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From Geopolitical to Geoeconomic? The Changing Political Rationalities of State Space

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This article underlines the significance of context-sensitive research in understanding the historical transformations of state space that have occurred as part of wider geopolitical conditions. We trace such transformations by theorising the role of political rationalities in governance, and then by looking at how certain rationalities have surfaced in the spatial-political practices in Finland. We will scrutinise how the connection between space and population manifests in these rationalities. The paper traces at first the rise of the political rationality upon which the Finnish 'welfare state' was predicated, using the process as a touchstone to examine the recent political rationality which displays a will to transform the state and its spatiality. Our analysis reveals that an increasingly economistic and transnationally oriented geopolitical calculation of space is taking place in the ongoing governmental interventions aimed at modifying both the spatial structures and the qualities of populations in the name of national competitiveness.

INTRODUCTION

Deborah Cowen and Neil Smith have recently argued that the contemporary world can be characterised by a transition from the *geopolitical* to the *geoeconomic social*, or, better, that geoeconomics is recasting rather than replacing geopolitical calculation.[1] Drawing mainly from North American experiences, their message is that geoeconomic social forms and associated calculations are increasingly 'supplanting' the geopolitical social in various state-related practices. Their argument is thus explicitly focused on state spatial transformation.[2]

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The geopolitical social is rooted in the emergence of national societies in the nineteenth century and acquisition of territory (and natural resources) with the goal of accumulating wealth. The geopolitical social is related to the forging of the national territory, society and economy, and thus resonates with nation-state building, nationalism and statist practices that were associated with certain governmental techniques such as the extension of social security to all citizens. Geopolitics was never only about the state's external relations but rather, as Cowen and Smith suggest, involved a more encompassing geopolitical social which both crosses and shapes the distinction represented by national state borders.

The geoeconomic social, in turn, refers to the processes by which states seek to accumulate wealth through market control rather than through acquisition and control of territory.[3] In short, national territoriality is no longer neatly aligned with national economic interest. The geoeconomic social is thus also related to the privatisation of the state itself: "The state becomes an entrepreneur in its own right, a player in the market first and foremost rather than a regulator of the market's 'excesses'".[4] Accordingly, market calculation supplants the geopolitical logic of state territoriality, and market power increasingly governs the social in the state's welfare policies.

Cowen and Smith's conceptualisation is very incisive in its elementary argument. It resonates with some recent attempts to grasp whether such state transformation should be conceptualised as a movement from social government to advanced liberalism,[5] from Keynesian-national welfare state regimes to Schumpeterian post-national competition state regime,[6] or from geopolitics to *biopolitics* of security.[7] In particular, it forces us to pay attention to how the potential transition from the geopolitical to the geoeconomic takes on diverging forms and evokes different responses depending on the context. Respectively, we argue that the historical trajectories in the making of the political order in different geographical contexts (this is often deceptively dubbed the 'domestic') requires sensitive scholarly attention. In order to further explicate Cowen and Smith's message, we suggest that scholars should pay attention to the *political rationalities* and *governmental techniques* which are mobilised in various contexts to regulate both state space and the conduct of populations. We must therefore also focus on the institutions and forms of knowledge embedded in concrete efforts to shape the spatiality of the state.

This paper focuses on the changing political rationalities upon which governmental interventions in the history of the Finnish state have been predicated. This specific context is interesting in three senses. First, given its political position during the Cold War, Finland is often cited as a living example of geopolitics. Second, the country has been considered an economic "success story" due to its successful marrying of the information technology boom of the 1990s with welfare state structures. Third, the current tendency towards a competitive state is rapidly challenging both of these elements.

The paper is in eight sections. The next section proposes a methodological approach for the study of changing state spaces by accentuating the importance of *political rationalities*. Section three scrutinises the geohistory of the Finnish state and nation. Section four studies the rise of political rationality, which culminated during the Cold War and displayed a will to reorganise the Finnish state space with the aim of maintaining social cohesion through socio-spatial justice. The next section analyses recent efforts to mould the "qualities of population" through reorganising the spatiality of the state. Then we will x-ray one major agency (the National Innovation System) involved in the recent space-making processes in Finland. The next section briefly discusses the limits of neoliberal space-making in this context, followed by some final conclusions.

INVESTIGATING THE CHANGING POLITICAL RATIONALITIES OF STATE SPACES

One significant conceptual option for examining the political making of the spatial order in certain geohistorical contexts is the *governmentality approach*.[8] From this angle, state transformation is an historical process which is based on political rationalities, governmental technologies and knowledge, and which entails the construction of new citizen subjectivities. Such a process is not linear: it is typically characterised by ruptures, accumulation and/or active rejection of institutional practices and discourses that are networked both inside the state and across its borders. The governmentality approach draws on, and also further develops, the work of Michel Foucault, who associated the term governmentality with the rationalities and techniques of power that focus on the conduct of both populations and individuals. The population not only appears as the ultimate end of government but it also emerges as a political subject which can be managed through various techniques in order to increase its potentials.[9] Governmentality thus refers to interventions which seek to affect the capacities, skills, mentalities and behaviour of the populace.[10] Population is regulated directly or indirectly, for instance, by stimulating birth rates or directing the flows of people into certain regions or activities.[11] Governmentality thus alludes to activities which aim to shape both who and what people within a given state are or should be, and to the spatial forms of the state. It denotes the ways in which a 'state attempts to regulate its people and territories'.[12] The spatial transformation of the state thus unfolds through governmental interventions which seek to reorganise spatial relations within the state and which have the population as their target.

We find two analytical arguments in the literature on governmentality to be particularly relevant. First, rather than addressing governmental interventions into state space in terms of their successfulness, we are interested

in such interventions above all as deeds which elucidate a *will* to attain or achieve something.[13] Second, the will to achieve something cannot exist without recognition and analysis of the problems upon which this will is predicated. The existence of a governmental intervention thus entails the existence of certain *political rationality*. Here, an analytic distinction between political rationalities and governmental technologies is crucial. It indicates the intrinsic links between 'a way of representing and knowing a phenomenon, on the one hand, and a way of acting upon it so as to transform it, on the other'.[14] Political rationalities (ways and styles of rendering reality thinkable in such a way that it is amenable to calculation and programming) and governmental technologies (tools, devices, personnel, which enable authorities to imagine and act upon the conduct of persons individually and collectively) are thus two 'indissociable dimensions through which one might characterize and analyse governmentalities'.[15]

From the perspective of governmentality, state space is not only an object of contestation but also an inseparable component of political strategy. On this basis, we will make an analytical, heuristic distinction between the two modalities of the geopolitics of state space. This distinction is useful in the concrete analysis of the changing governmentalities of state space in various contexts. First, we conceptualise the efforts of state authority to mould the population through various spatial projects and strategies as *governing population through state space*. This type of governing manifests itself in technologies such as nation-wide regional planning. After World War II many OECD countries implemented extensive and equalising spatial policies aimed at creating a new loyal state citizen with the skills needed in the modern industrial economy. The state was rooted in place through exhaustive governmental technologies which increased the visibility of the state in the everyday lives of the population throughout state space. By expanding the state's infrastructural power through institutions (ranging from basic administration to the military) across state spaces, the abstraction called the state's 'territorial sovereignty' turned into a locally visible phenomenon. The spread of welfare infrastructures and services throughout the state space, an active bid not only to increase the level of welfare but also the population's loyalty to the state, was thus linked with the strategy of positioning and binding the population within the state space as well as establishing national political order.

Second, it is helpful to distinguish "governing population through state space" from *governing state space through population*. For instance, governance which is predicated on the neoliberal political rationality is based on calculation of *worth*: population is treated as a calculable resource. Different population segments are valued differently on the basis of abstractions such as state's international competitiveness. Simultaneously, the desired, imagined qualities of these populations (e.g., "creative class") provide a rationale for various space-making strategies within the state (e.g., innovative/creative

cities, global cities, special economic zones, etc.). The endeavours to develop state space for the purposes of nurturing an innovative and creative population (the "talented") – which is deemed requisite for the creation and maintenance of a globally attractive, knowledge-based-society – manifest themselves not only in various "concentrated" institutional arrangements, such as developing new globally renowned institutions of higher education, but also in other space-making activities ranging from urban architecture to spatial structures of the state.

THE FINNISH STATE AND NATION IN THE MAKING

The spatialities of states result from complex historically contingent strata of agency and advocacy that involve economic, political and administrative calculations and decisions regarding, e.g., the relations between the private and public, as well as the aims of social and regional policy and planning. These strata often hide political struggles but also reveal state, regional and local level activities that aimed to promote social order and prevent conflicts, i.e., to govern the population. The decisions typically also reflect the future expectations of leading politicians and state personnel: the will to modify internal state space towards certain ends. While the modern state in general has a remarkable power to impose diverging categories, schemes and modes of social counting[16] "from above", the institutionalisation of states is a complex socio-spatial process in which the state is a result of internal and external power relations, and the rise of the nation a result of a struggle towards nation-building.

The Finnish state is no exception: complex processes, events and struggles over space have come together in its institutionalisation process during which the territorial and institutional shapes of the state as well as its internal spatial structures were perpetually transformed. The country's history is a fitting example of how "national" and "international" are co-constitutive. The space which gradually emerged as 'Finland' was controlled successively by Sweden and the Russian Empire. The more than 600-year-long period of Swedish domination lasted until 1809, when the Napoleonic Wars gave a rise to Finland as an autonomous duchy of the Russian Empire. Finland gradually gained its own systems of economy and government, but not foreign policy. World War I formed the general background for gaining independence in 1917.[17] Throughout much of its history the autonomous unit was a state nation or political nation based on bureaucratic practices rather than a cultural nation based on a shared sense of belonging to a common heritage and history.[18]

The Finnish state was effected by a political decision in 1809, but the economic integration of the country did not begin until the 1850s–1860s.[19] Consolidation and strengthening of the state was connected with

the rise of industrial capitalism. After losing the Crimean War in the early 1850s, Russia embraced a more liberal political and social orientation, which soon reached Finland as well.[20] Finland's economic transformation did not occur merely in the spirit of liberalism: the state was directing "regional policy" and aimed to establish a capitalist system. A crucial biopolitical decision was promoting the circulation of the population by increasing the rights of individuals to move both spatially and socially.[21] This decision took on significance towards the end of the nineteenth century because of overpopulation in rural areas and new possibilities in education, for instance. Yet, this circulation was slow: at the turn of the twentieth century only 12.5% of citizens lived in cities and nearly 95% were living in their native province.[22] Finland was long a rural, socially and spatially static quasi state. Massive canal and railway construction projects gradually advanced economic integration and more effective communication. Simultaneously, industrialisation was promoted by new privileges. The state no longer merely controlled the economy but instead fostered activities with the aim of promoting the capitalist mode of production and accumulation of capital.[23] Several foreign entrepreneurs brought their know-how to Finland, evidencing the power of external links in the making of the national geopolitical social. Foreign industrialists such as James Finlayson, Hans Gutzeit, Karl Fazer and Johan Hackman left a permanent stamp on the industrial landscape. Thus, prodded by external forces, the political entity too was gradually integrated economically, and this again accelerated the links with the international economic system. The transformation of Finland's state space was thus related to the management of this space and the spatial divisions of labour that have emerged since the nineteenth century. Along with the rise of new functional economic spaces, emerging forms of governance, and the rise of civil society, new regions became gradually institutionalised in the regional system.[24] When Finland gained its independence in 1917, there were almost twenty provinces in the process of being institutionalised, and more than 520 official municipalities already had self-governance.

If the previous analysis displayed the evolution of the economic basis of the geopolitical social, the invention of a national history, folk tradition and the rise of political publicity were crucial in the emergence of the nation, and the cultural side of the geopolitical social, after the mid-nineteenth century. The cultural and political work of national activists, often university professors like Zacharias Topelius, was highly important. Theorists of nationalism have accentuated the role of print-capitalism both as a medium of socio-spatial transformation and in the making of 'imagined communities'.[25] Also, in Finland educational institutions, the regional press, and literature became powerful advocates in the production and reproduction of regional and national imaginations which aimed to root the population into a wider state space.[26] The Finnish case thus resembles similar developments in other

European states: region and nation-state building were two sides of a process that often conjoined economic change, progress and romantic ideologies.

TOWARDS THE "MACHIAVELLIAN-KEYNESIAN" POLITICAL RATIONALITY

Unlike many key actors, or *subjects*, of international geopolitics, Finland is largely an example of an *object* of geopolitics. This situation has shaped how the state has organised both its internal space and external relations. We saw above that the nation-state began to consolidate in the nineteenth century. During the Cold War, after an independent Finland had lost a war with the Soviet Union, Soviet relations shaped the internal politics of Finland as well as its relations with the wider world. It is sensible to speak of a "Machiavellian dimension of political rationality" that was born after the war and that regarded Finland's survival as reliant upon *both* its external military power relations (i.e., neutrality and good relations with neighbours) *and* the internal coherence of the state. The endurance of the Finnish geopolitical social perhaps did not have its genesis 'in and through war'[27] but its continuation through World War II and after leaned on the readiness and capacity of its citizens to defend the state. Indeed, this was a key obligation related to the status "citizenship" among the population.

In terms of governmental technologies, in the 1920s and 1930s, the Finnish state can be characterised by notable attempts to connect people with the new state space and thus prevent leftist radicalism. The land reforms of 1918 and 1922 in particular indicate a will to control antagonism between social groupings across state territory through spatial technologies. The Finnish state of the 1920s and 1930s nonetheless lacked centrally orchestrated, professionally based planning systems. This all changed rapidly after World War II; from the late 1940s onwards, the Finnish regional planning system was increasingly understood as a means of maintaining and increasing territorial integrity through economic efficiency. The birth of a state-centred regional planning system not only illuminates the emerging importance of Keynesian political rationality but also indicates the wider process whereby the state evolved into a modern society. Similar to the case in many Western European states, the "national" was now accentuated as a key reference point in governmental interventions. The ideal was a society in which class antagonism could be dismantled by developing a welfare system, and which would be inhabited by a loyal population which possessed the skills necessary to contribute to industrial society and had the necessary resources for consumption.[28] Class antagonism still prevailed, to some extent echoing the memories of the 1918 Finnish Civil War, and indeed gained a new sounding board after the lost war when the communist party was again legalised.

The establishment of a regional planning system was thus a notable part of the construction of a state-orchestrated system of rule which had the welfare of its population as its main target. The state-wide (regional) planning system, developed from the late 1940s onwards, was based on the creation of new state spaces implemented via specific central place hierarchies, regional divisions and new professions (such as "regional planner"), echoing also international scholarly thinking on how functional spaces should be and are organised. Though the whole planning system was legitimised as a means to accelerate economic growth, it simultaneously involved larger societal ambitions related to military security and rooting out political radicalism throughout the state space.[29] In this capacity, the regional planning system of the 1960s and 1970s, which accentuated balanced regional development, in a way brought together Machiavellian and Keynesian political rationalities: the political rationality revolved around the "national survival" of a small state which faced potential military confrontation with the Soviet Union and which was internally in need of homogenisation.

The previous analysis mapping the emergence of the Finnish state and nation since the nineteenth century and the 'acquisition' of territory (and natural resources) with the goal of accumulating wealth (and capital) is a fitting example of how certain political rationalities were mobilised in the forging of the geopolitical social.[30] The analysis also displays that such a process is not based only on a state's internal relations but rather, as Cowen and Smith note, involves a more encompassing process which both crosses and shapes the distinction represented by national state borders. The Finnish case confirms that the geopolitical social resonates with state-nation building, nationalism and other statist practices that were associated with specific governmental techniques for managing the population. Simultaneously, this specific case shows that the making of the geopolitical social was from the onset related to a wider network of actors and relations as well as management of the state's internal spaces.

FROM REGIONS TO CITY-REGIONALISM: PREPARING THE STATE SPACE AND POPULATION FOR "GLOBAL COMPETITION"

According to Cowen and Smith, the increasingly salient geoeconomic social resonates with the contemporary situation in which states seek to accumulate wealth through *market control*. Accordingly, national territoriality is no longer aligned with national economic interest, even if national territoriality has a role to play in national socialisation and cultural-national reproduction of the mirror image of the state: the nation. Cowen and Smith nonetheless argue that the power of market rationalities not only challenges the geopolitical bordering of national territoriality but also leads to the marketisation of the national model of citizenship: military service, for instance,

is now increasingly detached from citizenship. Further, these processes are universalised through a particular language of globalisation that naturalises both "free markets" and "competition". The geoeconomic social is thus also concerned with the privatisation of the state itself, "The state becomes an entrepreneur in its own right, a player in the market first and foremost rather than a regulator of the market's 'excesses'".[31] Market calculation is thus supplanting the geopolitical logic of state territoriality.

Many of the themes related to the 'geoeconomic social' resonate not only with the label 'advanced liberalism', which is used to characterise the political rationality that has prevailed in the OECD world during the past thirty years,[32] but also with the rescaling of the state thesis. Across the OECD member states, many governments have not only devolved part of their power to lower scales of government but have also rescaled their sovereignty 'outwards' towards markets.[33] As part of this process, national governments have actively developed urban systems and city regions as spatially distinct planning spaces.

The Finnish regional planning system was reformed in the 1990s when the internal markets were gradually opened to international economic competition and neoliberal political rationality penetrated into policy practices through various "national" institutions and international intermediaries such as the OECD.[34] The key behind the reform of the planning system was EU membership, which took effect in 1995 and consequently repositioned the state in the context with wider economic and political networks, interactions and policies. While the EU's subsidiarity principle seeks to encourage devolving power to regional actors, and hence building their regional identities, this has not really occurred in Finland. On the contrary – in spite of the prevailing promotional rhetoric of strategic regional planning – the search for a specific form of "regional life" has gradually become marginalised in Finland. Both state level actors in politics/governance and regional planning organisations increasingly see regions and regional structures today as open, or "relational", and there is a clear tendency towards a "rationalization" of such structures. This tendency is related to a political rationality accentuating competition in all spheres of society. According to this rationality, echoing international policy debates, regional development and meaning-making occur in purported 'soft spaces', across 'fuzzy boundaries'.[35]

Respectively, the recent socio-spatial transformation of the Finnish state has been characterised by two broad efforts. First, irrespective of their political composition, different governments have from the 1990s onwards launched a set of reforms in order to increase the "cost-effectiveness" of state space. The most recent example is the plan to decrease the number of municipalities through mergers, a process that has occurred in many OECD countries. Given that municipalities have traditionally formed a "sticky" structure of the spatially dispersed welfare state, this governmental intervention would radically alter the spatial structure of the state. Should this

programme be implemented, the forthcoming municipalities – imagined as calculable 'functional market areas'[36] – would probably lack a popular legitimacy for a long time. Irrespective of the Keynesian tone of cost-efficiency, and the search for functional regions, these governmental interventions display a will to re-work the "outdated" spatiality that developed during the Cold War and the spatial structures that partly date back to the nineteenth century. The municipality reform epitomises how state space is increasingly governed and regulated by reference to the market. The same tendency prevails in the increasingly relational rhetoric of strategic regional planning carried out by Finland's eighteen Regional Councils: innovation, competitiveness, clusters, networks, and "top quality" are key shibboleths in their plans which present long-term future visions for the regions. Such economy-related "hard" keywords are much more important than context-specific, "soft" keywords such as regional identity or social capital.[37]

Second, the recent spatial formation of the Finnish state has involved another large-scale effort which is predicated on neoliberal political rationality but which is also less associated with the geohistorically institutionalised regions. New efforts to manage state space continue with the promotion of ad hoc city-regions and metropolitan areas, which some leading politicians and ministries regard as "locomotives" of regional development and state survival. The rise of city-regionalism in Finland is one more attempt to manage global circulations with regard to talent and footloose capital; it betrays an attempt to monitor and regulate different kinds of "flows".[38]

Since the 1990s, and together with the rise of the discourse on Finland's international competitiveness, the state has actively sought to orchestrate city-regionalism from above[39] in order to stimulate economic growth. The economisation of state space has thus manifested itself as a *will* to reconfigure the state space around putative city-regional territorial structures. The attempt to strengthen city-regionalism has also been the most striking feature of the above-mentioned municipality reform. This is in line with tendencies that prevail around the world. During the first decade of the new millennium, city regions and metropolitan thinking have become trends[40] in the OECD member states.

The reconfiguration of the state around the idea of city-regionalism has nonetheless taken multiple forms in Finland since the 1990s. The first policies accentuating city regionalism in the mid-1990s were attempts to find a balance between a completely concentrated regional structure and the highly dispersed spatiality of the "outdated" welfare state.[41] The idea of city-regionalism which emerged in this context was that of a political compromise based on mixing ideas from the discrete spatiality of the welfare state and the new discourse of the knowledge-based economy. Since the late 1990s and specifically after the economic downturn of 2002, the new extensive network of city-regions increasingly attracted critique, which led to attempts to make new divisions between the city-regions, for instance on the basis

of their "significance" in the context of the contemporary global economy.[42] A recent planning report shows that the emphasis is clearly on the strategic economic role of one metropolitan area in parallel with a handful of other major city-regions. The minor city-regions are now represented simply as 'stabilizers' of the regional structure of the state.[43] Simultaneously, the state-orchestrated innovation policy is increasingly spatially selective, highlighting the role of the largest urban concentrations.

The latest phase in the history of city-regionalism in Finland is the idea to effectuate a *globally significant* urban concentration. The political rationality which formulates political problem in terms of *lack of attractiveness* and *lack of connections* with global networks/markets has thus manifested itself as a will to construct metropolitan city regionalism with the capital city of Helsinki as its centre. The attempts of local authorities, think tanks, and some state-related institutions to produce a globally significant metropolis,[44] or, more generally, an internationally competitive city-regionalism, along with diverse aspirations to construct specific spaces for a knowledge-based society, aim at increasing the attractiveness of state spaces in the eyes of international investors and highly skilled labour force.[45]

The new spaces of innovation that have been created as part of the production of "a Finnish metropolis" are also envisaged as affecting the behaviour and qualifications of the population so that the "good", active citizens would become increasingly capable of contributing to the globalising knowledge-based society.[46] This reflects how, during the latest round of state restructuring, citizens have been assigned new responsibilities and duties with regard to the global economy, responsibilities which are reminiscent of the scholarly debate on the "entrepreneurial self". It is thus unsurprising that the debate on national competitiveness in Finland has been coupled with references to issues such as national creativity.[47] The innovative population, it is imagined, possesses "globally significant skills" and is conceived of as capable of increasing the productivity of the Finnish state, which is struggling in the midst of a fiercely competitive environment characterised by ubiquitous knowledge-based economy. Some of the recent governmental technologies thus seek to transform a specific portion of the Finnish citizenry into a "global ideal". This ideal revolves around the notions of individuality, self-activity, creativity, passion, and particular liberal values typical to the 'global citizen'.[48]

REMARKS ON THE AGENCY RELATED TO THE GLOBALISING SPACE-MAKING IN FINLAND

The founding of the so-called innovation university (the Aalto University) in 2009 in the Helsinki capital region as well as the recent aspirations to create a handful of globally scaled innovation centres are examples of

governmental technologies that are connected to the idea of city-regionalism. Unsurprisingly, these technologies are predicated on a neoliberal rationality that accentuates competition and enterprise-minded subjectivities. These are also technologies which unfold a political rationality according to which the state is too loosely connected with global networks/markets. People appear in these governmental technologies as calculable resources set ready for the market operations of the innovation economy.

Since the 1990s, neoliberalisation has been a technocratic process in Finland.[49] This forces us to reflect on the issue of the agency involved in the recent spatial formation of the state – formation in which the survival of the state is increasingly attached to the imagined competition between 'knowledge-based societies'.[50] This agency, which reflects a sort of "Porterian-Floridian" rationality, does not speak the language of security in the traditional geopolitical sense. It is nonetheless geopolitical in the sense that it aims at managing the state territorially and sets the limits of responsible behaviour within civil society and in regional administration. In such rationality, taking risks and being capable of political experimentation are perceived as fundamental political virtues.

What is the agency then? This Porterian-Floridian political rationality is constantly being appropriated in large part by a range of intermediaries such as institutions and advocating individuals. They translate the specific "universal" knowledge (originating in many cases from US-based business schools) of state productivity and state attractiveness into specific geographical contexts. In the Finnish context, the National Innovation System (hereafter NIS) plays a significant role in this translation process. The organisation's official web page defines it as "an extensive entity comprising the producers and users of new information and knowledge and know-how and the various ways in which they interact".[51] Its power is derived from its structure: the system brings together some of the dominant forces in Finnish society: the government, ministries, various state-sponsored innovation funds, research institutes, transnational business enterprises and private research institutes. The innovation system epitomises not only how state power is a *social relation* that always reflects the changing balance of forces in a particular juncture, but also that political forces do not exist independently of the state but are activated through the state's internal structures.[52]

The NIS illustrates how a neoliberal form of political rule occurs at a distance and how it works through intermediaries. The NIS was launched in the early 1990s to foster the structures of a knowledge-based society; and its basic function has been to rejuvenate particular conditions for capital accumulation. The key idea has been overcoming the "rigidity" of the old welfare state in order to create a new internationally oriented state space and population that is beneficial to the needs of the knowledge-based economy. The NIS highlights not only how the state is the prime mover in organising micro-level practices in society but also how it simultaneously devolves power to

the market and the private sector. It is also noteworthy that the key institutions involved in the system participate in state restructuring in virtually all sectors of public policy, and it is precisely this "total approach" which makes the system a particularly effective entity. The NIS has contributed to the new forms of spatialities as well as the new social technologies needed in governing the conduct of the populace in the "age of innovation".

We argue that the recent political intervention process in which the Porterian-Floridian political rationality is mobilised and which manifests itself, e.g., in strategic regional planning is ultimately the corollary of the particular authority and expertise of the NIS. This authority and expertise is arguably economic in that more often than not it invokes the rule of maximum economy, economy of scale and privatisation as fundamental political virtues. The operation of the NIS unfolds a Porterian-Floridian rationality which is predicated upon a neoliberal valuation of worth: it values both places and people differently depending on their capacities to operate in markets.[53]

LIMITS TO NEOLIBERALISATION: CONTRADICTORY PROCESSES OF MAKING FINNISH STATE SPACE

Even though the innovation-based strategies for internationalising the state have effectively sought to re-work the spatiality of the state, the transformation of the Finnish state space since the 1990s does not entirely support the idea of the overwhelming dominance of neoliberal political rationality or the presence of the geoeconomic social. If neoliberalism (and geoeconomic social) tends to judge all economic activities in terms of profitability, and all social activities in terms of their contribution to capital accumulation, not all spatial policy practices related to the management of state space can be straightforwardly associated with neoliberalism. We offer three examples.

First, even if there has been a shift from equalising regional development towards competitiveness-driven processes and increasingly selective and economistic spatial strategies, the emphasis on core urban regions has only very recently surfaced and there have not been clear-cut centrally orchestrated policies for 'core city regions'.[54]

Second, even though there has been a clear will to become increasingly embedded in the networks of "global cities" among a wide range of actors within the Helsinki city-region (regional stakeholders representing municipalities, state-sponsored think tanks, regional councils and businesses), the strategies launched by the *national governments* since the 1990s have not been entirely convergent with the local aspirations. The *bottom-up* metropolitanism has hence only partially found support from state-orchestrated *top-down* metropolitanism. The process of building metropolitan city-regionalism, which has only emerged recently, has been

characterised by contradictions and political struggles within state apparatus and between the state and the capital city-region when dealing with the growth of the Helsinki region.

Third, and related to the previous point, the official regional policies continue to highlight balanced regional development across state space. For instance, the nation-wide Regional Cohesion and Competitiveness Programme (COCO, 2007–2013) aims to enhance the 'competitiveness of all regions while balancing regional development through supporting the interaction and networking of key operators in regional development'.[55]

These examples clearly display the presence of hints of political rationality which bear a resemblance to the earlier Keynesian rationality in which territorial sovereignty, independence, economic growth through the maximised use of material resources, and national consumption by loyal citizens, together with the principle of evenly developed state space, all played important roles.

CONCLUSIONS

While Cowen and Smith's idea of two modalities of social, geopolitical and geoeconomic, is highly inspiring, the spatial configurations of the state are specific to each geohistorical situation. In this light, the gradual rise of the geoeconomic social to parallel the geopolitical social and the increasingly neoliberal management of state space do not denote the end of state co-ordination, or an erosion of the aspirations to govern population and socio-spatial relations within states. It rather denotes governmental interventions which simultaneously seek to "open up" the state spatially, to maintain "national" territorial order within the state, and to affect the capacities, qualities and entrepreneurial potentials of the population – transforming it again into a resource which is useful for state authorities.

Our contextual, geohistorical evidence suggests that the ongoing state spatial formation in Finland can be conceptualised as a gradual movement from a "Machiavellian-Keynesian" geopolitical rationality toward a "Porterian-Floridian" one.[56] The latter form of rationality, baptised after the political economy theories of Michael Porter[57] (who accentuated the determinants of national competitive advantage, national productivity and the loss of national advantage, etc.) and Richard Florida[58] (who emphasised the role of attractive spaces in economic success in knowledge-based economies), is not normally understood as geopolitical but it is nonetheless pivotal when looking at the contemporary spatial transformation of the Finnish state. In other words, we may speak of a Porterian-Floridian political rationality not because the theories of Porter and Florida are similar or dissimilar but rather because the key assumptions of these theories are often married in the political practices of the contemporary world. The dominance of the Porterian-Floridian rationality

is also apparent in the rapid appearance of some new keywords in societal discourse and spatial planning vocabularies: competitiveness, creativity, creative city, networks or clusters, for instance, are increasingly popular around the world – and in the recent reforms of the Finnish state space as well.[59] These words have been applied when re-configuring the state around the idea of city-regionalism.

Our observations indicate that the distinction between the geoeconomic social and geopolitical social, while being useful on a general level, requires further contextual evidence. What we see happening in the recent governmental interventions in Finland is neither a superseding of the geopolitical by the geoeconomic nor a simple co-existence of geopolitical and geoeconomic calculation. Instead, we observe a development in which state power is exercised through space by different, new "state-centred" political rationalities. The expansion of Porterian-Floridian rationality does not implicate that the state is governing less territorially. The new rationality is motivated by the perceived nature of the contemporary security environment in which a specific type of "competitiveness" has partly superseded military-based security issues.[60] Further, the rise of Porterian-Floridian rationality indicates a notable shift in the structure of geopolitical agency: the key advocates are now people working in the field of economy (ranging from the key officials of the ministry of finance to the people representing business). It is precisely these advocates who actively discuss the "new threats" that the state is facing. In sum, the recent state formation in Finland points to a transformation occurring at the nexus of national matters and security in ways which exhausts established categories.

NOTES

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3. Ibid., pp. 31–32.
4. Ibid., p. 41.
5. P. Miller and N. Rose 2008, *Governing the Present* (Cambridge: Polity Press 2008).
6. B. Jessop, *State Power* (Cambridge, UK: Polity Press 2007).
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8. For one of the best overviews, see M. Dean, *Governmentality: Power and Rule in Modern Society* (Los Angeles: Sage 1999).
9. M. Foucault, *Security, Territory, Population* (Basingstoke: Palgrave 2007) p. 109.
10. Dean (note 8) p. 125.
11. M. Foucault, 'Governmentality', in J. D. Faubion (ed.), *Essential Works of Foucault, 1954–1984: Power* (Penguin: London 2001) p. 217.
12. S. Legg, 'Foucault's Population Geographies: Classifications, Biopolitics and Governmental Spaces', *Population, Space and Place* 11 (2005) p. 139.
13. See, C. Philo, 'A New Foucault' with Lively Implications – or the 'Crawfish Advances Sideways', *Transactions of the Institute of British Geographers NS* 37/4 (2012) p. 500.

14. Miller and Rose (note 5) p. 15.

15. Ibid., p. 16.

16. R. Brubaker and F. Cooper, 'Beyond "Identity"', *Theory and Society* 29/1 (2000) pp. 1–47.

17. R. Alapuro, *State and Revolution in Finland* (Berkeley: University of California Press 1988) p. 19.

18. A. Paasi, *Territories, Boundaries and Consciousness* (Chichester: John Wiley 1996).

19. Alapuro (note 17) p. 29.

20. A. Paasi, 'The Rise and Fall of Finnish Geopolitics', *Political Geography Quarterly* 9 (1990) pp. 53–66; M. Klinge, 'Poliittisen ja kulttuurisen Suomen muotoutuminen', in P. Tommila, A. Reitala, and V. Kallio (eds.), *Suomen kulttuurihistoria II* (Porvoo: WSOY 1980).

21. Paasi, *Territories* (note 18).

22. A. Paasi, *Neljä maakuntaa* (Joensuu: University of Joensuu, Publications in Social Sciences No. 8 1986).

23. Alapuro (note 17); Paasi, *Territories* (note 18)

24. A. Paasi, 'The Resurgence of the "Region" and "Regional Identity": Theoretical Perspectives and Empirical Observations on the Regional Dynamics in Europe', *Review of International Studies* 35/S1 (2009) pp. 121–146.

25. B. Anderson, *Imagined Communities* (London: Verso 1991).

26. Paasi, *Territories* (note 18).

27. Cowen and Smith (note 1) p. 26.

28. S. Moisio, *Valtio, alue, politiikka. Suomen tilasuhteiden sääntely toisesta maailmansodasta nykypäivään* (Tampere: Vastapaino 2012) pp. 87–96.

29. Ibid., pp. 98–120.

30. Cowen and Smith (note 1).

31. Ibid., p. 41.

32. Miller and Rose (note 5).

33. See, N. Brenner, *New State Spaces* (Oxford: Oxford University Press).

34. P. Alasuutari 2006, 'Suunnittelutaloudesta kilpailutalouteen: miten muutos oli ideologisesti mahdollinen', in R. Heiskala and E. Luhtakallio (eds.), *Uusi jako: Miten Suomesta tuli kilpailukyky-yhteiskunta?* (Helsinki: Gaudeamus 2006); H. Patomäki, *Uusliberalismi Suomessa: Lyhyt historia ja tulevaisuuden vaihtoehdot* (Helsinki: WSOY 2007).

35. A. Paasi, 'Regional Planning and the Mobilization of "Regional Identity": From Bounded Spaces to Relational Complexity', *Regional Studies* 46 (2012) DOI: 10.1080/00343404.2012.661410.

36. Valtionvarainministeriö, *Elinvoimainen kunta- ja palvelurakenne. Osa I* (Helsinki: Valtionvarainministeriö 2012) pp. 133–166.

37. Paasi, 'Regional Planning' (note 35)

38. Moisio, *Valtio* (note 28) pp. 256–260; cf. Dillon and Lobo-Guerrero (note 7) p. 268.

39. J. Harrison, 'Networks of Connectivity, Territorial Fragmentation, Uneven Development: The New Politics of City-Regionalism', *Political Geography* 29 (2010) pp. 17–27; A. E. G. Jonas, 'City-Regionalism: Questions of Distribution and Politics', *Progress in Human Geography* 36/6 (2012) pp. 822–829.

40. A. Scott and M. Storper, 'Regions, Globalization, Development', *Regional Studies* 37 (2003) pp. 579–593; Brenner (note 33)

41. J. Antikainen, J. Luukkonen, and T. Pyöriä, *Kaupunkiverkko ja kaupunkiseudut* (Helsinki: Sisäasiainministeriö) p. 11.

42. Ympäristöministeriö, *Kilpailukykyä, hyvinvointia ja ekotehokkuutta. Suomen aluerakenteen ja alueidenkäytön kehityskuva* (Helsinki: Ympäristöministeriö 2006).

43. Työ- ja elinkenoministeriö, *Suomen aluekehittämisstrategia 2020* (Helsinki: Työ- ja elinkeinoministeriö) pp. 23–25.

44. See, e.g., Valtioneuvosto, *Selonteko metropolipolitiikasta* (Valtioneuvosto: Helsinki 2008), available at <http://www.ymparisto.fi/download.asp?contentid=122256&lan=fi>, accessed 15 May 2012); Demos Helsinki and Jyväskylän yliopisto, *Metropolin hyvinvointi* (Helsinki: Demos Helsinki 2010), available at <http://users.jyu.fi/~kmoksane/Metropolin_hyvinvointi_web.pdf>, accessed 15 May 2012.

45. See, e.g., T. Ruokanen, *Suomen menestyksen eväät – tiekartta tulevaisuuteen* (Helsinki: EVA 2004).

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47. See, e.g., P. Himanen, *Suomalainen unelma – innovaatioraportti* (Helsinki: Teknologian 100-vuotisjuhlasäätiö 2007).

48. K. Mitchell, 'Educating the National Citizen in Neoliberal Times: From the Multicultural Self to the Strategic Cosmopolitan', *Transactions of the Institute of British Geographers NS* 28 (2003) pp. 387–403; Soysal (note 46).

49. Patomäki (note 34) p. 13.

50. R. Florida, 'Toward the Learning Region', *Futures* 27/5 (1995) pp. 527–536.

51. See, Finnish Science and Technology Information Service, 2010, at <http://www.research.fi/en>.

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