially centralising development and the decreasing population in peripheral regions are seen to increase social problems. In practise, people should have the possibility to select their residential environment. This forms a base to both creativity and productivity". Inequality is also seen as a possible factor in the erosion of aforementioned national success factors and limiting opportunities to make full use of the resources of the whole state territory. As a respondent puts it: "Stable societal conditions have secured the best preconditions for sustainable economic growth which is the only guarantee of sufficient resources for the whole state." The welfare state itself is highlighted as a competitive advantage in global competition, particularly through its ability to ensure stable social conditions and an egalitarian society, but also because of the high level of knowledge and human capital that it implies.

When considering the spatial aspect of statehood, metropolis policy, policy for large urban regions and spatial centralisation of state resources are often represented in public discussions as valid measures for responding to new political problems. In discourse I, the "metropolitan region" is clearly perceived as a new "scale" of activity

and considered a threat to regional development. A certain resistance to such a spatial transformation becomes visible, however, in the respondents' opposition to these potential new spatial measures intended to promote spatial centralisation. Discourse I, for example, represents the ongoing spatial centralisation tendencies as an undesirable trajectory and a threat to societal equality. This indicates that constructing a metropolitan state is seen as a threat to the polycentric urban model and to territorial equality. In fact, respondents see the utilisation of the whole state space and state resources as the core value in constructing national competitiveness. In this sense, respondents see the politics concentrating on large cities or metropolises as a failure. As one respondent describes the large urban regions: "The large cities do not generate anything new or remarkable" and another respondent: "In Finland, growth is presently generated in small or middle-sized municipalities, small or medium-sized enterprises or in subregions. As far as growth is concerned, the large cities are "the last ones" to be considered". This indicates a clear promotion of a polycentric urban model. Indeed, development of the Helsinki metropolitan region in general was not seen as a necessity for the favourable development of the whole country. Investments in the development of large urban regions, the spatial decentralisation of government offices only within the Helsinki metropolitan region, the channelling of transport infrastructure to the most densely operated routes, or the reduction of the higher educational network, for example, were frowned upon. In particular, the metropolisation of the capital region was considered liable to increase disharmony between the regions. It seems evident that the Discourse I displays a nationally-oriented way of understanding the changing statehood in which the national scale is perceived as the primary scale of action. This indicates that the national scale is clearly seen as the most important point of reference instead of the international scale for example. Therefore, the understanding of the ongoing rescaling of statehood is clearly perceived in an inward-looking way in Discourse I.

Table 6. Statements prompting the most agreement (positive values) and disagreement (negative values) of the arguments of advocates in Discourse I.

Statement	Value
Stable social circumstances, an egalitarian society, knowledge and human capital are success factors in the global economy. A regionally unequal society may lead to the erosion of these success factors and the erosion of competitiveness based on them.	5
The concern over regional inequality and a division of the nation into privileged and less privileged is justifiable.	4
The maintaining of settlement practically throughout the country remains a viable aim for Finnish social policy, and a compensatory regional policy is a good instrument for achieving this.	4
The welfare differences between regions are minor, the accessibility of services is assured and basic public services are operated well throughout the state territory, even in the sparsely populated rural areas.	-4
Financial resources are adequately provided for regional development.	-4
It is possible in Finland to maintain only three top-rank universities capable of reaching international standards. We should concentrate on the development of those three universities.	-5

Discourse II: "Spatial centralisation as a response to the present political problem"

Discourse II is a distinctly growth and competition-oriented discourse (Table 7), giving clear signs about tendencies to spatially centralise state functions and economic resources into the growth regions of Finland. As these growth regions, particularly the large urban regions and metropolitan region are seen as "growth generators". By this I mean that the discourse clearly supports a growth-oriented and spatially centralised way to consider changing statehood.

My material indicates that measures for responding to the new political problems of the present time will in part be parallel to those adopted previously. That is to say that knowledge (in the form of the higher educational network), telecommunications, transport connections and the allocation of resources will be at the core of the strategies proposed. As one respondent describes the significance of higher education branches for regions: "The students in universities and polytechnics integrate themselves into corporations and public communities located in the region in question.

This will therefore increase the regional competitiveness". However, support for the spatial centralisation of state resources is reflected in the respondents' support for the concentration of transport infrastructure improvements in the most densely operated transport routes. Also the building and maintenance of transport network receives criticism: "The Finnish road network has in part been constructed too much with regional political arguments in mind. Roads are in a good condition in northern Finland when compared to traffic volumes." Likewise respondents' view on the higher educational network is that it is too wide and fragmented and needs improvements. These arguments show that the essential difference between the two discourses, however, lies in their spatial focus. In other words, spatial centralisation is regarded in discourse II as a method of generating welfare and national success in global competition by enhancing competitiveness and economic growth, i.e. the state spatiality has become re-conceptualised. In this discussion, a metropolitan region is clearly perceived as a new "scale" of activity, competing with the polycentric urban model. The respondents represent their attitudes towards spatial centralisation in many ways, especially in relation to the objectives of economic growth and competitiveness. It is evident that the respondents' reasoning with regard to the state spatiality reflects a gradual acceptance of spatial differentiation in Finland. One sees it as unavoidable: "Unfortunately success cannot be spread over the whole state territory. Development measures should be concentrated in those regions that have the best growth potential."

The best response to the newly emerging political problem of growing international competition is seen as being national spatial centralisation, that is to say enhancing large urban regions and a metropolitan region instead of regional centres. In other words, the spatial concentration of resources in the most "competitive" and "productive" regions of Finland is seen to rest at the core of the strategies that are valid for responding to the current political problems. This discourse echoes to some extent the locational policy discussion in Germany (Brenner 2000: 320), as the Helsinki metropolitan region is understood as a key region, a "space" or "place" of high competitiveness, the specific economic advantages of which are to be promoted, with other European metropolitan regions as its reference points. This approach highlights scale-specific state policies that are established in order to strengthen localised competitive advantages in relation to competitive pressures (cf. Brenner 2000: 321). This indicates that the spatial concentration of functions in large urban regions is not considered an expensive means of generating affluence in Finland, nor are societal investments in the Helsinki metropolitan region regarded as contrary to the spirit of competition. On the contrary, the promotion of the Helsinki metropolitan region is considered to enhance the success of the whole state territory and as a measure of generating growth that is seen as a precondition to maintaining a sufficient level of welfare in the whole state space. As one respondent puts it: "Finland needs an attractive, internationally workable metropolitan region, the success of which will reflect outwards to other medium-sized growth centres (the city-regions of Oulu, Tampere, Jyväskylä and Turku)", while another respondent adds that: "At present and in the future, metropolitan regions will compete for highly qualified workers and profitable investments. It is especially important for Finland that Helsinki should succeed in this competition, along with other metropolises in the Baltic Sea region. Through this network of metropolises, the whole

state territory will gain benefits, especially concerning knowledge and financial matters." This indicates that the metropolisation of Finland is looked on as a new measure for the spatial production of welfare, differing from the measures previously proposed under the heading of "one nation politics" (cf. Moisio & Leppänen 2007). This also manifests that the adopted state strategies are increasingly outward-oriented in order to enhance the international competitiveness which also indicates that the perceived reference point is becoming increasingly international instead of national. In other words, the rescaling of the state is increasingly realised in relation to the ability of being able to succeed in international competition. In general, the importance of large urban regions and regions generating growth is expected to increase in the future.

The respondents nevertheless clearly reflect their support for welfare values in Discourse II also. For example, Discourse II also recognises a stable and egalitarian state as a competitiveness factor and inequality as a risk factor with respect to stable social conditions and the accumulation of know-how and human capital. This clearly indicates that the resistance is not directed towards welfare itself but rather towards the methods of producing it as well as directing state resources spatially. This indicates that the welfare state is definitely not disappearing or eroding but rather transforming. However, a distinct need for trimming the "old welfare state" towards a "new trimmed welfare state" is perceived among respondents. This is indicated in the adoption of a growth centre approach whereby the growth centres are seen producing growth and thereby generating welfare.

Discourse II clearly contains the assumption that the polarisation of the state and society is not a serious threat at all. That is to say that the spatial centralisation of state resources to those regions which are perceived as potentially the most likely to produce economic growth is not seen to produce social inequality. In addition, the differences in spatial scope that may emerge in welfare services are not recognised as forcibly in this discourse as in Discourse I. The spatial withdrawal of state activities to southern Finland was certainly noted, but the respondents seemed to be unwilling to do anything to reverse it. On the contrary, they believed that the peripheral regions of northern and eastern Finland had been at least adequately taken into account in regional policies. As one respondent puts it: "In the era of international funding programmes, national regional development has been left to be totally dependent on those programmes. Nowadays funding is available for eastern and northern Finland for almost any purpose – but actors in southern and western Finland, especially in the "developed" regions, have to manage with private investments." This kind of statement reflects the respondents' concern over the present situation in which the societal structures created earlier are facing new challenges. They nevertheless clearly manifest that insufficient national funding has been directed to overall regional development work. In the present context this is tantamount to saying that they are clearly dissatisfied with the resources directed to southern Finland's growth regions.

In Discourse II, the changing statehood and rescaling the state into a competition and growth-oriented state forms are seen as an inevitable continuum. As a respondent aptly puts it: "In general, the large cities are the most important "places" where innovations originate. Furthermore, the spatially-concentrated development is a consequence of many inevitably occurring factors. The slowing down of this development would

not be sensible or even realistic". That is to say that although welfare as a value itself has not become discarded, the new spatial forms of statehood have clearly been accepted as new ways of producing growth and therefore contribute in generating welfare. Re-entry of a polycentric urban model is not perceived as an option in this current competition situation.

Table 7. Statements prompting the most agreement (positive values) or disagreement (negative values) in Discourse II.

Statement	Value
Fast and reasonably priced telecommunications and transport connections are of central importance for the competitiveness of regions.	5
Those places where growth is generated will increase in importance in future regional policies.	4
Both polytechnics and universities are important generators of regional development.	4
It is true that Lapland has lost all of its political weight in Finland.	-4
It is possible to decentralise the government within the Helsinki metropolitan region.	-4
Special rights and an autonomous status (as in Åland) should also be granted to Lapland.	-5

5.3. Polarisation of views on spatial development

Tea Remahl (2008) has studied the change in regional political thinking from the 1990s to the beginning of the 2000s, particularly the social significance of the Finnish regional politics and the change of regional policy discourse in the first part of the 2000. She suggests that the change was a dramatic one as a transition in policy from the compensating of weaknesses to the development of strengths emerged. She claimed that in regional policy discussion in the early 2000s the political struggle of the direction of regional policy was largely unfinished. As a result of her Q methodological study, she (2008: 102–111) presents three discourses of regional politics concerning the beginning of the 2000s. The first discourse named traditional, supports the welfare state ideology and the principles of universalism and spatial and regional equality as

its core values. It sees the state territory as an important resource, also for economic reasons. A spatially equal welfare state is supported mainly because of social and cultural reasons. Rural regions are seen as an integral part of Finnish society as well. In the second discourse, a discourse on competitiveness, the regional policy supporting regional strengths financially is charged with the expanding of the competitiveness of the whole state. The spatial centralisation of state is seen as producing benefits for economic growth. The role of the state is intended to be kept minor. It is clear that surviving in international competition is considered more important than the regional balance in this discourse. Remahl names the third discourse a consensus discourse, in which a welfare state ideology is supported but with more moderate arguments. It is acknowledged that a development of growth centres produces benefits for other regions too and therefore supporters are not willing to stop the centralisation of state space entirely. It is thought that with the help of regional politics all state resources are to be utilised (Remahl 2008: 102–111). The results of Remahl (2008) prove that in the early 2000s, opinions on the regional policy measures were conflicting. In other words, this could be interpreted that a consensus about state spatiality had not yet been attained. I argue that this represents the political struggle between the old and new regional policy measures with diverse influences on state spatiality ready to begin. Although the research questions presented by Remahl are quite different from this study, it is possible to make some comparisons. When compared to the results of this study, conducted in the autumn of the 2008, a distinct feature is the sharpening of regional policy discourses which indicate the polarisation of thinking on the spatial form of statehood.

A change in the current political problems has caused pressures to rework the state's spatial strategies in order to be valid in responding to those problems, and this has also had consequences for state spatiality. The competing state spatial strategies are clearly seen as methods of responding to the current political problems, of surviving in global competitiveness. Discourse I makes reference to support for a spatially decentralised statehood and equal spatial development, aspects in which a resistance to change can be detected. Here well-balanced regional development and the socio-economic equality within the Finnish society are seen as valid methods for responding to the new political problems as well. On the other hand, Discourse II refers to support for a growth policy and spatial centralisation within growth regions or regions which are seen to be the most competitive on a global scale. This points out that the spatial allocation of state resources is looked on in essentially different ways. As indicated here, the ways of reasoning with regard to the tension in state spatiality becomes visible in the discursive space. There also seemed to be a particular causality between the location of the provinces that the respondents represent and their reasoning with regard to the spatial future of the state. By this I mean that the regional examination of the supporters of the found discourses did not come as a revelation; the support for both discourses was distributed fairly carefully according to the location of a respondent. In the major growth regions of Finland and the regions near these major growth regions, support for discourse II was apparent. By the same token, the representatives of those regions which do not belong to the largest growth regions in Finland, and are mainly located in Eastern, Northern and Western parts of Finland, quite clearly gave their support for

discourse I. My purpose was not particularly to enquire into such causalities, however, but instead to demonstrate the inherently conflictual nature of state spatial restructuration in the Finnish context.

Despite the conflictual nature of state spatial restructuration in Finland, the respondents clearly agreed about what measures would be effective for promoting regional development and Finland's regional competitiveness. In general, three distinct groups of such measures were found. Firstly, both discourses support the higher education network, both polytechnics and universities, as significant instruments in regional development. The regional scope of the educational system has been characteristic of the spatially decentralised welfare state in Finland. As one respondent put it, "a region without these institutions cannot be a growing one". Secondly, transport is supported as a policy field that has direct effects on the competitiveness of a region, as fast and reasonably priced transport communications, and also telecommunications, are considered to be crucial competitiveness factors. This indicates that the significance of transport connections has altered from connecting the geographical peripheries under the direct influence of the central government towards constructing competitiveness, availability and attainability of regions. As one respondent sees the importance of transport communications, "the speed, reliability and level of transport connections are the most influential factors in regional development". Thirdly, both discourses support the spatial decentralisation of public administration outside the Helsinki metropolitan region as a valid regional policy measure. In addition, both discourses clearly indicate that insufficient financial resources are currently available for national regional development work.

The empirical investigation into how certain central regional actors both define and value contemporary regional policies presents that no consensus has been reached in Finnish public discussions and rhetoric regarding the future direction of the country's spatial development, i.e. between spatial centralisation and decentralisation. Although despite the lack of unanimity, development seems to be heading towards a spatial form of "competition state" which is to say the development of centralising state spatiality. The trajectory from a balanced Keynesian spatiality towards a growth-oriented spatiality has become visible in the changing statehood, especially in that the large city-regions are increasingly being seen as generators of economic growth in the state space. This points to an ongoing urbanisation in Finland and a discarding of policies that concentrate on rural centres and balanced regional development for the generation of growth. In spite of this, the perceived need for change was distinct in order to be able to face the new political problems, the future forms of statehood are competing and spatially contradicting. In other words, a clear consensus exists in Finnish socio-political discussion about the need to rework Finnish society to better respond to the "global" socio-political challenges although the measures for this are sharply polarised in spatial terms. This is particularly interesting due to the strong engagement of the Finnish state with the balanced, equal Keynesian welfare state. Indeed, the situation seems to be somewhat blurred, as equal, balanced regional development is often defended in public discussions despite the willingness to undertake actual development measures which are inclined to direct Finland towards a spatially centralising "competition state".

In fact, I found clear polarisations between the two discourses and in the respondents' ways to reason the future spatial development of the state. This polarisation clearly echoes the competing spatial forms of statehood, the "polycentric urban model" and the "metropolitan state". These competing forms of urbanisation create diverging visions of statehood. There is a constant discussion as to the spatial and governmental forms of the "metropolis region" and what meaning the rest of the state space will take on. In other words, although neoliberal urbanisation is visible in Finland, its various forms are being contested politically. The recently adopted scale-specific spatial policies are evidently being concentrated especially on promoting the development of the Helsinki metropolitan region. That is to say that by investing in growth regions, the government is placing the large urban regions and the metropolitan region at the core of the strategies that will eventually create a new spatial structure in Finland. Much resistance to the spatial centralisation of the state has nevertheless become visible in the discursive space. The polarisation referred to above is primarily political in character, in that it reflects a tension arising from political decisions. On the other hand, the spatial transformation of statehood can also be expected to have material consequences for the state's spatiality, since one discourse supports balanced regional development and the other somewhat clear spatial centralisation. This goes to suggest that the aforementioned tension will materialise itself as territorial structures of the polycentric urban model or as a metropolitan state consisting of a still undefined number of large cities mainly in southern Finland. The direction of this transformation depends on the chosen state spatial strategy. It was interesting to notice that despite the ongoing discussion on innovations, the ability to innovate and the meaning of innovation activity on growth generation, and innovation centres were not mentioned in the material. This indicates that the discussion on innovation centres has begun in earnest in the very late 2000s.

Although my purpose was not to discuss on the content of welfare itself, it became clear that the significance of the welfare state in general, welfare as a value itself and the measures that are valid for constructing the preconditions for welfare production in Finland clearly elicited the consensus of respondents. This indicates that although the objective of producing welfare was an evident feature, the methods of producing it differed. In particular, the spatial allocation of state resources in order to create the preconditions for growth generation and business life is not discussed in a consensual manner. This also manifests that the core question in the discussion is the transformation of the welfare state, not the end or erosion of the welfare state. The question is also the regional actors' way of understanding their primary scale of action, and to target their strategies in an inward-looking way mainly towards the national scale or in outward-looking way towards the international scale.

It is important to note that the economic depression in the latter half of the 2000s in Finland is exerting new pressures on the ongoing spatial transformation of statehood. When considering the economic depression in the 1990s, the efficiency and legitimacy of the Finnish welfare state was exposed for reconsideration. This indicates that an economic depression, a crisis, clearly questioned the prevailing state strategies and opened up the political space to new initiatives, which initially become visible in a discursive space and subsequently take on material manifestations. In this context,

currently one new political initiative proposed by the Prime Minister, Matti Vanhanen, early in 2009 should particularly be taken into consideration: the state spatial strategy to combat the current yet constantly changing political problems. Vanhanen's "growth initiative 2020" reflects a blurred combination of one-nation politics and growth-oriented politics. In spatial terms, it is influenced by the balanced territorial structure aspect of the Keynesian ideology, as may be seen from Vanhanen's statement "We aim to maintain living standards and services over the whole state territory. […] Our objective is a socially and regionally equal Finland". (Finnish Government 2009.) On the other hand, Vanhanen highlights the growth-oriented approach by mentioning the objective of improving the preconditions for business and internationalisation as well. In other words, this represents a new, intermediate way forward that lies in between the options for the state spatial strategy studied here.

It is clear, however, that the current political problems affecting the country are characteristically in a state of constant change, so that its spatial strategies have to evolve in order to be able to respond to the new challenges. In view of the political character of these problems, political struggles are constantly going on in order to find valid measures and state spatial strategies that will constitute better responses to the problems. The economic depression has opened up space in the political field for new political initiatives with regard to the state's spatial strategy, as exemplified by Matti Vanhanen's initiative. The key challenge here is to consider the spatial consequences of the options that are put forward, since it is these that will be potentially implemented in the future to create a new spatial structure for Finland.

6. The persistence of national spaces of engagement – The case of Southwest Finland

It seems evident that neoliberal political projects have enormously influenced the capitalist restructuring in supranational, national, and subnational scales during the last two decades (Brenner & Theodore 2002: 13) as the power and authority of the national scale have been exposed to the modern-day politico-economic development. In these discussions, the international scale has substantially raised its notability when considering direct contact with subnational actors, political decision-making and lawmaking. Claims have been made about regional actors increasingly participating in multi-level politico-economic relations. This phenomenon has occurred in the era of deepening European integration and economic globalization; economic trends, international trade agreements and the rescaling of the regional, national and international political levels have changed the operational environment of subregional actors. Even an idea of "the foreign policy of regions" has been presented (Williams 1996: 250) concerning cities and regions implementing a foreign policy of their own. However, seeing national or international not as "scales" but rather as dimensions of political economic practice provides an alternative approach which I have utilised particularly in this empirical chapter (cf. Mansfield 2005: 458).

In the era of spatial Keynesianism, Finnish regional actors mainly operated within a national context and although the operational environment has fundamentally changed over the past twenty years, very little empirical research has been conducted on how Finnish regional actors perceive and understand the new policy environment and how they operate in the current regional setting. This chapter seeks to extend the discussion on the spatial transformation of state power in Finland by examining those evolving regional practices in Southwest Finland (Table 8) that are currently aimed at locating the region on the politico-economic world map above and beyond the state with the purpose of securing the local interests of regional actors.

Table 8. Characteristics of the region of Southwest Finland in 2008 (source: Regional Council of Southwest Finland 2011; Centre for Economic Development, Transport and the Environment 2011).

Southwest Finland 2008
• 28 municipalities
• 5 subregions (Loimaa, Salo, Turunmaa, Turku and Vakka-Suomi)
• Population 461,177
• Area total 20,600 km2
• GDP €14 billion
• Branches of companies 34,500
• Net revenue €31 billion
• Export of goods €7.1. billion
• Investments €1.2 billion
• R&D expenditure €0.7 billion
• Education
• 3 universities
• 4 universities of applied sciences
• 16 providers of vocational elementary education

This chapter first discusses the theorisations presented on regions and regional actors in a multi-level politico-economic space. This issue has been studied in political sciences particularly under conceptualisations of paradiplomacy and multi-level governance. In many theorisations on relations between national, subnational and supranational actors in a multi-level politico-economic space, the central institutional locus of the political is the state (cf. Cox 1998: 1). In this chapter, my purpose is however to approach the case study on a Finnish region, Southwest Finland, through the conceptualisations developed by Kevin R. Cox (1998): the spaces of dependence and spaces of engagement. Firstly I will present the drivers to secure the local interest of Southwest Finland. The chapter then proceeds to examine the evolving strategies of regional actors to locate their region in relation to different spatial scales, in other words, I study the territorial positioning of Southwest Finland in the context of evolving and integrating European space. Thirdly, I will introduce the constructed strategies and targets of regional actors when securing their local interests.

6.1. Regional actors in a multi-level politico-economic space

In the European context, theories of multi-level governance are based on the assumption of "European policy space" as a process that involves significant shifts in power relations across levels of government. In multi-level governance, state actors are not seen as exclusively dominating decision-making, interdependencies or access to information and communication channels (Gualini 2004: 37). The expanding state foreign policy arena and the lowering of the distinction between domestic and foreign policies, a phenomenon referred to as "localising foreign policy" (Hocking 1993), is claimed to

have lowered regions' thresholds for pursuing their own interests on national and international scales. The notion of foreign policy environment as an overlapping process of internationalisation and localisation emphasises the demand of decision-makers to operate on various political levels and through various channels simultaneously (Hocking 1993: 11).

In this context, Hocking (1993: 2–98) has introduced the term "multilayered diplomacy", in which both governments and non-state actors are constrained to engage. When considering regional actors this indicates that regions supervise their own interests in the European Union and within the nation-state in order to achieve politico-economic benefits for themselves. The phenomenon of regions supervising their own interests is linked to the concept of paradiplomacy, the broadening of international affairs to allow regional actors to operate alongside organisations, firms and other non-state actors in their multi-level relations (cf. Keating 1999: 6). This alludes to the idea that regional actors are increasingly becoming obliged to participate in multi-level politico-economic relations and adopt strategies and policies of their own in order to benefit from national and international funding sources. The objective of regional actors is particularly to maximise the benefits to be gained from the European Union's programme-based regional politics and structural funding interventions in order to secure their local interests and "survive" in a situation of interregional competition. Pressures to represent the interests of regional actors on both national and interregional politico-economic spaces have emerged as the regions have increased their importance as both political and economic actors in the state space. This indicates that regional actors have begun to regard themselves as actors in the decision-making process, at the same time as regions are seen as dynamic constructions, social systems linked functionally to other scales (Keating 1998: 10–78).

The concept of "the foreign policy of regions" is based on the observation by Williams (1996: 250) of local and meso-level actors – cities and regions – implementing a foreign policy of their own in the context of European integration. The present use of the concept of "the foreign policy of a region" is in particular a reference to the strategies that regions develop in order to pursue their interests in a multi-level politico-economic environment and achieve competitive advantages, gain access to financial resources and reap co-operative benefits. It may be suggested, however, that, in addition to the supranationally-oriented understanding of the foreign policy of regions, recent politico-economic challenges have emphasised the multi-level approach in subnational actors' relationships, interactions and possibilities to influence decision-making on both international and national politico-economic spaces. However, the concept of "the foreign policy of a region" should not be confused with the foreign policy of a sovereign state, which commonly refers to a set of goals regarding interaction with other countries and non-state actors.

Williams (1996: 97) has proposed that the base for the objectives set by regional actors and for the strategies that they select is constituted on the spatial positioning of a region, which refers to skills of the regional actors to conceptualise the region's relative location within the spatial structure of Europe. Inspired by Williams' concept of "spatial positioning", Sykes and Shaw (2008: 55–61) have developed the discussion further by introducing the term "territorial positioning" by which they emphasise

the particular context of the EU and the integration process. Territorial positioning refers to regional actors developing an awareness of their territory's spatial position in relation to the changing geography of the EU and a strategic appreciation of, and response to, the changing European policy context. In this context, Sykes and Shaw have further represented that "regions are embedded in a system of vertical and horizontal relations with the national and supranational levels and other regions, meaning that they increasingly seek to promote their development and interests through external interactions". They have suggested that the EU enlargement process has modified the relative position of regions within EU space. Sykes and Shaw also argue that changes in regional policy models and the structure of territorial governance have placed an increased emphasis on the response of sub-state territorial levels to the changing context for their development, to be competitive rather than being merely reactive in responding to the territorial consequences of external economic decisions (Sykes & Shaw 2008: 55–61). Through this positioning it is possible to identify opportunities, comparative advantages and possibilities for the region; these strengths are the basis on which new relationships and networks could be developed and strategic policies are to be formulated (Williams 1996: 97).

Gualini (2004: 36) reminds us that despite the increased importance of subnational actors in multi-level operations, devolution of state responsibilities to subnational actors or rescaling of state, the subnational governmental levels are recognised but not as substitutive for national states. The significance of subnational governance refers rather to new forms of local partnerships which aim to promote and guide the development of local resources (Jessop 2002a: 200). In Jessop's (2002a: 201–204; 2004: 49–74; 2008: 210) terms a shift from government to governance on various territorial scales has occurred, rather than a mere rescaling of the sovereign state. He proposes that this transformation has occurred in response to the predominant trends of state restructuring: the denationalisation of the state, destatisation of politics and internationalisation of policy regimes. Rather the role of the state is seen as having altered from being the guardian of state-initiated economic and social projects and political hegemony towards a provider of partnership, a co-operative unit mediating between actors on different spatial scales and a regime originator for networks and partnerships. This development indicates the increased importance of governance on all spatial scales and emphasises the role of the state as a "metagovernor" (Jessop 2002a: 201–204; Jessop 2004: 49–74; Jessop 2008: 210).

6.2. Towards new spaces of engagement?

The politics of local economic development, particularly the competition among localities and the muted levels of conflict within them has been scrutinised by Kevin R. Cox together with Andrew Mair (1988). In so doing, they have examined the concept of local dependence; that is the dependence of certain regional actors on the reproduction of certain social relations within a particular territory.

If local dependence cannot be escaped, it must be confronted. Cox and Mair (1988: 309–311) imply that this is done by locally dependent firms in co-operation with local

authorities and by people in constructing local business coalitions or public-private partnerships. These actors aim to promote regional growth, regional tax revenues and encourage local infrastructural and redevelopment projects by state institutions to attract investment in their local economy. Local business coalitions or public-private partnerships may pursue the development of "accumulation strategies" (see Jessop 1990) in order to promote local economic growth. In doing so, locally dependent firms often attempt to harness the state in their efforts because the powers of state and state's financial resources are valuable instruments in the competition among business coalitions in different localities, e.g. in infrastructural and redevelopment projects by state institutions in order to make localities more attractive to investors. However, the construction of local business coalitions and developing a coherent regional strategy to promote local economic development is anything but simple; it may generate potential conflict between regional actors. (Cox & Mair 1988: 309–311.)

Kevin R. Cox (1998) has developed the idea of local dependence further. Although he considers the state as the central institutional locus of the political framework, he has criticised the conceptualisation of activity in areal terms in his studies on the social construction of the politics of scale. He has also criticised the areal approach in the spatiality of scale in particular and proposed the network as a more appropriate metaphor as areal boundaries tend to be porous and networks signify unevenness in the penetration of areal forms (Cox 1998: 1–3).

Cox (1998: 2–5) has studied local interests particularly which he has named spaces of dependence and their relation to broader fields of events and forces in constructing the spaces of engagement, "the space in which the politics of securing a space of dependence unfolds". As spaces of dependence, he refers to "those more-or-less localised social relations upon which we depend for the realisation of essential interests and for which there are no substitutes elsewhere; they define place-specific conditions for our material well-being and our sense of significance." However, the boundaries of the spaces of dependence are somewhat blurred and spaces of dependence occur at diverse scales and for some agents there may be more than one space of dependence (Cox 1998: 2–5).

The existing spaces of dependence are constantly challenged by global networks of relationships and interrelationships. These are the same global networks of relationships and interrelationships where the spaces of dependence are actually located. Therefore the spaces of dependence are constantly sought to be secured through key regional actors, e.g. people, firms and state agencies. However, these actors are participants in a much more spatially extensive set of exchange relations than those contained within the bounds of a particular place. (Cox 1998: 2–7.)

The ability to exercise territorial power signifies a control over a geographical area. Cox (1998: 2–7) argues that the ability to exercise territorial power contributes to the ability to realise the local interests. In this context, the most obvious candidates to exercise territorial power are the various agencies of the state and as territorial powers are not exclusive to the state, also other agents are involved. This makes influencing state agencies important. Influencing state agencies clearly demands either direct or indirect measures; it can be done incorporating state agencies directly or indirectly though the construction of a network of associations or in co-operation with those

who can exercise some indirect influence on state agencies. In so doing, the key regional actors are involved in more extensive networks of social power (Cox 1998: 2–7).

6.3. Drivers for securing the local interests of the Southwest Finland region

The chosen case study region, the region of Southwest Finland, is particularly suitable as an indicator of politico-economic global development due to the strong export-oriented nature of its industrial production, which connects it with the global economy. It is possible in the light of the interviews and policy documents evaluated here to distinguish a particular local interest of key regional actors in the province of Southwest Finland. The local interests of the regional actors was formed in securing and enhancing the competitiveness of the region of Southwest Finland in national and global competition between regions. The ways of key regional actors to understand and value different "scales" provides an insightful view on the analysis.

The following observations are based on interviews with key regional actors, who act in public organisations or public-private organisations. The interviewees were professionals in promoting the regional interests and advantages in both national and international contexts. The persons interviewed were regional development professionals, directors of public-private organisations, developers of regional business life, representatives of regional development centres, persons involved in regional and international development, experts in international relations and the Deputy Mayor of the City of Turku with responsibility for Competence and Business Development. All the actors were committed to the development of Southwest Finland and it also made the aspect of general regional development highly visible.

Drivers for securing the local interests were found in the current politico-economic development of state and beyond. Firstly, the purpose of regional actors was to enhance the competitiveness of the region in question in order to gain success in interregional competition. The key regional actors of the Southwest Finland often stated that they aim to secure their spaces of dependence in interregional competition to attract footloose international capital, national and international subsidies and highly-skilled labour. Therefore providing prerequisites for private business life has become the core of those strategies to success in interregional competition and the main aim of regional actors in securing their local interests. Regional actors put forward that this is carried out by developing a region's operational environment and educational opportunities. Furthermore, it is typical for Southwest Finland's regional actors to promote companies' internationalisation and create export possibilities by arranging meetings and contact opportunities between private companies and foreign authorities.

Secondly, the interviews indicated that regional actors are "forced" to respond to the challenges of the Finnish state devolving its obligations and particularly welfare-related responsibilities to the subnational actors. The respondents interviewed were anxious to emphasise that the process of devolution, the wider transfer of responsibilities, power and governance in general, is only in its initial stages in Finland (cf. McGregor & Swales 2005: 478). Southwest Finland's regional actors are expecting

some governance restructuration, particularly concerning the regional administration, to occur in response to the increased economic and strategic responsibilities given to subnational actors. They are also expecting economic and political decision-making power to be transferred increasingly to subnational actors. This is also stated in Southwest Finland's Regional Programme (Regional Council of Southwest Finland 2005: 50):

> "Regional development work should be based on the region's own resources and strengths. It should include the setting of objectives, decisions on the measures to be taken and the allocation of resources. […] When strengthening the provincial administration, it is important to strengthen democratic decision-making and the regional budgetary authority. The strategies of intermediate authorities should be more closely connected to the regional strategy and the province should be given a "provincial budget" in which the Regional Council decides on the distribution of development funding in Southwest Finland over sectoral and administrative boundaries."

Another respondent replicates the same intention:

> "A change should occur in the allocation of funding, which is to suggest that an increased amount of funding should be allocated directly to the region in question to be independently decided on how to use it. At the moment this decision-making is much too centrally planned and decided."

The aforementioned statement indicates that regional actors have assimilated a view of development as being regional in origin, in contrast to being merely reactive in responding to the territorial consequences of external economic decisions (see Sykes & Shaw 2008: 61). However, it seems that in the Finnish case the question is more about the state encouraging regions to endogenous development and endogenous growth rather that transferring the actual economic decision-making powers and economic governance to regions. As one respondent puts it:

> "So the key to the exercise of power lies in independent regional taxation which the region doesn't have and nobody has even proposed it. Now it seems that the interest has been on gathering more tasks and responsibilities for regional actors. So, of course, it is a problematic [matter]."

Thirdly, the regional actors raised repeatedly the question of adequate resources which are the core question concerning the transfer of tasks and responsibilities away from the state authorities. The respondents stated that a decreasing resource base was available for managing the basic tasks of the organisation, in parallel with the neoliberal doctrines of effectiveness, which call for cost savings, volume benefits and the elimination of overlapping in the services produced by regional public authorities, and that this formed the background to internal regional co-operation in securing the local interest in national and international networks and scales.

The respondents' replies reflected a shortage, or even a reduction, in the resources allocated to regional actors by the national administration to allow them to manage

their increased responsibilities and tasks, which meant that they were forced to seek additional sources of finance. As national compensatory regional policies have been replaced with competition and growth policies, emphasising regional responsibilities in the pursuit of economic success, regional actors argued as they were forced to compete on an interregional basis for scarce national and international financial resources and markets. Also both direct and indirect rhetorical and economic guidance pushes the regions into committing themselves to apply financial resources from international sources, meaning especially EU funding. In this context, the European Union is being seen as an agent compensating for the shortage of financial resources received from the national administration. The European Union's programme-based regional policy funding challenged the state-run order in the field of regional development, as elsewhere, by creating new financial and administrative regimes. One respondent interviewed in autumn 2007 explicitly stated that:

> "Since the state doesn't direct enough resources to us any longer, we will apply to the EU."

However, one respondent raised the often prevalent illusion about EU financing, particularly about the influence on various actors concerning financial issues:

> "It is often forgotten that in fact, a very large amount of the so-called EU finance is indeed distributed in Finland, in the ministries, in the TE Centres or in the regional councils although Finland's actual share is decided in Brussels. But then the fact that how the funding is distributed here between Finnish regions and cities is a national question so in order to have an effect, one should act in Helsinki and not in Brussels."

This indicates that the financial issues and funding are central in regional actors' actions in the international politico-economic space. The respondents also expressed their willingness to operate directly on international networks without interference from the national government. However, it should be noted that the state has a crucial role in allocating regional development funding and in providing the national contribution to projects partly financed by the EU. Furthermore, the national administration also safeguards the interests of subnational projects in the European Union decision-making process. In this context, it is obvious that the nation-state will preserve its authority in the key questions of the European Union, especially concerning funding (cf. Greenwood 1997: 240). All this contributes to the need for interaction between national and subnational actors and the need for subnational actors to influence decision-makers on state governance.

Although it is obvious that regional actors have been looking after their interests on a national politico-economic space for decades, the process of internationalisation has obliged them to divert their attention increasingly to international politico-economic networks and particularly to the available funding sources. EU membership from 1995 onwards and the decline in trade with Russia challenged Finland's politico-economic relations in Europe. It is clear that internationality is now deeply rooted in regional actors' operations. Respondents particularly emphasised their activity on co-operation and networking in national and international politico-economic space. Although some respondents considered the international "scale" to represent

their main operational environment, the less focused character of international co-operation and networking was clearly brought out. As one regional actor stated:

> "Co-operation in international networks is clearly looser in nature. And also less focused. So there is much to develop in the co-operation of regional actors in international networks."

Respondents clearly put forward that the supply for networking possibilities is currently overflowing and the objective of economic efficiency has obliged regional actors to select the most productive co-operation opportunities in order to achieve concrete benefits from international co-operation and networking.

However, the regional actors interestingly mentioned their shortage of knowledge and skills in making use of EU project funding in particular. They were clearly aware of their lack of knowledge, particularly with regard to financial applications. Regional actors were also informed of their further possibilities for EU funding and international co-operation in constructing and strengthening regional competitive advantages. Nevertheless, they emphasised the bureaucratic nature of EU-financed projects in particular, which complicated their international or interregional co-operation and networking, and they saw a need for internal co-operation in order to overcome organisational barriers and co-operate internationally in order to achieve the required knowledge and finance possibilities. It is also crucial to note that the respondents emphasised the danger of the Commission actually seeking to undermine spatial cohesion by setting regional authorities to compete against each other for national and international funding sources (see Williams 1996: 251).

The results indicate that the challenges of politico-economic development, i.e. internationalisation, the devolution of state power, inadequate resources, a shortage of knowledge and interregional competition, have forced regional actors to secure their local interests by managing their existing spaces of engagement mainly with the state governance but also to construct new spaces of engagament mainly with international actors particularly concerning financial issues. On the other hand, the implicit approval of the requirement for competitiveness has tempted regional actors to commit themselves voluntarily in multi-level operations to secure their local interests. Regional actors clearly expressed their willingness for further devolution of state power and financial resources. At the same time, they emphasised the importance of strengthening the identity and coherence of their region. Despite the powerful role of the state which continues to exist, these tendencies indicate the willingness of Finnish regional actors to construct their regions as stronger territorial units in the future, in other words they point to a further institutionalisation of regions in the scalar restructuration of the Finnish state.

6.4. The two-level territorial positioning of the Southwest Finland region

Regional actors in Southwest Finland have developed various strategies and development visions regarding the region's future position in Europe and beyond in order to construct a tempting environment for business life and to be better able to direct their development strategies. This indicates that the regional actors of Southwest Finland

have deeply internalised the practice of territorial positioning in their actions. The actors of Southwest Finland emphasised the importance of regional coherence, shared objectives and regional identity in constructing their development vision and strategy. As regional strengths, the marine branch, the region's knowledge-intensive character and its logistics advantages were repeatedly mentioned in regional policy documents. The main focus in policy documents was in the marine industry, ICT, biotechnology, tourism and culture, also mentioned was the ability to co-operate on regional, national and especially in international networks (cf. City of Turku 2005, Regional Council of Southwest Finland 2005, TAD Centre 2005).

The material shows that the practices of territorial positioning are carried out in both the national and international politico-economic spaces or networks. Firstly, on a national level the regional actors saw close connections with the Helsinki metropolitan region as the most attractive regional development strategy and a way of positioning Southwest Finland on a national and international politico-economic space. However, a link between Southwest Finland and the Helsinki metropolitan region appeared to be a double-edged issue for the interviewees as they were clearly concerned about the public financial investments flowing into the metropolitan region, although they also emphasised the advantage of the short geographical distance between the two regions in developing the competitiveness of Southwest Finland. They were nevertheless well aware of the size difference between the two regions and conscious of the impossibility of competing with the Helsinki metropolitan region. Instead, they were willing to enter into close interregional co-operation in order to benefit from the growth there. This indicates the difficulties experienced by smaller regional entities in achieving visibility and marketing their region on a European level. In this context, an alliance with the Helsinki metropolitan region in order to construct a larger territorial entity would seem to be highly relevant. Some respondents also proposed closer co-operation between the cities of Turku and Salo, and the subsequent construction of a development corridor from the twin-city of Turku-Salo to the metropolitan region. It should be noted that the city of Salo is especially highlighted in the respondents' rhetoric on account of its competitive advantages in the form of a dynamic electronics industry and growth-oriented international business life. This indicates that the current reworking of the Finnish state may affect the spatial structure by developing new regional alliances and development corridors in which emphasis is placed especially on infrastructure development.

Secondly, internationally the Baltic Sea connections and the position of Southwest Finland as a bridgehead between Scandinavia and Asia were especially emphasised (Figure 12). The respondents argued that the enlargement of the European Union and the region's resulting new territorial position formed a threat particularly to the less-developed subregions in Southwest Finland, on account of the assumed decrease in and redirection of European Union structural funding in the coming years. This will pose an economic challenge to some subregions and oblige them to find compensatory finance. The respondents' arguments reflected the relative revision of the region's territorial position within the political space of the EU (see Sykes & Shaw 2008: 60–61).

Figure 12. An example of the visualisation of the territorial positioning of Turku, capital city of Southwest Finland, in the Baltic Sea region (source: Pilot Turku Ltd 2008).

6.5. Securing the spaces of dependence

Strategies of regional actors

As the regional actors have defined the territorial position of Southwest Finland in Finland as well as Europe and beyond in order to identify the region's possibilities and competitive advantages in a spatial context, they have begun to develop strategies to respond better to the challenges of ongoing politico-economic development. In other words, they have begun to secure their local interests, manage the existing spaces of engagement and also construct new spaces of engagement. As far as the regional actors of Southwest Finland are concerned, their strategies to secure their spaces of dependence are fourfold.

Firstly, respondents saw the most important strategy to be the constructing and maintaining of suitable conditions for business life, as the provision of prerequisites for business life was seen to construct a base for regional competitiveness. One respondent in autumn 2007 emphasised the role of the public sector as a provider of the operational environment for business life as follows:

> "We see the role of the public sector as a provider of the operational environment. Private companies are totally responsible for their competitiveness, but the public administration can assist by creating a favourable operational environment. In earlier times the most important offerings in terms of the development of the operational environment were coal and steel, but nowadays

> it is knowledge. This is decisive for the competitiveness of private companies, but it also matters more and more in the operation of public administration."

This strategy is conducted in order to attract international footloose capital, knowledge-related resources and a skilled labour force. More precisely, the constructing and maintaining of suitable conditions for business life was to be carried out by promoting private companies' networking and business contacts, by applying for funding and carrying out regional development projects and by ensuring the availability of regional business services. Regional actors have established public-private organisations in order to construct an appropriate operational environment for business life and to promote the region's competitive advantages. For instance, Promoting Intermodal Logistics Operations Turku Ltd (Pilot Turku Ltd) was established in 2003 to promote logistics services and the relocation of companies in Southwest Finland, while Turku Science Park Ltd aims to promote knowledge-based activities in the region and facilitate the internationalisation of private companies. This echoes the competition logic and entrepreneurial strategies which indicate that nowadays regional actors in Finland are increasingly operating within a competition-oriented territorial regime. This may blur the state space further and cause interregional tensions as regions find themselves in competitive positions in relation to each other.

As the second strategy, the respondents brought up the development of region's knowledge-related resources and human capital by improving the availability of education possibilities and entrepreneurial knowledge in the region. In this context the higher education branches were especially emphasised. When considering the knowledge-related resources of regional actors, they particularly emphasised the importance of learning from each other in matters such as applying for financial resources for research and educational projects. Richard Florida's notion of "learning regions" which collect, preserve and facilitate the flow of knowledge, ideas and learning by means of the relevant infrastructure also seems applicable in the context of Southwest Finland (see Florida 1995: 528).

The third strategy is linked to the image of the region in question. It is also closely connected with the distribution of information about the region, marketing in particular. The strategy consists of marketing the region, interchanging information and networking both nationally and internationally. The promotion of regional actors' interests by means of lobbying and personal influence are core practices in the region's information dissemination and marketing strategy. These measures are conducted in order to benefit from financial resources or to attract international investment and skilled labour to the region.

The fourth strategy consists of strengthening regional co-operation in service production. This is done in order to enhance the regional identity and coherence. Regional co-operation is also a prerequisite for finding the shared strengths and development strategies in securing the local interests. The construction and sharing of a regional development vision and strategy appeared to be a demanding task for the regional actors, who emphasised the importance of disseminating "tacit knowledge" through meetings, events, projects and routine collaboration. The significance of internal communication between regional actors cannot be overemphasised. In some cases, the lack of internal

communication between regional actors was considered a hindrance in regional co-operation and in the pursuit of regional interests. The interviewees therefore proclaimed their continued willingness to strengthen regional coherence and to lower the organisational barriers in Southwest Finland.

Constructing new spaces of engagement

In light of the interviews and policy documents evaluated here it is possible to distinguish that the base for securing local interests is formed by internal co-operation between regional actors. The respondents stated that a decreasing resource base was available for managing the basic tasks of the organisation, in parallel with the neoliberal doctrines of effectiveness, which call for cost savings, volume benefits and the elimination of overlapping in the services produced by regional public authorities, and that this formed the background to internal regional co-operation. The interviewees especially emphasised the importance of regional co-operation in the form of knowledge sharing. Furthermore, the objectives of creating, developing and ensuring adequate preconditions for business life by developing the operational environment and regional knowledge had the effect of pushing regional actors into co-operation. Broadly speaking, the region's internal co-operation consists of adopting various rules, regimes and practices. These activities are conducted in order to prepare regional actors to compete nationally and internationally for financial and knowledge-related resources.

Sykes and Shaw (2008: 66) have noted that it is essential for regional actors to ensure that their region's interests are heard and represented in national policy. In Finland, education, particularly knowledge-related issues, and infrastructure were emphasised as central to the creation of preconditions for business life. In both of these policy sectors concerning infrastructure and education, state governance has a central role in decision-making which makes the state government a main space of engagement for regional actors. The respondents in Southwest Finland clearly expressed their willingness to contribute to the determination of national government priorities and the need to obtain financial resources in order to stimulate endogenous growth and ensure regional service production. Despite the coexistently emergent willingness of regional actors to develop regionally and locally more autonomous operations, influencing in the central operational preconditions of regional development (particularly concerning transport infrastructure and higher education) has remained central for regional actors. This is so also in a historical context, which indicates that state power has remained quite centralised in Finland during decades; the definite decision-making power has remained on the state scale when considering these preconditions for regional development. The minor allocation or transfer of state power into local or regional actors has led to the constant interaction between the state actors, the regional actors and the local actors in the interest supervision. Therefore the Finnish peculiarity seems to be that the state actors, especially the state government, remains as the main space of engagement in securing the local interests, the space of dependence.

The local interests of Southwest Finland with respect to the state actors were enacted through two strategies: the distribution of information by marketing the area in the

media and arranging events such as seminars and conferences, and the promotion of regional interests by lobbying directly or indirectly through various organisations. Personal relationships, co-operation with members of parliament, meetings and negotiations formed the basis for pursuing the interests of Southwest Finland nationally. It is evident that the state has a crucial role in allocating regional development funding and in providing the national contribution to projects partly financedby the EU. Furthermore, the national administration also safeguards the interests of subnational projects in the European Union decision-making process. In this context, it is obvious that the nation-state will preserve its authority in the key questions of the European Union, especially concerning funding and other financial issues (Greenwood 1997: 240). All this contributes to the need for interaction between national and subnational actors and the need for subnational actors to influence decision-makers on a national level.

As Hocking (1997: 98) has presented internationally, the local interests can be expressed through national governments, through regional agencies or through national governments via regional agencies. Influence on external policy can be also expressed directly in the international system without any intermediaries (Hocking 1997: 98). It is evident that regional actors can pursue their interests within the EU via regional political, social and economic networks or clusters (Greenwood 1997: 232). Regional co-operation may emerge in the form of either cross-border co-operation (with a shared frontier) or transregional co-operation (co-operation independent of frontiers) (Sodupe 1999: 62). In practice, a regional actor's interests are implemented through networking, lobbying and active participation in organisations and co-operative relationships, and is based on the strategic objectives of actors, the accomplishment of which may require the establishment of particular alliances, agreements and joint projects in the regional operational environment and interregional co-operation (Williams 1996: 250). Despite the ongoing state restructuring and spatial transformation of state power, the importance of state actors should not be underestimated in the present politico-economic development.

The persistence of the national space of engagement was in my case study a distinct feature. The administration of the European Union and various international networks, together with co-operative regional administrations had gradually gained a place alongside the state actors but had not however replaced them. This indicates that the European Union has gained particular signifigance as a supplementary source of finance but it has not superseded the state actors and the importance of national political space as a "point of reference" for regional actors (see Rometsch & Wessels 1996: 346).

It is typical for Southwest Finland's regional actors to promote companies' internationalisation and create export possibilities by arranging meetings and contact opportunities between private companies and foreign authorities. The interchange of information with international actors is considered highly important for this, and therefore new actors and offices have been established to pursue the interests of regions in Europe (see Greenwood 1997: 229–230; Kettunen & Kull 2009: 118). The Turku-Southwest Finland European Office, for example, has been established to represent regional interests in the decision-making processes of the European Union and to support interregional co-operation in Europe. In addition, it has the aim of influencing EU

programmes and subsidy policies. It is the gathering and dissemination of information, however, that lies at the core of the office's activities. Even so, international co-operation and the pursuit of regional interests are not as well organised internationally as they are nationally, and therefore shortcomings emerge in strategic co-ordination practices.

Regional actors aim to secure their local interests. This is done by targeting private businesses and a skilled labour force in order to attract the relocation of investments, companies and individuals. Co-operation between regional actors in the production of services for private business lies at the core of their strategies and the Turku Regional Business Agency known as Potkuri, for instance, was established in 2004 to facilitate private companies' access to public business services in Southwest Finland. In addition, marketing the region in order to gain visibility, distribute information and enhance the region's image was emphasised among the regional actors' core strategies in targeting private businesses and a skilled labour force.

7. Discussion

7.1. Theoretical offerings

The inter- or postdisciplinary research on the changing statehood has provided an informative framework for my study in the specific context of Finland as a Nordic welfare state. The empirical analysis has been motivated on particular theories and conceptualisations. Firstly, when considering the vigorous debate on scale and state rescaling in recent years, it became clear that scale is arguably one of the most influential spatial concepts. It rather soon became evident, however, that scale cannot be seen as a "geographical level" or "hierarchy" but rather as one dimension of socio-political activity, socially constructed or as a dimension of socio-political agency. The scale is produced in political struggles and the rescaling of statehood also has material consequences. The material consequences of state rescaling manifest the intertwining character of the conceptualisations of territory and scale; the material consequences of state rescaling may emerge in state territory, for example as the new territorial divisions of state space. Particularly the contributions of Kevin R. Cox (1998; 2009), Becky Mansfield (2005), Neil Brenner (2009), Andrew E. G. Jonas (2011) and the TPSN framework introduced by Jessop, Brenner and Jones (2008) arrested my attention to the spatial conceptualisations: adopting the most suitable and accurate theoretical framework and avoiding one-dimensionalism.

Secondly, when considering the changing statehood, I have studied the discursive constitution of economic and political relations (cf. Jessop 2002a: 4–5), in other words the discursive space in which the political struggles are articulated. When considering the production of the changing statehood, particularly Bob Jessop's (1990, 2002a) theorisation on the strategic-relational approach provided an insightful framework. It helped me to understand the reworking, restructuring and rescaling of statehood in a specific spatio-temporal context. Furthermore, Neil Brenner's spatialised version of Jessop's (1990) strategic-relational approach provided a good framework for discussing the spatial aspects of changing statehood. It assisted me in understanding the state scalar selectivity as an expression, a medium and an outcome of political strategies (cf. Brenner 2004a). The approach provided me with a way of discussing the changing statehood as a political process. It also assisted in combining the production of this transformation with its perceived spatial consequences. In the empirical chapters, I have concentrated on the interaction between the state and its territory mainly on two political spaces that of "national" and "regional"; the changing relationship between space and power on the changing statehood and the regional actors' ways of understanding and responding to this change.

7.2. Four eras of state strategies – temporal-contentual characterisation of the state's key dimensions

I have studied the interaction between state apparatus and state space from the mid-1960s up to the present time. I have suggested that alongside the official regional policy, also other policy fields fundamentally impact on the changing statehood. Therefore, when considering the study of changing statehood, other policy fields such as education policy and transport policy should also be taken into account. By studying the state budgets I found out that particularly the contemporary education, investment and regional policies were manifested as the central policy sectors which enforced the changing statehood.

In general, in the analysis of state budgets from 1965 to 2011 I argued that Finland is gradually sliding from a "one nation" regime of accumulation towards a regime emblematic of competition states as the principles emblematic of a competition-oriented state have been adopted. However, the transformation of statehood should not be seen as a linear continuum. Rather the Finnish peculiarity seems to be that the willingness to give up the objective of the balanced regional development has not taken place uniformly and strong opposition has emerged towards the change, particularly towards the spatial aspects of change. This points out that the question is not about eroding or ending of the welfare state but rather "trimming" it in the face of changing political problems. This also indicates that the regimes of the competition state and welfare state should not be set as opposite regimes to each other or considered as an inevitable continuum from the past up to the present but rather to focus on their path-dependent, and intertwined characteristics in a specific geographical context.

On a general level, the findings emphasise that the interaction between the Finnish state and its territory has fundamentally changed over the past fifty years. I have understood state strategies as responses to the "central political problem of the government" at a given time. The change in the perceived political problems and ways of responding to those problems have influenced the changing statehood. As a result of my examination on state strategies, I identified four eras of changing state strategies (Table 9). Furthermore, I have characterised the general temporal-contentual key dimensions of the state (Table 10).

Table 9. The changing strategies of the Finnish state, 1965–2011.

	The changing strategies of the state		
Epoch	**Know-how**	**Investments**	**Regional policies**
1960–1970 *Creation of the basis for an integrated welfare state*	• Development of the educational infrastructure and equal educational opportunities across the country. • Extension of the higher education network to the "development regions". • Direction of student places into the development regions.	• Building of the basic infrastructure across the state. • Vigorous investments and state activities in the "development regions". • Major public investments in the production infrastructure. • Financial assistance for state-owned companies.	• The objective of equal regional development is highlighted. • Forceful rhetoric regarding "development regions". • State actions are seen as crucial for regional development.
c. 1980–1990 *Increasing emphasis on economic growth, education, research and competitiveness*	• Development of the system of higher education. • Increased importance of research.	• Infrastructure investments: basic infrastructure and supplementary investments. • The incorporation of state-owned companies begins.	• The rhetoric of "development regions" decreases. • The concept of competitiveness is present in the budget rhetoric. • The ideology of welfare state equality is beginning to alter towards the competition state in the late 1980s.
c. 1990–2005 *Towards the competition state*	• R&D activity and higher education are both highly valued. • The role of innovations is emphasised in budget argumentation. • Effectiveness is implemented in the field of education.	• Non-material investments become central to budgets. • The role of the state is understood as that of the key provider of preconditions for private businesses.	• A programme-based regional policy aimed at providing international competitiveness surfaces in budgets. • Urban and rural politics emerge as separate fields in the budgets. • Differentiating regional policies are introduced. • Regional equality throughout the country is still emphasised.
c. 2005- *Innovations, effectiveness and knowledge at the core of state strategies*	• Knowledge and innovations are at the core of state's survival strategies in global competition. • From extending the higher education network towards the reduction of it. • Structural university reform and creation of larger high education branches.	• R&D investments 4% of GDP. • The state as a remover of market obstacles.	• In rhetoric, regional equality has (at least partly) become replaced with the reduction of regional disparities in the development prerequisites. • Regional innovation policy has emerged alongside the regional policy.

The first era of changing state strategies was the era of inward-looking state strategies with the objective of territorial equalisation in the 1960s and 1970s in which the accumulation regime of Atlantic Fordism was discursively, institutionally and practically materialised as the Keynesian welfare state aimed at full employment, the provision of infrastructure and welfare services and spatially equal and balanced development (cf. Jessop 2002a: 55). At the beginning of the era, the mode of production was mainly agricultural, but industrialising. The political strategies that developed in Finland from the 1960s onwards highlighted firstly national integrity, social cohesion, societal order as well as the national economic growth which has remained a central objective of state governance throughout the decades although methods of producing the growth have changed. These issues were closely connected to the security policy concerns of the state and the state space acquired a security-political meaning. That to say the state apparatus focused on guaranteeing societal order and preventing the radical resistance movements in state space by enhancing the national social and territorial integrity and equality. The state space was also seen as a strategic asset of the state, a kind of spatial capital. The strategies of enhancing national survival and success had a tendency to be inward-looking, with indicators of "welfare" and "national competitiveness". This is also manifested in the way national government understanding the "primary space of action" as distinctly national. The regional policy was the characteristic policy sector in the construction of the politics of "one nation" with a highly materialistic role in development. In particular, the construction of the politics of one nation was enforced through providing equal education opportunities, constructing basic infrastructure such as transport connections and state-owned production infrastructure across the state space, maintaining full employment and promoting even distribution of settlement across the state space in order to generate social and territorial integrity and cohesion. This indicates the expansion of state infrastructural power across state space through public investments, state planning, transfer payments and subsidies which homogenised the state space. In parallel, the planning system was centralised and hierarchical, and regions implemented the nationally set objectives. The politics of "one nation" became visible in state space as a spatial structure of spatially decentralised welfare state.

Secondly, the principles of competition and spatial differentiation gradually emerged in state strategies from the late 1970s onwards as the security-political meaning of state space decreased and markets were opened. The state strategies began to change being both inwards and outwards-looking during the 1980s. The restructuring of the Finnish welfare state and a change in state strategies were both evident by the early 1980s. Despite the gradual change in the focus of state strategies, the politics of one nation was, however, still present in state budget rhetoric throughout the 1980s. The logic of the competition state began to be realised in earnest from the late 1980s onwards as a new regime of accumulation. New emphasis emerged alongside the principles of social and territorial equality in the 1990s as the valuation of education, immaterial investments and knowledge increased.

Thirdly, in the 1990s the state was characterised as an outward-looking state with the emergent competition strategies. Regional policy gained symbolic-discursive aspects alongside its materialistic characteristics. The characteristic policy sectors were urban

policy and programme-based regional policy: principles of regional endogenicity, endogenous growth of regions and regional competitiveness emerged particularly in relation to the international space of action. In general, the role of state altered towards the provider of economic preconditions for endogenous regions. After the relatively slow opening up of Finland to the world economy and fairly late adoption of neoliberal principles, the doctrines of neoliberalism have nevertheless been increasingly influential – particularly since the economic depression of the 1990s which caused policy actors to reconsider the ideological bases for the spatially decentralised welfare state. Therefore the intertwined logic of competition and "one nation politics" emerged as a spatial structure of a decentralised competition state and as a polycentric urban network.

Fourthly, innovations, knowledge and education further raised their importance throughout the 2000s in the face of a new phase of globalization as the Finnish society was heading towards the innovation intensive knowledge-based society. This indicates that the transformation of statehood has further continued during the 2000s. The political problem of state governance has attained a neoliberal, competition-oriented tone as the present political problem of the state – securing and developing competitiveness in global competition – has brought the ability to compete to the core of state strategies. The objectives of attraction of transnational footloose capital and constructing the preconditions for private businesses have raised immaterial investments, that is to say investments in education, innovations and technology central for "the surviving strategies". It seems that economic matters, profitability, productivity, effectiveness and economic growth have clearly superseded the security-political concerns of the state and the valuation of state space has changed; territory of state is no longer seen as a spatial capital. From the mid-2000s onwards the characteristic policy sectors were the metropolitan policy and innovation policy: the statehood was spatially centralising and also perceived as polarised by key regional actors. Presently, the role of the state is particularly central in promoting the metropolitan region and in "opening up" and internationalising the state space further. The role of regional policy was becoming increasingly symbolic and discursive. However, the role of regional policy remains central in defining particular territorial divisions between the peripheral regions and the growth regions. When considering the changing statehood, the polycentric urban model has become challenged by the presented visions of state spatiality: metropolitan state, regional innovation centres and the model of network metropolitan region.

Table 10. Temporal-contentual characterisation of state's key dimensions.

Time period	1950–1990	1990–2010	c. 2005–
State spatial form	spatially decentralised welfare state	spatially decentralised competition state	presented visions of state spatiality: metropolitan state regional innovation centres network metropolitan region
Mode of production	agriculture, industrialisation	knowledge-based/ industrial/services	towards the innovation intensive knowledge-based society
The role of regional policy	materialistic	materialistic/ symbolic-discursive	symbolic/discursive
Indicators for success	welfare, national competitiveness	knowledge, regional competitiveness	productivity, metropolitan competitiveness
The dominant "space" of state activities	national	national, the rise of subnational/regional space in international activities	regional space (the metropolitan region, big city-regions)
Characteristics	the security-political meaning of state space, infrastructural power of state, one nation politics	endogenous growth of regions, competitiveness of regions, polycentricity	polarisation and centralisation of state space
The role of state actors	the meaning of the state as a generator of social cohesion and societal order	the role of the state as a constructor of economic operational preconditions, endogenous development of regions	the role of state in promoting a metropolitan region, the role of state in "opening up" and internationalising of the state space
The driving forces of change	security-political importance of state space, state space as strategic asset	opening of markets, decrease in security-political meaning of state space, emerge of the competition state regime	the new phase in globalization
Characteristic of policy sector	regional policy	urban policy, programme-based regional policy	metropolitan policy, innovation policy
Interaction between regional actors and the state	regions realise nationally set objectives "from top to down", centralised planning, hierarchies	regional endogenousness - relation to international scale	regions define their territorial position in relation to metropolitan region (favouritism)

I suggest that the understanding and reasoning of competitiveness of the state has changed remarkably from the 1970s up to the present time. The concept of competitiveness referred to a need to develop national competitiveness in international trade through active labour and education policies and state investments in the early 1970s as the term competitiveness referred mainly to the price competitiveness of the state owned industries. The balanced economic and regional development, stable societal development, stable and full employment were seen to construct national welfare in general and also enhance national competitiveness, in other words the national competitiveness was seen as spatial in nature. However, the meaning of the term competitiveness has gained new emphasis with emergence of competition-oriented growth policy. It was now the international competitiveness of the state which became emphasised and not the price competitiveness typical of the 1970s and 1980s. The rhetoric of balanced national development as a precondition for national competitiveness and welfare has been replaced with measures to concentrate particularly on those regions producing growth and having "competitive advantages": the concentration of state resources to the most productive regions has be seen to increase the ability of the Finnish state to compete in international politico-economic space.

Alongside the conceptualisation on competitiveness, the content of regional development has become re-conceptualised. Enhancing the "ability to develop competitiveness" and "competitive advantages" rather than actually "developing competitiveness" has emerged as an objective alongside the principle of endogenous regional development. That is to say that the responsibility of regional competitiveness and regional development is seen as transferred to regional actors themselves. In this transformation the role of the state has altered from a "government" sharing state subsidies in a top-down manner towards a "governor" securing adequate resources for the endogenous development of regions. Although the role of the state is changing, the state itself is not disappearing or hollowing out. As the notable political-economic decisions concerning the statehood are still made in the context of the state, this makes the state the crucial institutional site and discursive framework in which the political struggles of changing statehood are engaged (cf. Jessop 2002a: 212). In this context, the existing, everyday struggles and conflicts in politics and the role of, for instance, electoral politics in the shaping of subnational state geographies and state territories would supplement the examination on the changing statehood (e.g. Ward & Jonas 2004). This is a research subject which has not been at the core of my examination but which would merit more academic attention.

7.3. Contested forms of urbanisation

The transformation of statehood has led to a spatial restructuring of state and to a re-conceptualisation of the state space, i.e. the spatial manifestation of state power. Competing state spatial strategies have emerged aiming to enhance the competitiveness and "survival" of Finland in various global politico-economic arenas. A transformation in state spatial projects and strategies can be expected to have a profound impact on spatiality. I have argued that the spatial policy in the early 2000s differs from the

spatial policy of the 2010s. Although a consensus had not been reached in Finnish public discussions and rhetoric regarding the future direction of the country's spatial development in the early 2000s, development seems to be heading towards a spatially centralising statehood. In the early 2000s, the large city-regions were increasingly being seen as generators of economic growth in the state space in Finland. This points to an ongoing neoliberal urbanisation in Finland and a process of discarding of policies that concentrate on rural centres for the generation of growth.

After the economic recession of the 2008, a need for a further change emerged in order to enhance Finland's competitiveness in tightening global markets. Metropolitan and innovation policies have become established measures to respond to the emerging politico-economic challenges. The recently adopted scale-specific spatial policies are evidently being concentrated especially on promoting the development of the Helsinki metropolitan region; the metropolitan region is clearly perceived as a new "scale" or "space of action". A strong metropolitan region has been seen as a growth engine for the national economy and as a prerequisite for the state success in global competition, the state spatial strategy for "surviving". This indicates that a consensus on the necessity of constructing a competitive metropolitan region has been reached although its concrete spatial structure remains unclear; visions of metropolitan state, regional innovation centres and network metropolitan region have been presented.

The arguments which allude to the idea of a concentration of resources in the Helsinki metropolitan region represent to some extent the opposite approach to that of balanced development that previously dominated discourses on state spatiality. The change has already taken place in societal values; territorial differentiation and spatial selectivity within the state have become gradually accepted. The meaning of state space as spatial capital has further decreased and state spatiality has become valued in a differentiated way. The future direction for state investment priorities between the most competitive growth regions and the principle of spatially equal distribution remains somewhat unclear, the situation may lead to conflicting viewpoints among regional actors in Finland. However, it actually seems that presently the competing state territorial forms were those of spatially decentralised competition state and metropolitan state; the two competing forms of urbanisation in Finland. In other words, although neoliberal urbanisation is visible in Finland, its various forms are being contested politically.

The centralising spatiality of the Finnish state has not been approved without objections. The values and views of regional actors and citizens have become central to this because in the end the operation of the political system depends on the legitimacy accorded to it by the people. Already before the economic recession of 2008 the re-entry of a strong state was elicited in public discussions (Ryynänen 2009: 18). There is a need for further research to ascertain whether the present development is a phase in the long development, or if a pendulum is heading back towards the territorially equal spatiality of the Keynesian welfare state in the long run.

Inequalities are expressed spatially through the polarisation of development among different territories, regions, places and scales and this may also generate regulatory problems (Brenner 2004a: 12–14). I propose that the spatial polarisation of Finland clearly merits more research as the meaning and importance of remote and rural regions in Finland will eventually become questioned. The polarisation, however, may not

be only a Finnish peculiarity but may well be an integral aspect of the recent neoliberal trimming of state space in various contexts. Although some individual capitals may find the benefits of scale economies and other externalities of the differentiation or even the polarisation of regional development between urban and peripheral regions, this development may, however, destabilise the space-economy and generate dysfunctional political-economic effects (Brenner 2004a: 14). In the Finnish case it would be important to establish what kind of importance will be attributed to the peripheral, scarcely populated regions in the transformation of state spatiality and how this would interfere with political movements in Finland e.g. would it promote radical resistance movements particularly in territorial peripheries.

7.4. The persistence of the national space of engagement

Regional actors' have responded to the ongoing transformation of statehood and developed new ways of securing the local interests, their spaces of dependence (see Cox 1998). In my empirical examination, however, it became clear that merely focusing on the questions of scale did not provide an adequate perspective on the issue. Despite the fact that scale is arguably one of the basic dimensions of social practise and cannot therefore be ignored, alone it was not enough in discussing the multi-level, overlapping and similarly occurring activity of the key regional actors in securing their spaces of dependence. Therefore the enquiry into regional actors ways to secure their spaces of dependence and constructing new spaces of engagement provided an insightful approach to discuss both the rescaling of the state and also to consider national or international not as scales but rather as dimensions of politico-economic practices (cf. Mansfield 2005: 458).

I have demonstrated that the persistence of national space is evident as the most important space of engagement for regional actors despite of the intensifying European integration and the attempts to foster the European regional system. My argument therefore is that the national space has persisted as the primary space of engagement in securing the interests of local or regional actors which the international scale, actors or networks have not superseded but rather gained importance in offering mainly financial supplements. I noticed that among respondents the secondary spaces of engagements (European etc.) are understood as supplements to the national operational environment of regional policy rather than "spaces of competition" themselves.

When considering the territorial positioning of the case study region, Southwest Finland, in a multi-level operational environment, the symbolic-discursive understanding of the conceptualisation of a regional scale becomes significant. This is so because the reworking, restructuring and re-conceptualisation of the regional scale in a multi-level operational environment constructs both discursive but also material consequences on state spatiality and state territoriality, like the concrete rescaling of the public administration; the fundamental reforming of the state's regional administration in where the decision-making power and financing are greatly transferred into subnational administrative levels. The core question is about the political process of enhancing the material, symbolic and discursive aspects of the regional scale; in other words to secure

the spaces of dependence in multi-level actor networks. When discussing the spatial transformation of state power into the regions, the regional actors clearly expressed their willingness for further devolution of state power and financial resources, at the same time emphasising the importance of strengthening the identity and coherence of their region. These tendencies may indicate that Finnish regions are likely to become constituted as stronger territorial units in the future, in other words they point to a further institutionalisation of regions in the scalar restructuration of the Finnish state.

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Appendix I. Analysed documents and persons interviewed

State budgets

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Persons interviewed

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Kalle Euro, Director, Turku Region Development Centre. 25th October 2007.

Tero Hirvilammi, Deputy Mayor for Competence and Business Development, City of Turku. 27th November 2007.

Kari Hyppönen, Director of Administration, University of Turku. 17th October 2007.

Jari Kauppila, Development Director, Employment and Economic Development Centre. 24th September 2007.

Ilkka Kouvonen, Managing Director, Turku Science Park. 1st November 2007.

Rikumatti Levomäki, Director, Development Centre of Salo Region. 22nd October 2007.

Ari Niemelä, Managing Director, Promoting Intermodal Logistics Operations in Turku. 19th October 2007.

Pekka Ojanen, Regional Development Manager, Regional Council of Southwest Finland. 12th October 2007.

Eeva Rintama, Coordinator in the Regional Centre Programme, Vakka-Suomi Development Centre. 7th November 2007.

Respondents in the Q methodology study

County Governor Esko Lotvonen, the Regional Council of Lapland. 8th October 2008.

Executive Director Alpo Jokelainen, Joint authority of Kainuu Region. 19th September 2008.

Executive Director Matti Viialainen, the Regional Council of Southern Savo. 1st October 2008.

Regional Mayor Asko Peltola, the Regional Council of South Ostrobothnia. 6th October 2008.

Executive Director Olav Jern, the Regional Council of Ostrobothnia. 17th October 2008.

Director (Regional Development) Jukka Alasentie (on the behalf of Region Mayor Jussi V. Niemi), the Council of Tampere Region. 24th October 2008.

Region Mayor Pertti Rajala, the Regional Council of Satakunta. 22nd September 2008.

Executive Director Altti Seikkula, the Regional Council of Central Ostrobothnia. 24th September 2008.

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Executive Director Timo Puttonen, the Regional Council of South Karelia. 6th October 2008.

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Senior officer Janne Tamminen (on the behalf of Regional Mayor Ossi Savolainen), the Uusimaa Regional Council. 7th October 2008.

Executive Director Jaakko Mikkola, the Regional Council of Itä-Uusimaa. 30th September 2008.

Regional Mayor Juha Haapaniemi, the Regional Council of Kymenlaakso. 7th October 2008.

Chairman of subregional decision-making body, Pekka Kukkonen, Joensuu subregion. 22nd October 2008.

Executive Manager Asko Saatsi, Pielinen Karelia Development Center Ltd. 18th September 2008.

Executive Manager, Business development director Ritva Nirkkonen, Jyväskylä Regional Development Company Jykes Ltd. 17th October 2008.

Executive secretary of a subregion Sanna Puumala, Kuusiokunnat subregion. 15th September 2008.

Executive Director Esa Jussila, Nivala-Haapajärvi subregion. 17th October 2008.

Executive Manager Jari Kosonen, Koillis-Savo subregion. 19th September 2008.

Executive Manager Martti Ruotsalainen, Development Centre of Kemi-Tornio subregion. 15th October 2008.

Development Manager Tuula Kuvaja, Itä-Lappi subregion. 18th September 2008.

Business development director Pertti Eskelinen, Kouvola subregion. 15th October 2008.

Appendix II. Research material

The response booklet (in Finnish).

OHJEET TAULUKON TÄYTTÄMISEKSI

1. Kaikki 36 korttia sisältävät väittämän tai mielipiteen. Korteissa olevat numerot ovat satunnaisessa järjestyksessä. Järjestä väitteet mielipiteitäsi vastaaviksi. **Lue ensin väitteet läpi ja jaa ne kolmeen ryhmään**:
    a. väitteisiin, jotka vastaavat mielipidettäsi
    b. väitteisiin, jotka eivät vastaa mielipidettäsi sekä
    c. väitteisiin, joista sinulla ei ole mielipidettä tai joita et koe merkityksellisiksi.

2. **Aseta väittämät taulukkoon.** Taulukon vasemman puolen negatiiviset luvut kuvastavat sitä, ettei väite ole näkökulmasi mukainen (-5 on vähiten näkökulmasi mukainen). Taulukon keskellä sijaitseva 0 kuvastaa neutraalia mielipidettä ja taulukon oikealla puolella sijaitsevat positiiviset luvut väittämän ja mielipiteesi samankaltaisuutta (5 on eniten näkökulmasi mukainen). Aseta väittämät taulukkoon siten, että ne väittämät, joiden kanssa olet samaa mieltä, tulevat taulukon positiiviselle puolelle (ei ole merkitystä, mikä väittämistä on ylin, ja mikä alin). Ne väittämät, jotka ovat vähiten näkökulmasi mukaisia, asetetaan taulukkoon negatiiviselle puolelle siten, että -5 osoittaa mielipiteesi ja väittämän välistä suurinta eroa. Huomioi, että **jokaiseen ruutuun voidaan asettaa vain yksi väite.**

3. Kun olet asettanut väittämät mieleiseesi järjestykseen, **kirjoita väittämän numero taulukkoon sille kohdalle, johon se mielestäsi kuuluu.**

4. Tämän jälkeen **vastaa lyhyesti seuraaviin kysymyksiin**.

a) Vastaajan nimi:_____

b) Miksi olit eniten samaa mieltä sen väitteen kanssa, jonka sijoitit numeron 5 alapuolelle?

_____

_____

_____

_____

_____

c) Miksi olit eniten eri mieltä sen väitteen kanssa, jonka sijoitit numeron -5 alapuolelle?

_____

_____

_____

_____

_____

Muita kommentteja väitteistä tai tutkimuksesta:

_____

_____

_____

_____

_____

KIITOS!

Ideal scores in factors I and II.

Statement	I	II
1. Fast and reasonably priced telecommunications and transport connections are of central importance for the competitiveness of regions.	3	5
2. It is possible in Finland to maintain only three top-rank universities capable of reaching international standards. We should concentrate on the development of those three universities.	-5	-1
3. If society invests heavily on developing the Helsinki region, the competitiveness of our economy will decline significantly because of increasing costs.	0	-2
4. Those places where growth is generated will increase in importance in future regional policies.	1	4
5. The concern over regional inequality and a division of the nation into privileged and less privileged is justifiable.	4	0
6. Finland will inevitably be divided into two parts; one of progress and one of regression.	0	-2
7. From the 1960s to the 1990s the state was the main driving force behind the success of Lapland. Now it is assuming the role of a bystander and even creating new problems.	0	-1
8. The regional policy approach seems to have disappeared and has been replaced by a quiet acceptance of the fact that different parts of the country are developing differently.	1	0
9. The Helsinki region is not large enough to constitute a metropolis. It is better to create something small and special. The whole of Finland as an item of export is more impressive than the Helsinki region alone.	0	0
10. Special rights and an autonomous status (as in Åland) should also be granted to Lapland.	-1	-5
11. The idea of decentralisation is outdated.	-2	-1
12. The welfare differences between regions are minor, the accessibility of services is assured and basic public services are operated well throughout the state territory, even in the sparsely populated rural areas.	-4	0
13. In terms of Finland's competitiveness it is sensible to invest in small and medium-sized cities, which usually are the most cost-efficient.	0	1
14. The state has recently been taking smaller and larger steps in retreating towards the capital city. Now it is time for it to return, not only to some regional centres but to all corners of the country.	1	-1
15. The network of higher education institutions in its current form is wide and fragmented, with plenty of room for improvement.	-3	2
16. Highway investments must be targeted at areas with traffic and people.	-2	3
17. It is not fair that the limited funding of road maintenance is directed ever increasingly to densely populated Southern Finland.	1	-3
18. Both polytechnics and universities are important generators of regional development.	3	4

Statement	I	II
19. Large metropolitan regions are becoming more and more important to the success, welfare and economics of the whole country as a lot innovations, new information and expertise is produced in those areas.	-1	2
20. The state is giving up its wide responsibility of regional development and focusing the most innovative economic development measures to major cities.	1	0
21. Financial resources are adequately provided for regional development.	-4	-3
22. The state has been "retreating" to the south in the last decades, focusing its operations on the Helsinki area even though regionalisation has been emphasized in public discussion.	2	1
23. There is no returning to a decentralised welfare state.	-2	-2
24. The metropolisation of Helsinki would also lessen the conflict between Helsinki and the rest of Finland.	-2	1
25. Setting the focus on metropolises is costly to society.	0	-2
26. The Nordic welfare state model provides a competitive advantage for Finland even today.	2	3
27. It is true that Lapland has lost all of its political weight in Finland.	-1	-4
28. Decentralisation of the central administration represents sensible regional policy. It is important for the provinces that the decentralization trend continue.	2	2
29. The maintaining of settlement practically throughout the country remains a viable aim for Finnish social policy, and a compensatory regional policy is a good instrument for achieving this.	4	1
30. It is more profitable to invest in the development of major cities than in that of other areas.	-3	0
31. We must stop talking about university merges or decreasing the higher education institution network in conjunction with regional policy.	2	-1
32. The powerful metropolitan region that is developing around Helsinki is a necessary factor for Finland's future success.	-1	1
33. Stable social circumstances, an egalitarian society, knowledge and human capital are success factors in the global economy. A regionally unequal society may lead to the erosion of these success factors and the erosion of competitiveness based on them.	5	3
34. It is possible to decentralise the government within the Helsinki metropolitan region.	-3	-4
35. Somehow it seems that the decision-makers have been focusing more and more on Southern Finland while forgetting the eastern and northern parts of the country.	-1	-3
36. The state has to begin taking responsibility once again for the regional impacts of its own actions.	3	2