

The spatial construction of a competitive welfare state: a historical perspective on the development of Finnish regional policies

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The structure of the presentation

- 1. The idea of *Nomos*
- 2. The political geography of the welfare state development in Finland: three stages
- 3. The complex geography of the competitive welfare state; Finnish experiences

The Nomos of the Earth

- Carl Schmitt (*Der Nomos Der Erde* 1950):
 - ”*Nomos* is the measure by which the land in a particular order is divided and situated; it is also the form of political, social, and religious order determined by this process. Here, measure, order, and form constitute a spatially concrete unity”
 - *Each Nomos* is a historically specific institutional landscape for capitalist relations

Contextually sensitive spatial political economy

- Some methodological notes:
 - My investigation is based on a pragmatist claim that all social and political practices (praxis) are guided by historically contingent mentalities (pragma)
 - Political practices are therefore legitimized and justified through the dominate forms of mentality
- The historical nature of the state space
 - What is common to all political power is that it tries to maintain the prevailing political system/power and societal order
 - Regional political practices are political responses/answers to historically contingent social problems/questions
 - All regional political epochs are therefore characterized by a basic mission which is spoke out by the political elites
 - These social problems especially include issues touching upon the survival of the state

The changing *Nomos* of Finland

- 1. National Finland ca 1915—1945
 - The basic practices of the political power (praxis): **construction (foreign policy and state institutions)**
 - The basic mentality of the political power (pragma): **nation-state**
- 2. Nationalizing Finland ca 1950—1990
 - The basic practices of the political power: **national homogenization**
 - The basic mentality of the political power: **defense**
- 3. Competitive Finland ca 1990—
 - The basic practices of the political power: **survival**
 - The basic mentality of the political power: **competition**

Three state-centric problems in the history of Finland

- 1. The question dealing with tensions between social classes (the possibility of revolution and social unrest)
- 2. The question dealing with national feeling and loyalty towards the state (the possibility of fragmentation)
- 3. The questions dealing with Soviet Union (the possibility of communist revolution or military occupation)

The National Finland (--1945)

- The National Finland did not include a state sponsored regional politics, significant regional subventions or strong governmental interventions in general
 - the state was strong in terms of despotic power (internal struggle for power), weak in terms of infrastructural power

The birth of “Nationalizing Finland”

- The World War II as a formative moment
 - Finland was defeated but not occupied
 - The end of the WW started a particular epoch within Finland which might be called a “tiny Cold War”
 - The communism both within and outside the state caused a need for national homogenization
 - Especially the remote regions in the north and east were treated as potentially strong basis for the communist movements
 - These regions were taken into the sphere of the state power through investments, railways, roads, subsidies, services and other forms of infrastructural power
 - The political elite treated radicalism as a disease which was possible to get rid of with a suitable “medicine”
 - The birth of regional politics (and later regional studies, planning geography)
 - In Finland regional politics was an integral part of security politics of the state

Welfare state regional policies: social relations

- A relatively closed national economy with capitalist property rights and private ownership
- A special relationship between the economic elites, the Center-Social Democratic political parties and the nation was established through regional politics
- Regional politics was considered as an integral part of security politics > strong state provided shelter to private property and societal order
- The result: small regional income differences, economic growth evenly distributed, high regional homogeneity

The naturalization of the “Nationalising Finland”

- During the “tiny Cold War” the Finnish state became stronger in terms of infrastructural power (“we give you a welfare state, you give us your loyalty”)
- The spatial basis of the welfare state (Finland as a whole; Finns as a singular nation) was later “naturalized” in national historiography
 - The rise of the infrastructural power from the 1950s onwards was later explained as based on a “good will” of the Center-Social Democratic political vision (not “political virtue” in Machiavellian sense)

Competitive Finland: The neo-liberal grammar

- The terms which are usually connected to conceptual basis of neo-liberal economy have penetrated into the vocabulary of politicians, administrators and regional planners all over the world:
 - globalization, competition, economic growth, change (the reality)
 - strategic planning, innovations, flexibility, networking, private public partnership (means to survive)
 - expertise and technology (R&D, ICT) (the necessary qualities for survival)
- The neo-liberal grammar therefore emphasizes
 - The rigidity and ineffective nature of public sector
 - The rigidity and ineffective nature of collective categories

The sudden birth of the competitive Finland

- Events that together formed a formative moment which helped to fundamentally change Finland from the early 1990s onwards
 - 1. The collapse of the Soviet Union in 1992
 - 2. The opening of the national economy in the early 1990s
 - 3. The deep economic depression in the early 1990s
 - 4. The EU membership in 1995
 - The formative moment fundamentally changed the relationship between the economic elites, the state power and regional politics
 - Liberation from all forms of state interference is now seen as optimal mechanism for economic development

Some comparisons

Nationalizing Finland

- Welfare-Keynesianism
- Regulation
- Small regional differences
- Community
- Homogenizing development
- Extensive regional policies
- State as an investor

Competitive Finland

- Neo-liberalism
- Deregulation
- Growing regional inequality
- Race to the bottom
- Specialization of regions
- Intensive (limited) regional policies (urban regions)
- Private investments

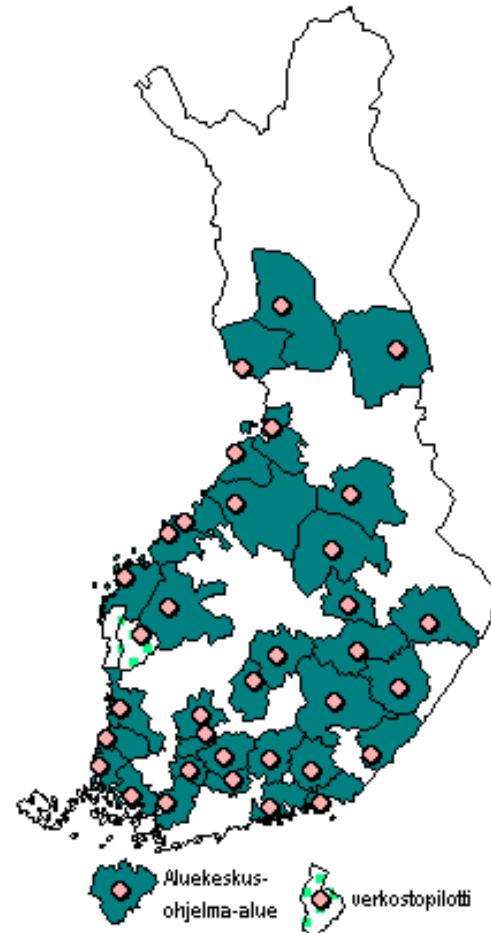
A competitive region and the welfare state

- In the process which aims to develop a new competitive EU, the concept of competitive region has emerged as a discursive tool to structure the practices of regional planning and policy

The tension between the nationalizing and the competitive Finland: The Growth Center Program 2000--2006

- The aim of the program is to
 - 1) restructure the regional system of the welfare state (private and public sector partnership)
 - 2) create a flexible network of 37 city regions to promote economic growth
 - 3) bolster strategic planning which enhances regional specialization and creates innovative business environments
 - 4) increase national competitiveness through international networking

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Conclusions

- Lack of studies dealing with the relationship between the urbanization of neo-liberalism/the power of transnational liberalism and the changing spatiality of the Nordic welfare state
- Although the Nordic welfare states are often treated as similar, their historical origins vary fundamentally
- There is a need to combine geopolitical and political-economic perspectives in order to theorize the changing spatiality of the welfare state from historical point of view