

# **Globalization and Regional Level of Politico-economic Regulation — The “Kuuma” Case in Helsinki Metropolitan Area**

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## Introduction

Political economy concentrates normally on the relations between the politics and the economy at the state level of politico-economic regulation. However, there are also other regulative levels that deserve attention. These additional regulative levels include global, European, regional and local levels of politico-economic relations. This paper deals with those effects that globalization causes on the regional level of regulating politico-economic relations.

This paper is divided into four sections. The first section describes briefly the idea of globalization. The second section introduces a particular Finnish region, the "Kuuma" cooperation area that forms a sub-region in Helsinki metropolitan area. The third part describes what kind of politico-economic programme the politico-economic actors of Kuuma have produced. The final section aims to connect global and local (Kuuma area) and try to give preliminary ideas of how regional policy programmes could be adequately approached as a part of global configuration.

Lastly, I must apologise my English, this text has not been corrected by a native speaker.

## A Broad Definition of Globalization

Let us start with a definition of globalization. The word "global" refers to something that pertains or embraces the whole of a group of items, or that is comprehensive and total, or involves the whole world (globe) (Brown 1993, 1101). This is a good working definition when starting to explore theoretically "globalization", that is, those processes that integrate the world into one comprehensive system (see also Robertson 1992, 53; Waters 1995, 3). "Global" refers thus to the end stage of the process of "globalization".

As can be seen from the above definition, the meaning of "global" is identical with an older social scientific notion of "universal". The classics of social sciences did not write about "global" they used the concept of "universal" instead (or another related term) (see Moore 1966, 476-477; Waters 1995, 5-7). The classics of social sciences who wrote at the time of increasing international integration had open minds in relation to global phenomena. Later, as national state-societies consolidated, a much more narrow nationalistic perspective started to rule in the social sciences. At present times, as globalization seems to be accelerating, "globalization" has become the catchword of the media and social sciences, it has become, well, global (Waters 1995, 2). It is important to grasp the close relationship between concepts of "global" and "universal". Many phenomena that are crucial to globalization were not studied under the rubric "global" until the mid-1980's (Walters 1995, 2). In other words, also earlier theoretical consideration might be useful when exploring present process of globalization. Everything that has relevance to globalization has not the label "global" attached to it.

What, then, differentiates global condition from all other human conditions, or from all other social configurations? The answer to this question seems to lie in the comprehensive character of the notion of global: in a fully globalized world all social subsystems are tied into comprehensive global social system. So, the fully globalized world consists of one closed social system (see Luhmann 1987, 555-557,

585). This means that the global social system lacks social environment, every social phenomena belong to it, and there is nothing social outside it. To clarify the idea of global it might be useful to compare it with the notion of "international relations". "International relations" refer to political relations that cross state borders, but unlike "global" it does not describe closer the nature of international system. It leaves open whether the international system in question is closed or not.

Perhaps the most important consequence of the closed character of global condition is that, as far as the world is thoroughly globalized, social actors are no more able to externalize the unpleasant consequences of their actions (see Waters 1995 on Ulrich Beck's notion of "risk society", 58-62). However, at present such externalization (for instance, export of waste and hazardous industries) is actually one part of globalization (see Korten 1996). In this connection it is noteworthy that before the globalization boom of the 1990's globalization was often discussed in terms of world's problems, these included arms race, global environmental problems, underdevelopment, population growth and Western way of life that was criticised of being too lavish in relation to the world's natural resources (see Sandkühler 1990, 464).

Now, within the above broad definition of "global" or "universal", these notions have at least four different sub-meanings:

1. **Universal moral codes** state that moral norms apply to all human beings whether they actually have relations with each other or not. Here it is not necessary to assume that humanity forms any other community than that of the moral commitment. According to O. Kimminich the ideal of the unity of the world and ideas of one world power and religion have always been present in human cultures (Ritter 1974, 675).
2. "Universal" can also denote to general inner human characteristics, such as needs of food, shelter and love; or those outer conditions that set certain preconditions and limits to human existence. Such external conditions include all characteristics of people's natural surroundings. Taking together inner and outer human conditions could be named as **anthropological constants**.
3. "Global" may also refer to the **human history in its totality**, as the history of this specific species.
4. The most common definition of "global" refers to the empirical research of **global interactions**. In this research globalization is normally perceived within the limits of time perspective of present political and economic actors, or within the time span of written history. The most famous examples of this kind of perspective are writings of Immanuel Wallerstein and Roland Robertson.

Though these main meanings of "global" and "universal" can be differentiated conceptually, they are often mixed with each other in writings on global issues. For instance, ideas that stem from universalistic moral conceptions may often mix with empirical research in writings of world system researchers; or one may be able to find strong presuppositions of anthropological constants behind seemingly neutral research of economic globalization. In fact, research of global themes is most probably based on some anthropological constants whether these are explicitly stated or not. In this sense global theoretical point of departure makes differences between societies and cultures relative, and it is incompatible with cultural relativism. In the following chapters I will concentrate on "global" as relatively recent global social interactions.

## The “Kuuma” Area as a Subregion in Helsinki Metropolitan Area

In 2003 five communes (Järvenpää, Kerava, Mäntsälä, Nurmijärvi, Tuusula) that situate some 20-70 kilometres north of the Finnish capital Helsinki started a partnership programme called “Kuuma” (“Hot”). This programme will be in effect until 2007. In 2003 Kuuma programme included 14 diverse objectives that aim to enhance cooperation between communes taking part in it. (Kuuma — kumppanuusohjelma 2003-2007, 3.) In the beginning of 2005 a sixth commune (Pornainen) joined this partnership arrangement (Kuuma toimintakertomus 2004, 4).

In order to understand the Kuuma initiative it is useful to take a look at geographical positions of communes involved. The Kuuma area is situated partly within the Helsinki metropolitan area. “A metropolitan area” refers to a large-scale functional entity. This entity may contain several urbanized areas, discontinuously built up but nonetheless operating as an integrated economic whole. Normally a metropolitan area includes one central city (“central place”) in its core. (Fellmann & Getis & Getis 1992, 378-379.) In Helsinki metropolitan area this central place is Helsinki itself.

Unlike formal administrative entities, such as states or communes, a metropolitan area by definition has no officially defined borders. In addition, the Helsinki metropolitan area (as presumably the most of the modern metropolitan areas) has increased its scope during the last decades, and it is still growing. Due to these factors, it is difficult to define how large the Helsinki metropolitan area actually is.

According to one definition the Helsinki Metropolitan area includes Helsinki and three neighbouring communes Espoo, Kauniainen and Vantaa (Helsinki Metropolitan Area 2001). This definition reflects the short distances between these communes. These communes have also had close cooperative relations with each other. In fact, it has been suggested that in order to manage better this functionally interdependent area these communes should unite. There is no doubt that the Helsinki metropolitan area includes at least Helsinki, Espoo, Kauniainen and Vantaa, but it seems to me that if one follows the above given definition of a metropolitan area as “a large-scale functional entity” the Helsinki metropolitan area must assume a much broader scope. At least all those areas that lie relatively close to Helsinki, have substantial economic and social relations with it and have effective transport links with it should be included to the Helsinki metropolitan area. Hence, thanks to a main railway line and dense road network a substantial part of the Kuuma cooperative area belongs to the Helsinki metropolitan area.

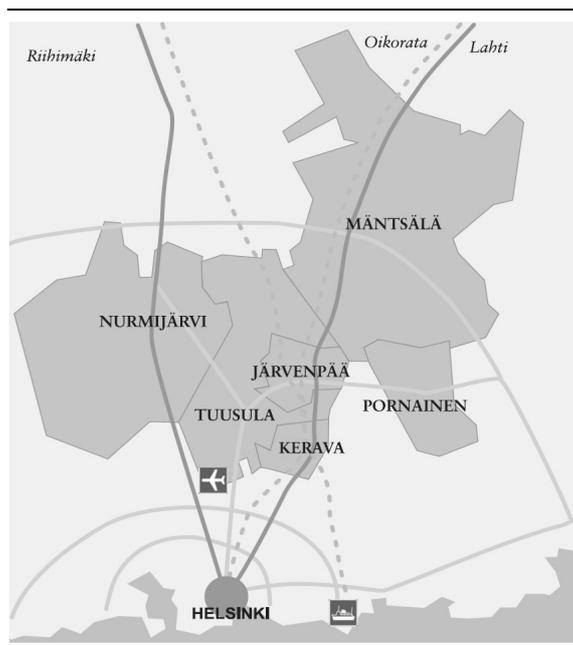
The following map (Figure 1) displays the Helsinki metropolitan area (in the map: “Helsingin seudun kunnat”).

**Figure 1. Helsinki Metropolitan Area 1**



The following map (Figure 2) displays those communes that take part in Kuuma cooperation. The main traffic connections that are of crucial importance to regional development are marked in this map (main roads with continuous lines and main railroad lines with dotted lines).

**Figure 2. Kuuma communes 1**



The following table (Table 1) depicts the magnitude of the core of the Helsinki metropolitan area in comparison to Kuuma communes in terms of population size.

**Table 1. Population in Helsinki Metropolitan Area, 2004/2005**

Helsinki	559046
Espoo	227472
Vantaa	185429
Kauniainen	8465
Helsinki metropolitan area (narrow definition)	980412
Järvenpää	37328
Kerava	31361
Mäntsälä	17899
Nurmijärvi	36568
Pornainen	4569
Tuusula	34513
Kuuma area	162238

Source: Helsingin seudun aluesarjat 2005.

As can be seen from Table 1, Helsinki constitutes a self-evident centre of gravity in this region. Together with the nearest surrounding communes (Espoo, Vantaa, Kauniainen) the narrowly defined Helsinki metropolitan area has population of over 980 000 which is a remarkable concentration of people in a country with a total population of little over 5 200 000 (see source from Excel file). In comparison to Helsinki and its closest neighbours, the communes of Kuuma group are relatively small. Their populations range from 4 569 (Pornainen) to 37 328 (Järvenpää). However, together Kuuma communes have a population of over 162 000, a number that comes close to the magnitude Vantaa. Indeed, the advantages that the participating communes expect to gain from uniting their forces appear to have been one of the most important motives for Kuuma cooperation (Kuuma — kumppanuusohjelma 2003-2007, 2004, 5).

## Politico-economic Strategies of “Kuuma” Coalition

Communes taking part in the Kuuma partnership programme have established an extensive organisation that includes among others, 17 common working groups dealing with objectives ranging from economy and administration to cultural matters.

In the following paragraphs I will briefly describe the content of Kuuma Partnership Programme 2003-2007.<sup>1</sup> First, it is interesting to see how communal actors (political leaders and higher civil servants) view Kuuma area. Their view of the Kuuma area constitutes an official self-image, symbolic collective representation of the Kuuma area. This collective representation is dealt with under the title “Attractions of Middle Uusimaa” (Keski-Uudenmaan vetovoimatekijät) in Kuuma Partnership Programme 2003-2007. As the point of departure, the Programme delineates that (Kuuma — kumppanuusohjelma 2003-2007, 2004, 6):

<sup>1</sup> This programme was preceded in 2000 by a strategy paper called “Middle Uusimaa’s Measures of Success” (Keski-Uudenmaan menestysmittarit). This strategy document was initiated by local business people. (Kuuma — kumppanuusohjelma 2003-2007, 2004, 3.)

Identity, imago and area's and its inhabitants' real ability to receive are constantly "on market" when areas are compared with each other. These factors decide over the competitiveness of a region.

Then the Programme goes on to describe Kuuma area by listing those attractions that are crucial for this region's competitiveness (Kuuma — kumppanuusohjelma 2003-2007, 2004, 6-7):

- Accessibility
  - airport and the Port of Helsinki are near
  - location (travelling time, main rail line, new railroad to Lahti, motorways)
- Part of the metropolitan area
  - the best markets and services of the country are near
  - international connections
  - higher education
  - possibility to managed growth of population
  - large labour market area
  - national cultural organisations
  - low unemployment and strong bases for taxes
  - Europe of regions, Helsinki region
  - opportunities offered by global competitiveness
- Many-sided and original cultural life and history
  - community of artists
  - manor culture
  - important artists
  - art museums
  - theatres
  - music and art events
- Versatility of housing forms and quality and safety of environment
  - Tuusulanjärvi, Sääksjärvi, Rusutjärvi (these are diverse lakes), rivers
  - dominance of small-scale housing
  - garden towns
  - living villages
  - interaction between towns and countryside
  - relatively low housing expenses
  - accessibility of services and their broadness
  - safety of living environment
  - many-sided possibilities for hobbies and recreational areas
  - clean groundwater, clean nature and environment
- Highly educated, skilful and youthful population
  - good relation between active and passive population
  - population potential
  - professional workforce in firms and in communes
  - many-sided skills
  - vitality
- Places for enterprises and versatile economic structures
  - successful enterprises
  - space for new firms
  - clusters
  - safe and cheap energy and water services
  - sufficient and many-sided production of houses

- Kuuma partnership
  - close and dynamical cooperation between area's actors

Many of the advantages of the Kuuma region listed above could describe just about any metropolitan area in Western capitalist world. Such characterizations include expressions like “international connections”, “higher education”, “Europe of regions”, “global competitiveness” and “clusters” belong at present to the standard arsenal of just about any politico-economic programme and strategy. However, the above list displays also some regional features that could be labelled as local specialities. Such features include “many-sided and original cultural life and history” (around the beginning of the nineteenth century many famous Finnish artists, like Jean Sibelius, lived in this area) and a few local lakes and rivers.

What has then been the content of cooperative efforts? For the year 2003 activity programme listed the following objectives (Kuuma — kumppanuusohjelma 2003-2007, 2004, 9-15):

- Development of common policy line and interests representation in relation to other regional actors in Helsinki metropolitan area and elsewhere as well as interests representation vis-à-vis the state. This common policy line includes policy areas such as regional traffic policy including regional investments to traffic infrastructure, care of the sick and elderly.
- Cooperation concerning regional administration and public services.
- Cooperation concerning personal policies of Kuuma communes.
- Cooperation concerning housing policy. This cooperation was initiated by the local chambers of commerce. The chambers of commerce initiated a survey concerning housing policy. This survey was supposed to form a basis for housing policies in communes participating the Kuuma programme (Kuuma — kumppanuusohjelma 2003-2007, 2004, 11).
- Regional tourism and culture cooperation. This includes the possibility of establishing a common tourism company, making a common programme on the area's cultural supply and find out about possibilities of common administration of conference, cultural and museum venues in this area. It is also endeavoured to support area's supply of original cultural activities so that these could compete with the cultural activities of the rest of the Helsinki metropolitan area.
- Cooperation in matters concerning communal organising of sports and hiking.
- Kuuma's information policy aims to develop an unitary way of informing about Kuuma. This includes establishing of Kuuma's own web site ([www.kuuma.fi](http://www.kuuma.fi)), common newspaper campaigns and developing a common information strategy for Kuuma communes.
- Common planning of land usage (yleiskaavayhteistyö).
- Regional school networks in subject areas of music and arts education as well as adult education. In 2003 it was also analyzed if Kuuma area would need an international school.
- Information technology cooperation.

This list displays a relatively broad range of common measures ranging from cultural matters (“regional school networks”) to hard core issues of regional political economy (housing policy and common planning of land usage). Yet, when comparing these programmatic objectives with the elements of region's competitiveness listed in the first list, one sees clearly that programmatic objectives concentrate in traditional areas of communal policy making. Hence, at least judging from this limited evidence the Kuuma initiative has not amounted to a broad

developmental coalition in favour of regional development and interest representation.

## **Local (Particular) and Global (Universal) — Dialectics of Social Integration**

I presented a short definition of “global” and “globalization” in the first section of this paper. After that, the Kuuma region, a case of regional policy coalition was introduced in two subsequent sections. In this section I am trying to view the global and the regional as parts of the same socio-economic configuration.

My theoretical point of departure when handling relations between global and regional (or local) starts from the idea that these two entities represent two qualitatively different kinds of logics of social life.

“Global” refers to large-scale socio-economic processes that presuppose abstract universal norms and modes of acting.<sup>1</sup> In contrast, “regional” denotes local particularities like specialities of local natural geography, people, languages and dialects. Hence, “global” and “local” refer to contrasting elements of social life. Yet, universal norms can realise themselves only in particular regional and local setting. On the other hand, if local and regional norms and ways of living were totally particular this would result into a world in which large-scale social integration would be impossible. Obviously, this is not the case. In fact, these elements of social order have dialectical relations with each other. With “dialectical relations” I am referring here to relations in which two or more contrasting elements of a social order interact and mutually define and presuppose each other (Nieminen 2005, 19).

In general, several dynamical principles expressed in Kuuma documents are universal (“competitiveness”, market mechanism, power struggle, general dynamics of metropolitan areas) and only in few cases documents refer to unique local features like history of cultural life and geographical specialities. Hence, it seems that even if Kuuma is a regional initiative its programmatic content includes points that refer rather to general principles of modern social order than to local particularities.

If this is really the case, this situation might create problems when trying to enhance regional welfare and regional innovations: the more the local aims to be universally applicable the less local it is and the less locally applicable it is. This is so because universal has to express itself through particular phenomena; aiming to be universal directly only leads to abstract general ideas or ideology like “global competitiveness”. Therefore, in order to be able to offer something special (technical and social innovations) to the global social usage one has to develop first these innovations locally. Hence, it is not feasible to stare too much to the general principles of a social order.

In addition to the above general observations concerning relations between global and local (regional), these relations can be analysed more in detail by differentiating between diverse regulative levels of politico-economic governance. Such analytical point of departure has been commonplace when studying for example industrial

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<sup>1</sup> Note that the notion of “universal norms” does not claim that such norms are actually universally acknowledged; the notion only refers to the fact that universal norms claim universal applicability. Nevertheless, in any empirical context it would be problematic to regard norms that do not enjoy a very large-scale support as universal norms.

relations in the European Union (see, for example, Nieminen 2005, 297 and Galès & Lequesne 1998). In the global system at least five diverse levels of regulation can be detected:

1. global level (UN, WTO, ILO and so on),
2. continental level (EU and other large-scale transnational organizations),
3. national level (states organized in “nations”),
4. regional level (provinces and other regional entities within states)
5. and local level.

The multi-layered structure of the global regulative system raises an essential question: what kinds relations are there between the diverse regulative levels? This question is essential because the real regulative effectiveness of any system depends on the relationships between diverse levels of policy making. Relationships among different levels of politico-economic regulation may have at least the following characteristics (see Nieminen 2005, 306-308):

- Relations may be **hierarchical**. In this case upper levels of hierarchy rule lower levels. If the dominating position of higher levels of administration is strong, dominating actors may try and succeed in either harmonising or coordinating the modus operandi of lower levels of a hierarchy
- If relations between industrial relations actors reciprocally support each other and the functions of different levels of regulation supplement each other, they can be called **complementary**.
- Actors have **competitive** relations with each other.
- **Conflictual** relations mean that actors disagree on how labour markets and economies should be regulated.
- **Weak integration** between different actors and levels indicates weak connections between different actors and levels.
- Many of the above characteristics of relations between different regulative levels stress the modern rational character of socio-economic actors. These actors are supposed to pursue their own interest in a rational manner. However, one should not underestimate the **integrative role of common ideology**. It seems reasonable to assume that actors at different regulative levels share at least to some extent a collective ideology which ties these actors with each other.

What then can be said about Kuuma case: how does Kuuma relate to the other levels of politico-economic regulation?

One problem when trying to answer to the above question is that written documents or other sources of information do not in many cases explicitly state what kinds of considerations lie behind given policy objectives. Therefore, the affects of diverse levels of regulation on Kuuma’s strategies has to be constructed by an analyst.

My impression is that the levels of governance that are important to Kuuma are in order of their importance: Helsinki, Finland, the European Union, the neighbouring Baltic region, global. Yet in a form of abstract rules of acting (notably the universal idea of “competitiveness”) global is perhaps the most important point of reference. In any case, the way in which Kuuma documents implicitly refer to Kuuma’s external environment underlines once again how important the definition of a social configuration’s external environment is to its internal organizing (see, for example, Nieminen 2005, 182-185, 366-367).

When it comes to the modes of relations between diverse levels of regulation, Kuuma has hierarchical subordinate relations to the Finnish state and the EU. To some degree these relations can be labelled as complementary as well. As Kuuma documents cited above clearly show, Kuuma has competitive relations with its neighbouring area including Helsinki. This is somewhat contradictory position because Kuuma is also having cooperation with areas close to it. Kuuma's direct relations to the areas that are not close to it as well as its direct relations to the EU seem to be weak, if not non-existent.

Let me finish this paper with a few concluding remarks. First, the above presented scheme of combining global and local/regional with each other is only my preliminary attempt to grasp global and local as parts of the same configuration. It still lacks many important elements. For example, one should also take into account which actors take part in formulating local policy programmes. In the EU a general observation is that local and regional policy making tends to concentrate in hands of local politicians, officials and business people, whereas labour unions tend to be excluded. In many cases this makes local policy making more business-oriented and less democratic than the policy making at the national level (see Galès & Lequesne 1998).

Secondly, Kuuma is a new organization of regional cooperation and it is too early to make definitive conclusions about its policy content or about its effectiveness. My short handling of Kuuma's programme does not give a full picture of the activities of Kuuma. Many important initiatives, like the one dealing with Kuuma's "capital of skill and competencies" (see Kapanen 2004) are not dealt with here.

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