

PIRKKOLIISA AHPONEN & PIRJO JUKARAINEN (eds.)

Tearing Down the Curtain, Opening the Gates

NORTHERN BOUNDARIES IN CHANGE

SoPhi



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&
Pirjo Jukarainen (eds.)

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INTRODUCTION

Could we imagine a world without boundaries? Is free entrance into any place and everywhere possible, and would it be an ideal for global citizenship? It seems that the world is full of borders and they are built, crossed and replaced everywhere. So called ‘natural borders’, seen as unintentional obstacles of free communication, are increasingly crossed by technically constructed means. Geopolitical borders are constructed as human-made barriers to separate members of certain nation-states from foreigners and make divisions between ideological coalitions. Boundaries are also used for marking symbols to identify cultural communities. Demands concerning ownership of historical heritages are justified by producing evidence for the correctness of certain borderlines.

The complexity of the border can be understood by comparing the meaning of border with that of boundaries, barriers, frontiers, edges, or fault lines; border, as a phenomenon and a concept, becomes more evident the more its construction, functioning and conceptualising become subjects of research. In particular, after the so-called Cold War or Iron Curtain era the restructuring of boundaries has gained wider and wider interest among scholars representing various disciplines. According to Anssi Paasi, borders are no longer discussed only in the field of political geography (see Paasi’s chapter in this book); they have become a truly *multidisciplinary* topic. In order to show the multi-faceted essence of borders, the authors dealing with these questions in the present book are experts in various academic fields: regional studies, human geography, cultural studies, sociology, political sciences, regional economics and history. In the course of these chapters, mental and symbolic boundaries, political and administrative borders and economic barriers are discussed as interwoven – approaching the subject both from the perspective of history and that of contemporary development.

The principal aim of this book is to improve understanding of the multiple meanings of borders. It deals with the questions of why borders exist, how they are constructed and how they may be changed. A basic aspect in each and every chapter is that borders are *fundamentally human-made social*

constructions, and therefore they can be – and definitely are – also de- and reconstructed by people themselves. The human-made borders have often been contrasted as artificial and contingent with natural boundaries, that is, those restrictions of free movement which have come into existence through nature as real and inevitable, like seas, rivers and mountains. Here we, however, agree with Leimgruber (1991) and Houtum (1997) that the term *natural border* is at least confusing if not completely misleading in the sense that it suggests that a true nature-shaped or God-given border should be taken for granted and it cannot – or at least should not – be challenged or replaced. This also implies that a geopolitical border between nation-states will be eternal as prescribed by a natural order. In the beginning of the 20th century this term became notorious, as it was used by geopoliticians to justify practices that aimed to enlarge state-territories, even by violent means. States were expected to develop freely like living organisms until they would reach their natural limits. (Agnew 1998, 96.)

Yet, as Houtum (1997, 14) aptly points out, if natural is equated with biological, then every social and political boundary among people can actually be claimed to be natural. The urge to establish boundaries for self-preservation (*i.e.* territorial behaviour) would then be understood as a fundamental aspect of human life, as one aspect of its animal-like character. Therefore, to choose a different way of interpretation, we will not speak here about natural and unnatural borders but only make a distinction between *physiographic obstacles for human interaction* and *borders that are created by people* in their conscious and unconscious activities by political and cultural means.

As well as for conceptualising boundaries, this book was written to give concrete and illustrative examples of how borders are constructed and reconstructed. Therefore the chapters of this book are geographically specific; they deal with particular geographically defined spaces. The focus of the book is on the European North, in particular on the multi-faceted Finnish-Russian border. What makes this borderland particularly interesting is that it has long been an area between the so called ‘Eastern’ and ‘Western’ spheres of cultural, economic and political influence.

Before going into the issues of contemporary restructuring and change of boundaries, the book starts by highlighting various practices by means of which social, economic cultural, and ideological divisions were constructed between Finland and Russia in the course of history. The aim here is to show how the Finnish-Russian border emerged and developed, and what kind of particular characteristics it gained over time. As stated by Jouni Häkli in this book, both bureaucrats and scientists – as confidential servants of the state – contributed to the discursive construction of Finland as a particular society, having a right to its own territory. This borderline became a deep mental and

ideological barrier between Russian and Finnish societies – there was another world on the other side of the border. In the chapters of this book this divide is examined from different angles, from both sides of the boundary, from both Russian (Brednikova) and Finnish (Bazegski & Laine) perspectives. In addition, in terms of the above-mentioned aspect, the Finnish-Russian border was – and still is – one of the deepest socio-economic boundaries in the world (see Alanen & Eskelinen, and Tykkyläinen). The first chapters reveal the plurality of the agency in the making of these multiple administrative, ideological and economic divisions: how not only the (official) politicians, but also scholars, administrative officials, border patrols, traders, migrants and representatives of media have been active in defining and marking the Finnish-Russian border.

Such concepts as the East/West divide, or what is included in the ‘first, second, and third worlds’ as hierarchical demarcations, are currently being deconstructed and restructured. It is interesting to observe how all kinds of political, cultural and economic practices are changing on both sides of the old division-lines. It will also be challenging to see what kinds of principles will be used for justifying the development leading to the future in Europe and on a wider global scale. In this sense, the concept of the Northern Dimension, for instance, will be a matter to be discussed seriously. This aspect is involved when the authors deal with issues of the future of ‘Europeanity’ as related to the changing symbolic boundaries (see Häyrynen’s chapter), or with the shift of political emphasis from Norden to the Northern Dimension in the concepts of northernness (Joenniemi). Furthermore, some authors debate about the questions of how concepts like ‘Russianness’ (Brednikova), Finlandisation or neutrality (Ahponen & Langer) are produced discursively and how they are reproduced together with their ideological connotations in new political situations. Is the collapse of the Iron Curtain a true sign of the outbreak of a hegemonic struggle in terms of the contents of the democratic ideal between the camps of the ‘East’ and the ‘West’? What are the contents of ‘European values’, defended in the joint activities of the European Union and shown in the recent boycott of the Austrian government? The answers can be only tentative but are surely worth discussing in the context of the challenges of the current situation. The current era can already be described as a watershed or a turning point in the narrative construction of historical continuities and discontinuities, in the sense that was illustrated recently by Eviatar Zerubavel (2000) when he discussed boundaries in a historical perspective.

On a more practical level, the authors of this book illustrate how different kinds of practices will serve the processes of restructuring in the European North. Various aspects can be found in the new ways of action that are form-

ing the boundaries anew and giving them new meanings like ‘doors’ and ‘gates’ instead of barriers and obstacles. Janne Antikainen and Perttu Vartiainen show how networking can challenge former state-borders within the Baltic Sea area by increasing activities in a lively and innovative learning process. Formation of linkages between the Baltic Sea cities is a first but important step in the process of building a functional transborder region. Tarja Cronberg tells the reader, from the perspective of an administrative authority, how the process of breaking politico-administrative boundaries is proceeding and how a cross-border region, Euregio Karelia, is forming itself across the Finnish-Russian border. The final chapter, written by Riitta Kosonen, illustrates a local case located in the area of the former Iron Curtain. She tells how a small local socio-economic system – the border-town of Vyborg – changed when the ‘Iron Curtain’ turned to be more like a ‘golden (economic) curtain’. The case of Vyborg is also an example of what kind of difficulties a local socio-economic system can face in the process of political and economic transition. To promote further discussion about borders and their meanings, each chapter is followed by questions and suggestions for further reading.

We would like to express our gratitude to the individuals and institutions that have supported us in this effort. The initiative in planning a textbook in the field of border studies was taken by the Network of Border Studies, and the work was partly financed by an Interreg Project at the University of Joensuu. The aim of this book is to contribute to the field of ‘social and cultural development of the European fringe areas and border regions’, named as one of the University’s strategic focal areas of research. The process, however, was not solely local; it was a pleasure to discover how many experts from different universities and various fields of research were able to participate in this process. Therefore, we wish to extend our warmest thanks to all the authors.

To write this book in English meant that language barriers were crossed by many of the authors. Therefore, the language and interpretative skills of Dr. Joann von Weissenberg, were necessary. She has kindly and skillfully gone through all the texts by helping the authors to sharpen the intelligibility of the contents. The book was published by SoPhi in Jyväskylä and the editorial contribution of its editor-in-chief, Mr. Juha Virkki, was indispensable. The remarks of the anonymous referees were also valuable for the completion of the book and maintaining the wholeness of its focus.

Pirkkoliisa Ahponen & Pirjo Jukarainen

I

THE EMERGENCE AND
DEVELOPMENT OF
THE FINNISH-RUSSIAN BOUNDARY

Jouni Häkli

KNOWLEDGE AND THE STATE

The construction of Finland by bureaucrats and scientists

Introduction

Today it is well known that the social sciences have emerged from the seed-bed of modernity. They are an integral part of the production of knowledge that is essential to the working of modern societies, activity that Anthony Giddens (1985) has termed ‘reflexive monitoring’. Social sciences emerged together with profound social and cultural transformations that shook 19th and early 20th century Europe, transformations such as urbanisation, the consolidation of industrial capitalism and the formation of the modern system of nation-states. This observation has been made in several studies on the history of social sciences (e.g. Wittrock 1989; Wagner et al. 1991; Skocpol & Rueschemeyer 1996).

Analysis of the inner nature and the broader social contexts of social scientific research is one aspect of the self-reflexivity typical for science. Arguably, of all knowledge of society – including statistical data and research, the mass media reporting, and various privately or governmentally commissioned studies – it is the social scientific knowledge that is most aware of its own conditions of knowing. Indeed, it is precisely this higher awareness of the rules and conditions under which the knowledge of society is produced that separates the social sciences from other ways of knowing.

Yet, it has become evident that the social sciences have failed to address one crucial dimension in the conditions of knowing society. Paradoxically, this failure goes straight to the heart of various social science disciplines, to the very core concept of social thought, the concept of ‘society’ itself: there is almost no explicit theorisation among the mainstream social sciences of how society should be conceived of geographically (Wallerstein 1991; Taylor 1993; Murphy 1993; Agnew 1998; Häkli forthcoming). From this observation a

question immediately arises. How is it possible that the social sciences, which by definition represent the highest degree of reflexivity in human knowing, fail to provide a proper account of what society is? In this chapter I seek to provide a tentative answer to this question.

I will first show that the role of territory in the production of social knowledge is largely taken for granted, even in analyses dealing explicitly with the state and its relationship to the social sciences. I seek to explain why this is so by referring to the history of social science thinking in terms of state-territorial units. I will then illustrate how state territoriality has organised and structured the production of knowledge by looking at the history of how Finland was mapped by bureaucrats and scientists. My overall goal is to shed light on how a state-centred conception of society has emerged and why it still continues to structure much production of social scientific knowledge.

Social sciences, society and space

It is important to realise that the social sciences' lack of reflection upon the concept of society concerns mainly its *spatial* dimension. Hence, I am not claiming that social sciences have no clue about what society is or how it should be conceived of. Quite the contrary: without an elaborate theoretical understanding of society there would be no social sciences – at least in their established and institutionalised forms. In fact, the classic authors of social theory – Émile Durkheim, Karl Marx and Max Weber, to name a few – made every effort to remove any doubts about the existence of society as a real entity. These founders of modern social sciences strove hard to prove that, indeed, such an entity exists and that to know it will require particular methodologies, concepts, theories, that is, social science disciplines.

What went wrong then? Why is it that the master themes of modernity, such as alienation, division of labour, urban experience, bureaucratisation, mass culture and the rise of capitalism, can all be firmly located in a modern society, but one that does not reveal its geographical form? Why is it that the dominant tendency in social science discourses still is to take the *state territorial definition* of society for granted?

To understand why, we do well to turn to Edward Soja (1989) and others who have for well over a decade written about the subordination of space in social theory (see also e.g. Agnew 1989; Taylor 1996). The point Soja (1989) is arguing for is simply that in the spirit of progressive modernisation the category of space was reduced to a mere platform upon which social processes took place. Spatial form at any given time was the result of social forces,

and therefore uninteresting from a social theoretical point of view. Space simply meant the ground we walk on, the dead and immobile physical structure of the world. As regards the concept of society, it was the social forces that held society together (either capitalist relations, social consciousness or rationalisation), as well as their development through time, that occupied the classic authors' minds. In theoretical terms the question of how to conceive of society from a spatial perspective, was an archaic, stillborn issue.

Echoing Soja (1989), Peter J. Taylor (1994; 1996) has written about the taken-for-granted concept of society in the mainstream social science discourses. Taylor (1996) talks about 'embedded statism', by which he refers to a state-centred understanding of the social world implicit in social theory, and more particularly in the state territorial conception of society. John Agnew (1987; 1993) has also for a long time argued for heightened awareness of various spatial scales instead of analysing social and political processes on the national level only. In particular, Agnew (1993, 251-252) has pointed out the failure within mainstream social science research to deal with space and spatiality in anything but national or structural terms. Both national and structural accounts of space are hidden geographies in the sense that they are usually not the result of conscious reflection on how space and society are related, and thus how society is spatially constituted (see also Simonsen 1996, 494; Wallerstein et al. 1996).

In view of the subordination of space in the mainstream of social theory, it is hardly surprising that some of the most innovative research on the state territorial definition of 'society' has arisen from spatially sensitive sociology and human geography. For example, Jim MacLaughlin (1986) has analysed the state-centred assumptions prevailing in mainstream social sciences of the late 19th and early 20th centuries. He points out that the social sciences developed largely as nationalist schools operating in intensely nationalist environments (see also Paasi 1996). Subsequently, in mainstream social science the state was regarded as natural and, importantly, the pre-eminent vehicle of social development and 'progress'. What followed was that discourses on 'society' often came to be firmly framed in state territorial terms. In this thinking 'nation' equals 'state'; and both are identified with 'society' defined, often only implicitly, by the territorial reach of the state in question (see also Wallerstein et al. 1996, 82).

MacLaughlin's observations presaged a growing research interest which, since the mid 1980's, has been expanded by authors seeking to expose the received spatialities of mainstream social science discourse (e.g. Agnew 1994; Murphy 1996; Anderson 1996; Taylor 1996). Building on these works, as well as on recent research on the history of social sciences, I have sought to analyse concretely the history of the interrelationship between state govern-

mental practices, the territorial organisation of social knowledge production, and the bodies of knowledge that discursively construct the image of a territorial world – a world consisting of nation-states (Häkli 1993; 1998; forthcoming).

Territoriality as a hidden dimension in the knowledge of society

My main argument here is that the roots of the territorial conception of society extend far beyond mere theoretical imagination. In fact, in the modern period the concrete collection of official statistics and the production of knowledge for the self-regulation of societies have been integral features of the modern nation-state (Giddens 1985, 180-181). Official statistics mediate between the social sciences and the state in two ways. On the one hand, statistical data direct the analysis toward operationalisation of ‘society’ as defined by the state territory. On the other hand, the collection of statistics implies a (social scientific) understanding of society and social processes, that is, particular concepts and theories of ‘society’, which are part of the social reproduction of the nation-state. Thus, the use of official statistics links social sciences and the state both empirically and discursively (Giddens 1985, 181).

Giddens’ (1985) notion of reflexive monitoring points in a useful way at links forged between the emerging territorial nation-states and institutionalising social sciences. During the 19th century, social science disciplines were striving for resources and legitimacy, and were therefore closely connected to the *practical* interests of the state (Desrosières 1991; Katznelson 1996). This was particularly obvious in the case of political science, sociology, and economics, which produced systematic knowledge relevant to the bid for state management, social control, and the accumulation of wealth (Agnew 1994, 69). During much of the 19th and 20th centuries, the societal legitimacy of the social sciences has been measured against their relevance to issues, problems, and challenges as framed by the dominant political power of the modern world – the state. It is to this context of knowledge, its hidden geography, and its role in structuring the production of knowledge of society that I now turn.

Robert Sack (1986, 19) defines territoriality as a strategy used to affect or control people, phenomena and relationships by delimiting and asserting control over a geographic area. By extension, we can understand state territoriality as a strategy of control and influence connected to states’ governmental practices. For our purposes it is important to underline that these

practices have not been consistent throughout history. Research on the history of state practices has shown that modern states differ markedly from their predecessors in terms of their capacity to control geographical space both practically and cognitively (e.g. Giddens 1985; Ruggie 1993; Häkli 1994a; Paasi 1996). Furthermore, it is now understood that the practical and cognitive strategies of territorial control are interlinked and evolve historically in constant interplay (Mann 1984; Murphy 1991). Whereas the pre-modern state had porous frontiers and lacked the means to regulate social life effectively, the modern state organises its practices, defines its sovereignty and population territorially, and sees itself as a territorial unit (Ruggie 1993; Häkli 1994a).

Many of the defining features of modern state territoriality have only come about with social and technological innovations in the practices of government. In particular, the production and utilisation of the knowledge of society has played a central role in the modernisation of the state government. Better knowledge of the state's domain and population made possible increased governmental capacities for territorial control and political regulation. It has also given rise to particular cognitive and discursive structures through which the social world is portrayed, defined as the 'society' in state-territorial terms, and legitimated in connection with the state's governmental practices (Häkli 1998). It seems evident that the *sources* of the territorial conception of 'society' should be sought in the context of this vast machinery of knowledge production rather than from the development of social theory as such.

Thus, while historically 'methodological statism' is deeply rooted in social theory the problem is certainly not confined to the realm of conceptualisation, which is a mere surface manifestation of the much more voluminous production of knowledge that is governmentally connected to and centred on the territorial state (Ó Tuathail 1994). To really grasp the relationship between knowledge and power it is important to reveal the hidden geography of the media through which society was portrayed 'for reasons of state', but also in more academic analyses of the social world. A useful starting-point for the exploration of this geography of knowledge is the notion of state territory as a category denoting an area, a community or a set of social relations across a given area, none of which can be perceived directly. Scientific or governmental observation of territories is possible only by means of 'visualising devices' like statistics and maps. While the latter two have certainly not been exclusive sources of governmental insight, they nevertheless possess two important qualities that explain why they have become the privileged route to scientific government.

First, maps and statistics enable synoptic representation of territory. Before the age of statistical and cartographic surveys, rulers and governments lacked an overall view of their subjects, let alone numerous other features of the kingdom. Estimations of the size of the population often resulted in gross exaggerations, yielding significantly larger figures than those achieved by the first statistical surveys (e.g. Johannisson 1988). In the absence of proper maps, the realm was known primarily as a succession of places, epitomised by the medieval itinerary which was predominantly a written description of the route and travel time between places (Harvey 1980). Instead of the panoptic 'view from nowhere' that the modern map gives, rulership in a mapless world involved a considerable amount of horseback riding for achieving knowledge about the realm (Biggs 1999).

Second, maps and statistics exist in a consistent relation to the objects they represent. This quality, dubbed 'optical consistency' by Bruno Latour (1986), is achieved through the techniques and rules that govern cartographic representation and the production of statistical data. An important effect of optical consistency is that it opens up a direction from the documents back to the world they portray thus encouraging policies first to be designed on paper and then implemented concretely. In this sense optical consistency is absolutely crucial for the instrumental use of knowledge.

It is precisely the practices necessary for securing the synoptic and consistent qualities of knowledge that tie maps and statistics so tightly to state government and its increasing territorialisation. According to Latour (1986), optical consistency requires a particularly stable and disciplined system of data collection, one that is most often provided by a specialised bureaucracy (see also Kuhnle 1996, 245). Furthermore, to serve effectively as a panoptic view over the whole domain, statistical and cartographic data collection must have been organised geographically to cover the whole state territory. Thus, while statistics and maps have been instrumental in making society visible in a manner relevant to its government, they have also been quite concretely involved in the construction of the territorial-administrative structures of the state (Dandeker 1990; Häkli 1994a). Conversely, the territorially constituted fields of knowledge have also contributed to the consolidation of the territorial state and the construction of society as a territorial unit (see also Ruggie 1993). The interplay of cartographic and statistical survey, as well as the new knowledge-based policymaking, then gradually established 'society' as a field of action and population defined by the state territory. The state-centred discourses on society, produced and reproduced by governmental agents, scientists, and laymen alike, began to grow upon this well-demarcated foundation.

State as a context of discourse: The Finnish experience

A number of fundamental material and ideological changes in modernising Europe prompted the governmental urge to know society in both empirical and theoretical terms. The enormous social consequences of 19th century capitalist industrialisation most notably called for policy making with a capacity to grasp complex totalities (Wittrock 1989; Skocpol & Rueschmeyer 1996). For such governmental intervention a particular knowledge base was necessary, one that made society visible as a whole, and in a consistent manner. New governmental policies have very often demanded statistical information that has not been readily available. However, organisations and apparatuses for the collection of statistical and cartographic information have existed in most European countries since the early 19th century (Kuhnle 1996, 245). These institutions were not established overnight nor did they develop simultaneously (Nowotny 1993, 8).

Interestingly enough, although peripheral in some aspects of cultural and economic life, the European north was not 'backward' as far as the production of state governmental knowledge is concerned. On the contrary, the Kingdom of Sweden, including its eastern provinces (later Finland), was among the first regimes to base its governmental activities on systematic production of knowledge of society (Liedman 1989, 42-43). While the Finnish polity was first created only in 1809 when Sweden ceded its eastern provinces to Russia and Finland was territorially united as a Russian Grand Duchy, the foundation for systematic survey of the Finnish territory was established during the period of Swedish rule (Luther 1993). Therefore my main emphasis in the following is on the 18th century mappings and the institutions established at that time.

In the Kingdom of Sweden, as elsewhere in Europe, there were attempts to make society visible through projects of mapping, which later were established as statistical and land survey institutions (Buisseret 1987; Johannisson 1988; Escolar 1997). The systematic and centralised organisation of data collection gradually built a hidden geography into the 'society' of governmental policymaking, and subsequent empirical social research. Mapping provided an abstract basis for the territorial projection of society, but it also contributed indirectly to consolidation of the centralised administrative structures of the state because uniform and disciplined organisations were required to carry out large scale mapping (Harvey 1989; Hacking 1991). Signs of the latter could already be seen in 16th century Sweden, where a land register was introduced by King Gustav Vasa for the purpose of more efficient tax collection; a minor reform as such, but its organisation represented

an important step toward a permanent state bureaucracy and a politico-territorial order detached from the king's person (Häkli 1994b).

Several mapping projects were launched by the Swedish state in the 18th century, most of them closely connected to the *Royal Swedish Academy of Sciences*, founded in 1739. Of these I will take two projects for more thorough examination because of their significance both to the state government and to the projects' fervent protagonist Jacob Faggot, director general of the Land Survey Institution 1747-1777 and one of the leading figures in the Academy (Widmalm 1990). Faggot was one of the driving forces behind the territorial survey in 18th century Sweden. The mercantilist doctrine of the time placed special emphasis on trade, migration, population growth, and economic improvement, and led the European absolute states to estimate population size and population movements (Kuhnle 1996, 244; Escolar 1997, 63). The ultimate goal was to increase national wealth through governmental policy measures, which required new knowledge of large-scale social phenomena (Widmalm 1990).

In bringing cartographic and statistical knowledge forcefully into play in the sphere of government, mercantilist policy functioned as a link between scientific reason and state action. The link was particularly strong in the politically centralising states, such as England, France, and Sweden, which over the 17th and 18th centuries strove to create a geographical arena in which to exercise a trade monopoly. By the end of the 17th century all European state governments had commissioned extensive cartographic surveys to enable broader political and administrative intervention (see Buissere 1987; Kain & Baigent 1992).

Like most intellectuals of his time, Faggot was closely associated with the state, but also with learned circles (Johannisson 1988). It is precisely the nexus of scientific reason, governmental goals, and technologies of statistical and cartographic survey that proved to be a fertile ground for the actions of the Swedish state. This is evident when we look at the first mapping project, a program for more efficient agricultural production covering, at least in principle, the whole territory of the kingdom of Sweden. The goal of *storskifte* (great partition) was to rationalise rural land ownership so that the number of individual land parcels was minimised in favour of large clusters. Common land was also divided and apportioned to individual farms. As a result, the peasantry was expected to remain in the country, grow in number, and cultivate the land more effectively (Pred 1986; Kain & Baigent 1992). These goals reflected the government's fear of losing population which, in the spirit of mercantilism, was seen to be directly related to a decrease in national productivity. Faggot was convinced of the land reform's utility to the kingdom's prosperity and accordingly, was one of its most zealous advocates in

the government, as well as in the Academy. In several presidential addresses he stressed the role of land survey as perhaps the state's most important tool for directing economic development (Widmalm 1990, 67).

Importantly, the land reform was really an occasion for cartographically aided physical planning on a state-wide scale, including the eastern provinces (Finland) where the reform began in 1757. Maps played a pivotal role in *storskifte*, either as tools for the assessment and redistribution of the available land, or as an official record of the procedure. The maps produced were archived for later use and reference, and thus an extensive land register was gradually compiled. In this sense the reform, and its 19th century counterparts *ensskifte* (1803) and *laga skifte* (1827), directly contributed to the construction of 'visible society', as well as to institutionalisation of the production of territorial knowledge. The magnitude of the reform required new resources so that the number of surveyors and officials employed by the Land Survey Institution grew from 40 in 1719 to 351 in 1776 (Widmalm 1990, 68). These figures illustrate well how intimately the production of knowledge of society, the growth of the state apparatus and the territorialisation of government were interrelated (see also Revel 1991; Painter 1995).

The project was well received by the government and also by most of the peasantry (Olai 1987, 121). It seems that the spirit of utilitarianism and faith in scientific reason extended well beyond the spheres of the Royal Academy. However, without Faggot's insistence and the scientific authority of the Academy, it is unlikely that the program would have been implemented, at least with any particular urgency. In bringing people and ideas together, the Academy had a great influence on the expansion of the new scientific mode of government. Like elsewhere in Europe, it assumed a vital role as a link across the governmental, academic, and commercial circles, but also as a source of expertise in issues ranging from agricultural techniques to the 'laws of society' (Frängsmyr 1989, 3-4).

The Royal Swedish Academy of Sciences played an even more crucial role in the gathering of population statistics and the establishment of a central statistical bureau in Stockholm (Johannisson, 1988). Yet the task of building a system for collecting statistical data was far too large for a scientific organisation, as indeed it was even for the state itself. A measure of the survey's unprecedented scale, both geographical and institutional, is that the only organisation with the capacity to carry out a territorially exhaustive census was the church. The Swedish Lutheran Church, virtually unrivalled by other churches and with a parish network covering the whole kingdom, proved to be the sole organisation readily at hand with any competence for centralised collection of population statistics (Liedman 1989). Hence, in November 1748 the church was recruited to collect census data for the state through its hier-

archic and well-educated organisation. According to the instructions given, the local clergy first assembled the data and delivered it to their rural dean. The dean aggregated the parish level data and forwarded it to the bishop, who again aggregated the data on the level of diocese. These data were then sent to the state district governor, who created a regional summary and forwarded it to Stockholm where national tables were finally composed (Luther 1993, 23).

To ensure that the information collected actually provided a full and systematic view of the country and its population, particular attention was paid to the form on which the data were to be collected. This was designed to be uniform, unambiguous, and easy to fill in. All the forms, a 25-year supply, were printed in one printing house in standard size and on standard paper (Hjelt 1900a, 39-46). In Latour's (1986) terms, this was a measure to ensure the 'optical consistency' of the knowledge produced. Whereas in cartography the latter was achieved by adhering to certain rules of projection and rigor of measurement, in the construction of statistics the uniformity and consistency had to be assured by standardising the data collection and by regulating the vast organisation with detailed instructions on how to carry out the process. The result was a sizeable machine which functioned relatively well despite some initial problems with missing and erroneous data (Liedman 1989).

The initiative for making society visible by means of statistics came from the Royal Academy, where John Graunt's experiments with statistical calculation and William Petty's political arithmetic were well known. However, the institutional basis for the project was provided by the government in the beginning of 1749 when the *Tabellwärket* (Table bureau) was established and given the task of making statistical surveys of the kingdom and its different parts (Hjelt 1900a; Kovero 1940). From the beginning the state's interest in statistics reflected a push toward an increasingly territorialised and informed government. The aim was to gather information "about the kingdom as a whole, but also about each province in particular, so as to learn whether their standard of living has risen or fallen between the Diets" (Hjelt 1900a; my translation). For this valuable information, however, it was not enough for the state to gather statistical data. The collected and aggregated data had to be analysed, too, and this is where the Academy again proved its usefulness.

By royal decree the task of analysing the first provincial statistics was assigned to the Royal Academy's prominent members Pehr Wargentin, Ulrik Rudenschöld, and Jacob Faggot. The first results, in the form of an official report, were submitted to the state government in 1755 (Kovero 1940). Given the unambiguously politico-administrative interests behind the project, the

enthusiasm for the new way of knowing the kingdom was anything but insignificant. The report gave a detailed description of the relations between the kingdom's population and economy, and paid particular attention to "how great are the differences between different parts of the kingdom, their natural conditions not being so dissimilar" (Hjelt 1900b, 7; my translation). The total population, the proportion of agricultural workers, military personnel, urban dwellers, paupers, as well as the rate of infant mortality were extensively discussed in the report, together with suggestions for policies to alleviate the problems identified. In all, the first statistical report considered that the usefulness of a statistical institution had been proven concretely. It would be an invaluable instrument for observing the economy synoptically, for discovering the strengths and weaknesses of the country, and for keeping abreast of the progress and decline in all industries (Hjelt 1900b, 11-14).

The case of population statistics shows well that as late as in the 18th century the state's territorial reach into civil society was nowhere near its present level. Lacking a locally functioning, yet territorially extensive, organisation which could be centrally directed, the state had to turn to the church for help. This case also shows how the governmental will to know the territory and society actually contributed to the territorialisation of the state government. The project not only produced territorially extensive population statistics, but also a whole new organisation with the task of preserving the data coming into the governmental archives. When a permanent statistical institution was established in 1756, it was the first of its kind in the world. It could provide the Swedish government with knowledge of society that was admired and perhaps envied by other European governments (Liedman 1989). This knowledge was also influential beyond the kingdom of Sweden. A measure of the latter is the fact that Thomas Malthus accounted for the limits to population growth in Sweden on the basis of this data in his famous *An Essay on the Principle of Population* (Luther 1993, 25-29). Arguably, statistical data in general had a profound effect on the conception of society emerging within the social science discourses of the 19th century.

In addition to the two projects mentioned above, there were many other ambitious projects through which the government sought to make society visible and controllable. A case in point is the economic survey – also the brainchild of the Royal Academy – and especially Jacob Faggot. Its goal was to provide a combination of cartographic, statistical and verbal description of parishes throughout the kingdom so that the most appropriate actions for their economic development could be determined (Kuusi 1933; Johannisson 1988). The fact that the eastern provinces (Finland) were particularly targeted by the surveying measures suggests, however, that strategic military ambitions figured strongly in the project, much as they did in the collection

of statistical data, which at first was regarded as strictly confidential (Luther 1993). This was not exceptional in 18th century Europe: most of the great powers of the time established military academies and promoted cartography in their curricula (Edney 1994, 17). Whatever the reason, the 'measured' parishes formed a lengthy strip in the eastern part of the kingdom, running roughly along the Russian border (Widmalm 1990). It is highly unlikely that this was accidental, as the eastern periphery had a history of being trampled on by the Russian military power. Indeed, this case provides a good example of the intimate relation between the production of knowledge of society and the territorialisation of state government, or to use Edney's (1994) terms, the 'cartographisation' of governmental thought and practice.

Conclusion

The mappings of the Kingdom of Sweden, including the Finnish territories, expose well the intertwined histories of social knowledge production, territoriality, and the modern state. In Europe during the 18th and 19th centuries it was generally realised that rational government requires empirical knowledge of society. Furthermore, a new analytic reasoning was also introduced in state government. Consequently, the state territory was gradually constructed as a scale for representing the social world and framing issues of political importance. This not only resulted in increasingly sophisticated art of government, but also contributed to the production of the state as a discursive formation. It is this formation that has eventually come to be taken as a given reality in numerous spheres of social life, including social research.

The construction of Finland by bureaucrats and scientists is also an illustrative case of the hidden geographical dimension in social thought, that is, the common assumption that the state territory adequately describes the spatiality of 'society'. This dominant geographical imagination has guided 20th century social research in both Finland and elsewhere. The role of states as significant centres of symbolic power in modern societies has had far-reaching consequences. One of these is that much of the social scientific knowledge has been, and still is, discursively related to the state (Wittrock 1989, 497-508; Wallerstein et al. 1996, 83). This relationship is based on a shared perspective from which the social world is viewed and portrayed. Among the 'statist' discursive limits are the conception of 'society' as a territorially confined unit defined by the national state, the conception of space as a static container of social relations, and the conception of maps and statistics as impartial mirror-images of reality. These implicit understandings

of knowledge and society are routinely reproduced not only by the vast mechanisms of 'reflexive monitoring' that provide information for the states' conduct and policymaking, but also by much of the social research conducted both inside and outside governmental institutions (Wagner 1991; Harley 1989; Agnew 1993).

The growing national consciousness in 19th century Europe began increasingly to define the limits of relevance to a given social fact or interpretation. More often than not these boundaries of intellectual reproduction coincided with those of the territorial state. Hence, a hidden territorial geography structured the production of social knowledge also in research that had no immediate utility value for governmental purposes. For instance, while the national territory was not nearly always the empirical starting point for the ideographic sciences of history and anthropology (ethnology), it very often figured as a natural end result of historical development, or the given point of reference in mappings of cultural traits (Wallerstein et al. 1996, 16, 21). The importance given to vernacular language and folk culture in the 19th century romantic nationalism increased both the implicit weight and explicit visibility of the state territory in the cultural discourses of the time. Historical and ethnographic materials were collected through extensive field trips which implied the recognition of the territorial extensions of the national society. On the other hand, representations of culture, nature and nation made the national territory explicitly visible. Thus, in most European countries an abundance of historical and ethnographic knowledge was produced which implicitly recognised and explicitly reflected the country's territorial extensions (Paasi 1996; Häkli 1999).

The fact that the state still functions as one of the most powerful organisations of knowledge production and dissemination may explain why state centrality still rules and alternative conceptualisations of society have found it difficult to gain a foothold in mainstream social sciences. In this regard there is a strong inertia built into the states' concrete governmental praxis, but also into the myriad instances of intellectual reproduction ranging from school education to national broadcasting (Dougherty et al. 1992; Paasi 1996). All these together represent a social force which seems to have been able to resist effectively pressures on the state-centred conception of 'society' coming from the processes of globalisation/localisation, and the concomitant revival of interest in spatiality and scale among various social science disciplines.

Questions

- Think about the territorial conception of ‘society’ in relation to state boundaries. In what ways does social research influence people’s thinking about the world? What about the practical influences of social sciences?
- What current social problems cannot be adequately addressed through a state-centred conception of society?
- What alternative conceptions of contemporary society can you think of? Do you think that the information society and networking will present spatial configurations that challenge the state-centred definition of society?

Suggestions for further reading

- Agnew, J. (1994). “The Territorial Trap: The Geographical Assumptions of International Relations Theory.” *Review of International Political Economy* 1, 53-80.
- Escolar, M. (1997). “Exploration, Cartography and the Modernization of State Power.” *International Social Science Journal* 151, 55-75.
- Ruggie, J. G. (1993). “Territoriality and Beyond: Problematizing Modernity in International Relations.” *International Organization* 47, 157-163.
- Taylor, P. J. (1996). “Embedded Statism and the Social Sciences: Opening up to New Spaces.” *Environment and Planning A* 28, 1917-1928.
- Wallerstein, I. et al. (1996). *Open the Social Sciences: Report of the Gulbenkian Commission on the Restructuring of the Social Sciences*. Stanford, CA: Stanford University Press.

Olga Brednikova

FROM SOVIET 'IRON CURTAIN' TO POST-SOVIET 'WINDOW TO EUROPE'

Discursive reproduction of the Finnish-Russian border

Introduction

The national State frontier divides space into two parts. The actual frontier, serving as a conditional line, also has two sides: the south-eastern boundary of Finland is at the same time the north-western boundary of Russia. This chapter presents an outlook 'from the other side' and an attempt to analyse the peculiarities of 'building' the Finnish-Russian border from the Russian side. For those living in St. Petersburg acquaintance with Finland begins far from the existing barrage line and check points. The unusual and unfamiliar names of well-known suburban settlements excite the imagination. Their foreign melody plunges into the Finnish past or offers to make projects in subjunctive mood: *I wonder what would be if...*

My first 'rendezvous' with the Finnish border took place during a ski tour over the Leningrad region (*Leningradskaya oblast*) in 1982. Tourism, as an idle way of spending time, requires substantiation; it is a search for reason and purpose. Joseph Brodsky wrote that any movement in space that is not dictated by physical necessity is a spatial form of self-assertion, referring equally to the construction of empires and to tourism (Brodsky 1992, 312). We 'self-asserted' as we were affected by ideological slogans. Our pioneer tour was in honour of the 65th anniversary of the October Revolution and its route passed along the so-called Mannerheim Line (i.e. a defensive line built against the Russians during the World War II). For me, as well as for many of my friends, the ideological components were not so important and interesting. In our history lessons we had not yet touched upon the theme of the 1939/40 Winter War. We only knew with certainty that we were marching

along the former border with Finland, which by that time 'had moved' somewhat north-west. However, as Braudel says, "the history tends toward 'fortification' of borders which as if turning into natural flexures of terrain, integrally belong to a landscape and are not easily subject to moving" (Braudel 1994,274). In Karelian Isthmus (*Karelsky Peresheek*) the border was not only marked by inherited Finnish names, but had also become grown into a landscape with hardly any noticeable trenches, scraps of prickly wire, rusty helmets, fired shells or other metal scraps. Meanwhile much of the territory of Russia, with her militarist past, has been covered with prickly wire, has overgrown with trenches and the bases of destroyed houses. But at that moment and in that situation we shared a common knowledge that those marks in the landscape were nothing but the line that in former times had separated and determined the territories of two states.

The shared 'common' knowledge (in our case – knowledge of the existence of the border) is constantly being reproduced and distributed through discourse. According to Michel Foucault, discourse represents "the practice that systematically forms the objects which they (i.e. discourses, note by O.B.) speak of" (Foucault 1996, 49). Discourse on border issues, as the determined way of thinking and the limited set of conceivable concepts and categories, reproduces an image of border (when the 'daily world' is regulated by the existence of the border) and thus reproduces the border as it is between the states.

This research is focused on a discursive situation that has developed around the Finnish-Russian border from the Soviet time to the present. As texts to be analysed, I used works of art (literature, feature films etc.) dealing with border issues, relevant newspaper publications, interviews with people who have experience dealing with the Finnish-Russian border, and St. Petersburg folklore (jokes, 'life stories' etc.).

A fairy-tale about the dark forest and the world beyond the grave (Soviet discourse on sacred boundaries)

Today it is rather difficult to reconstruct situation of 50-years standing. In spite of the fact that this refers to the most recent history and for the participants in the events – the Soviet people – yesterday seems too close to the present, all impressions and estimations are given from the point of view of our current perception, which is affected by substantial social transformations. With respect to the above I have tried to reconstruct the situation of border-construction by analysing works of art from the Soviet

time. In my opinion, this is quite reasonable, because as Medvedev puts it: “Russia is doomed to text, to the power of tokens. The orientation of the cultural tradition of the country towards the word transforms into fascination with word. ... Text is all. The USSR as a social, state, economic and cultural formation turns into a space of total textualness” (Medvedev 1995, 318). Analysis of texts gives an opportunity to delve into the Soviet epoch. Thematic analysis, logic and rhetoric of texts, analysis of the concepts and key categories used and the general conceptual frame of the texts partly give the possibility to reconstruct the situation of those years.

It is evident that so-called Soviet realism, as a genre, had little in common with the real life of the Soviet people. However, art texts not only reflect or deform Soviet reality, but also constitute it. Works of art certainly help the design of reality. This is especially true of texts about the Soviet border, as the majority of the Soviet people never in their lives met the border. “Foreign countries were seen in three ways: via a spy-glass, in the grave and on TV” (Veller 1997,104). All information about the state frontier was security-restricted. Only a limited number of lucky members of the Soviet elite managed to travel abroad. Even the local population of the borderland could hardly imagine what was happening outside the prohibited area – in the closed space all along the borders of the USSR. Thus, notions about the border were basically formed through works of art which represented a certain ‘reality’, thus becoming the reality in themselves. It is worth noting that during the Soviet era border issues were rather popular. As early as 10 years back one could hardly find anyone who would not have known the song “Katiusha” or would not have watched the TV series “The State Frontier”.

Soviet fiction devoted to the border, as a rule, exploits the genre of fairy tale, using folklore rhetoric and the methods of constructing fairy tale text. In these fairy tales improbable events happen, epic heroes who possess fabulous strength act etc. As any literature, fairy tales about borders do not simply transfer certain moral messages to the audience, but reflect the existing social relations.

For analysis of these texts I used the functional scheme of the personages of a fairy tale by V. Propp (Propp 1998a; 1998b). A plot, around which all narration about the border of the Soviet time is concentrated, is the following: the Land of Soviets/Communist Party (sender) cares for its people (receiver) and charges frontier guards (subject) to keep the Order (object), which is to safeguard the borders. The enemy (opponent, antagonist) tries to break the order/border, but frontier guards with the support of the conscientious Soviet people (assistant) defeat the enemy. Thus order is re-established.

In these fictions the sender is the Communist Party and the State, which, as a rule, are identical. The role of the Party and the State is emphasised only

in early works; in later ones it is less empirical and is used as background. The receiver – the Soviet people – is shown through the connection of the frontier guard to his home. When the frontier guard writes a letter to his girlfriend, to his mother or to his native factory (Laptev 1937, 21), it should be clear to the reader why and for whom he safeguards the borders.

The real heroes of the border are “the famous family of heroic Soviet frontier guards” (Granitza 1937, 2) who possess all the qualities attributed to epic heroes: strength, wisdom, cunning. Service on the border is not just work, it is heroism. “Every night the frontier grants the right to become famous” (Goryshin 1974,22). In the second half of 1970’s the slogan “the frontier gives rise to heroes” became the most popular title for feature stories (Granitza 1974) and collected poetry (Davydov 1978) or it was used as a slogan at youth conferences on border issues (Kalitina 1980). At the same time, it not only mythologises the profession of frontier guard (similar to that of cosmonaut), but also reduces his function to sentry. Heroic deeds are a necessity; there is no border without overcoming something or somebody. The border exists ‘in spite of’ rather than ‘owing to’ something/somebody. In the 1950’s and 1960’s several films were made about border guards. The names of heroes and even their frontier dogs became famous. Children stopped playing war and started playing frontier-guards. The whole conscious population of the borderland became assistants to the frontier guards.

“This custom – to demand unfamiliar people show their documents – has come in blood and flesh of the collective farmers living in the border area, since everyone considers himself as border sentry.” (Sadovsky 1937,31).

An infringer of the border, as a rule, is faceless and anonymous. At the same time he is the representative not of a national state, but of another political system. Like it is said in “Granitza” “*plenty of cunning, guile and hatred does the fascist agent, Trotskyist, bandit and wrecker bring to us*” (Granitza 1937, 4). That is, the border infringer (both real and potential) possesses not national, but political characteristics. For example, from the beginning of 1920’s to the end of military actions the representatives of Finland were mentioned only as White Finns (*Byelofinns*); calling by nationality is ‘burdened’ or ‘deciphered’ through the political prefix ‘*byelo-*’ (white-). Thus the enemy encroaches not on the USSR as the state, but on the political system. This might also be the reason for lack of works of art covering the inner borders of the Socialist Coalition, since to form the plot of the composition, no conflict is necessary.

Borders separating ‘our’ political system are sacred. One of most widespread ideologies of the border of the Soviet time was the ‘sacred boundaries

of the Motherland' (Gusseinov 1999,74). According to Propp, the forest in fairy tales plays the role of a detaining barrier; it catches and keeps newcomers, it is a road to another world. To cross it, one must undergo tests. (Propp 1998a, 146-202.) The fairy-tale narration about the border gives rise to analogies: border as a barrier zone is also like a magic forest which catches newcomers and does not allow them to pass. Moreover, in art texts about the border it is usually 'materialised' by a natural barrier – wood, river, mountains – because there is always a temptation to connect, to superimpose the state borders on the natural ones. It is not only the strengthening effect of the 'naturalness' of borders, the river and the forest are the real barriers that assist our frontier guards. Thus, nature becomes an acting personage.

The State frontier of the USSR is constituted by the secret surrounding it. 'Secret' and 'mystery' become the important categories in the border discourse. In the story "Palace School of Young Frontier Guards" the main advantage of the pioneers, children of the frontier guards, is that "they are not talkative, none of them will give away too much" (Ratgauz 1938, 59). The slogan "a talker is a treasure for the spy" decorated Soviet cities for a long time. Nobody knows the essence of this secret, what it defends or from whom. But everybody understands that all information connected with the border is sacred, like the border itself. The secret about the border is the border itself. In fact, in many respects information concerning borders has remained closed up to the present time. For example, a normal practice of the visa services is not to explain the reason for refusal to draw up an entrance visa.

Another important category constituting the border is 'silence'. A quantitative linguistic analysis of fictional texts dealing with the border would possibly select the word 'silence' as one of the most frequently used. The silence can be kind, when everything is peace and quiet at the border. But it can be ominous, ill-boding. No silence – no border. If the silence is broken, this means that someone infringed on the border, and a 'trace' has appeared on 'our' territory. It can be a cigarette, a button or a ski track that is not 'ours'. The most important marker of an enemy's trace is words in some other language, i.e. in a hostile one. There is a song about Aleshka, a young pioneer, who picked up a small button with unknown letters off the ground. He brought this button to the frontier post. Owing to this button, frontier guards caught the enemy who had infringed the border.

What does the border separate from? "If to look there – as if no border exists... But this identity is only external. The forest there, behind the line of frontier posts differs considerably from our wood" (Shapovalov 1937, 10). The narration about 'abroad', 'the other world' coincides with the description of a fantastic 'world beyond the grave'. Nobody knows about it, actually nobody has seen it, but everyone has some knowledge of it. According to

Propp (1998a), in fairy tales the 'other world' is in most cases described as a place of abundance. Naturally, as in fairy tales, abundance in 'the other world' is inexhaustible. However, this abundance that comes from abroad is dangerous. Subjects from abroad are always fraught with danger. In the story "Khokhlov's Death" the foreign cigarettes presented by a wrecker to a collective farmer turn out to be poisoned (see Bychevsky 1937, 18). One can find the same theme in nursery folklore. I remember the delightful horror I felt listening to children's Phasmatidae in which it was forbidden to taste foreign chewing gums, as they were poisoned. At the same time bright wrappers and unknown letters (subjects from 'the other world') seemed to be extremely attractive. The adults popularised a more reasonable variant of interdiction: chewing gums are harmful, as they entail the secretion of gastric juice with lack of food – as a result, a man falls ill of gastritis. Thus a foreign subject implies a latent threat, in this case, a detriment to health.

The world abroad is unreal, 'artificial', therefore it does not exist. The contraposition of 'our territory'/foreign countries' is similar to Lotman's dichotomy Home/Antihome. Abroad (Antihome) is "a strange, devilish space, a place of temporary death" (Lotman 1997, 748). The Frontier of the USSR was a boundary of the world. The world on the other side of the frontier barrier begins when the familiar, domesticated – and hence comprehensible and predictable – space comes to an end.

One can speak of 'the island mentality' of a Soviet citizen; there is nothing else outside the USSR. The citation from *12 Chairs* by Ilf and Petrov – the most popular book among an overwhelming majority of the Soviet people – is very indicative: "foreign land is a myth about the life beyond the grave. The last world, as a matter of fact, is Shepetovka (a provincial Ukrainian city, note by O.B.) with the Atlantic Ocean's breakers" (Ilf & Petrov 1928).

In works of art from the Soviet period, borders act only as a barrier zone. In that zone gates to the foreign world just do not exist. In 1988 a jubilee photo album "The Borders of the Land of the Soviets" was issued (see Goland 1988). The structural logic of this edition is interesting. Many landscapes of our unbounded Motherland are placed on the first pages – apparently so that everybody could understand that the purpose of the borders is to guard and to defend. The landscapes form the images of our 'own' territory. The next big section of the album is devoted to frontier guards, to their everyday life and festive occasions. At the same time, the border as a crossing point to another country is not represented in any pictures. The album forms and reproduces the image of border as fortress, but in no way does it connect the border with meeting, collaboration, etc.

Thus, the boundary discourse of art texts from the Soviet period reproduces representations of the frontier of the USSR as the boundary of the

world. 'Sacred boundary of Motherland' is not a fence that implies the existence of 'bad' or 'good' neighbours. The border presents itself as a precipice or internecine strip, as it does not separate national states, but different worlds. The border is thus a dangerous place through which the enemies penetrate. Nearby states are not neighbours, they are potential enemies. For example, in these works of art Finland is encountered only in the emergence of a threat presented as the beginning of military actions. Illegal crossing subjects the border (and consequently the existing order) to danger, tests its strength and integrity. However, this infringement proves to be a strengthening of the border itself, affirmation of its stability and naturalness.

Inexhaustible theme exiting with seditious gloating delight (see Veller 1997, 104): Boundary discourse of the Glasnost period

The changes in boundary discourse occur in connection with substantial social transformations that have taken place as a result of Perestroika. Discursive strategies of the period of Glasnost shaped into disclosure – “the king is naked indeed!”. Desacralisation of borders originated from the revelation that our frontiers are far from being 'locked' and can easily be crossed. The famous flight of the young German, Rust across the Finnish-Russian border and his successful landing in the 'heart' of the country – Red Square in Moscow – is an obvious case of this. Recognition of the openness, or more precisely, of the vulnerability of our borders, is also stated in artistic images of the border. At the same time the heroic image of the frontier guard becomes uncrowned; it loses magic strength and accepts quite human, very 'terrestrial' characteristics: “the solder got fed up with staring at the radiolocator's screen for two years, took a fairly good portion of drinks and smoked in dreams of demobbing” (Veller 1997, 104). The heroic image of the frontier guard becomes transformed into the image of a bureaucrat or a representative of the state playing a role a part of the apparatus of coercion.

In the literature and in feature films concerning border issues the intrigue of a plot moves from the conflict 'infringer of the border'/border guard' to the opposition individual/state. The story “Suitcase” by Dovlatov begins with the following words: “*In OVIR* (i.e. Visa and Registration Department, note by O.B.) *this bitch says to me...*” (Dovlatov 1993, 245). The hero of the comedy “Passport” (produced by G. Danelia in 1987) has occasionally crossed the border on another's passport. He fails to come back the same way, therefore he returns home, illegally crossing the borders of different states. His

journey to home dragged out for several years, as the hero had to serve a sentence in each country where he had crossed the border illegally. The irony of the film is concentrated around the bureaucracy of borders as state institutions. The borders, however, are practically non-international, as the authors of the comedy represent the institutions of coercion as being the same, regardless of the 'nationality' of the borders.

Thus, in post-Soviet discourse the border 'occurs' as a result of problems connected with its crossing. Similar to order, which is discovered in the course of its disrupting, the border is displayed in the attempt to cross it.

Fence of border (post-Perestroika discourse)

Assimilating borders' 'openness' to metaphors, one can assert that nowadays the border is a fence rather than a precipice. It does not separate, it divides. As a result of the 'decurtaining' of the Iron Curtain, the space across the border is actively explored. Crossing the border becomes desirable. Although the metaphor of Iron Curtain changes into that of 'golden' (i.e. economic) curtain, for more and more people travelling abroad becomes habitual and ceases to be a marker of special social status. This is shown, for instance, in that nowadays in Russia one can see a tendency towards changing practices of photographing and arranging family albums. The latter are filled in by themes according to trips abroad. Moreover, recently I started noticing that my acquaintances (not colleagues) answer the question "How are you getting on" as follows: "we've been there and there". That is, foreign trips even structure biography.

A bright illustration of recent changes in boundary discourse is the story by M. Veller "The Legend of a Stray Patriot" ("*Legenda o zabludshem patriote*") and the film "Peculiarities of Nationality Fishing" ("*Osobennosti natsional'noj rybalki*") produced by Rogozhkin in 1998. Veller's (1997) story is based on a legend disseminated throughout Leningrad in the middle of the 1970's as 'real events'. The plot of both the story and the film is the same: occasional, unintentional crossing the border with Finland. In Veller's story the engineer Markytchev, collecting mushrooms along the Karelian Isthmus, lost his way and accidentally got into Finnish territory. A month later, having experienced great difficulties and having overcome hunger and the temptations of 'western well-being', he got to the Soviet Embassy and reported: "Because of a monstrous absurdity I have infringed the border. Ready to bear any punishment according to the law. Asking for help in coming back to the Motherland!" (Veller 1997, 110). After careful examination by the KGB, Markytchev was transported home. Afterwards, however, having found himself 'fallen

out' of daily life as a result of his absence, Markytchev 'slipped away once and for all across this very border' (Veller 1997, 124).

The heroes of the comedy "*Osobennosti natsional'noj rybalki*" have also lost their way. Unlike engineer Markytchev – the infringer of the Soviet period – they could not understand for a long time that they had infringed the border and had entered Finland. Later, when escaping from the Finnish border guards, the 'fishermen' forgot 'sancta sanctorum' and the sense of fishing – the whole stock of vodka – which was left in foreign territory. To rescue the vodka, the heroes of the comedy decided to infringe upon the border once again. According to the rules of the genre, everything ends well; Finnish border guards failed to detain the 'fishermen', the vodka was rescued, the fishing turned out well.

The infringer in Veller's story, illegally crossing the frontiers of two states, has broken, first of all, his 'own border', the Soviet order. That is why he tries to establish the status quo, to return home, to familiar limits and patterns of behaviour. Actually the foreign world and its sentries (Finnish border guards) are not presented in the story. In "*Osobennosti natsional'noj rybalki*" crossing the border, despite its illegality, is represented as adventure, rather than as infringement. The romanticism of adventure touches upon "sanctum" – boundaries of the Motherland. One can speak of encountering legitimising discourse in the sense of constructing new regulating discursive strategies concerning infringers of the border. [See, for example, the study of Girtler (1992) on the perception of smugglers as heroes.]

In the film, as a result of the 'expansion of horizons' and the recognition of the 'other', Finland appears. That is, the intrigue of the plot is based not just on recognition and contraposition of the neighbour states. The latter acquire 'nationality display', that is, are characterised not in categories of political systems, but in national ones. For example, in the film national stereotypes are actively exploited. Due to such stereotypes, the borders can be substantiated: the Finns also drink much, but all the same we drink more.

The discursive situation also changes with respect to safeguarding the borders and its priorities. In "*Legenda o zabludshem patriote*" the infringement of the border is an unfortunate failure of the Soviet frontier guards; at the same time, it is as if the border-fence is absent on the Finnish side. Similarly, in "*Osobennosti...*" there is no border on the Russian side. Moreover, Russian military men, whose task it is to defend their own borders, but not to infringe upon another's, participate in rescuing 'national property'.

In daily discourse I have repeatedly heard a similar version – about 'our openness' and 'their closeness'. For instance, a farmer who lives at the border with Finland told me with pride that his cranberry land was located in Finland and that he regularly infringed on the border, visiting his Finnish friend.

The main problem of crossing the border is Finnish border guards; he claims: “ours had removed any cordons long ago, it is the Finnish who still try to detain” (male, 54 years old).

In contemporary folklore dealing with border issues new personages have appeared. Nowadays the customs officer has become the hero of jokes about the border. His duties are exclusively to pump out money at the check points. For example, of 17 jokes on border issues located at the St. Petersburg jokes web-site (<http://anekdot.spb.ru>) one joke is devoted to border guards, and the other 16 to customs officers. Here is one of them: “Announcement: a professional customs officer will rent out one linear meter of the border”. Both personal control and the ‘examination of things’ – an announcement seen, for instance, at the customs house at the Russian-Estonian border in Ivangorod – are natural components of crossing the border ritual. I remember those feelings of bewilderment and incompleteness when I crossed the border through the ‘green corridor’ for the first time, avoiding customs examination. Does the shift of ‘personages’ (customs officers instead of frontier guards), as well as the displacement of accents in controlling procedures, mean a change in the social sense of the border?

Actually, the border theme is hardly represented in modern works of art. New genres have now become popular; the Soviet heroic epic has been replaced by another, also heroic, genre: ‘*boevik*’ (i.e. guerrilla, warrior). One can assume that the plots will be concentrated around, for instance, the conflict between the mafia (which is known to be boundless) engaged in smuggling and international agreements between customs services.

Closed ‘gates to Europe’: Current media discourse

Despite the importance and significance of art semantics, the mass media take most part of the broadcast hours. The construction and reproduction of the state borders are exploited more actively and openly through the mass media than in the space of art texts.

The repertoire of the themes of today’s newspaper publications dealing somehow with the Finnish-Russian border is the following¹: official information on functioning of the border as a state institution, disputable territories, ‘ours there’ and ‘they at ours’, publicist and ethnographic essays about Finland. In the press the state border is represented and reproduced, first of all, through nationality discourse: national symbols are being restored, stereotypes are ‘taking root’, national history is being rewritten, etc.

Mutual relations between the Finnish and the Russian frontier services are assessed and quoted by politicians and scientists mainly as a classical exam-

ple of co-operation between the European Union and Russia. So far, however, representation of the Finnish-Russian border as a united subject does not exist. The quotations from newspaper publications, like “an effective barrier from both sides”(see Granitzky vsjo-taki nuzhny 1999), “frontier departments will strengthen...”, “frontier guards of the two countries observe the growth of...”, as well as joint statistics (see Morskaja granitzza pod osobym kontrolja 1999), reflect only the uniting efforts of the above organisations, but do not form representations of the border as a single whole. According to newspaper sources, organisation of the border as a state structure is ‘burdened’ by national differences: “The Russian customs officer, while examining the luggage, laughed at the boot loaded with soup packets (i.e. filled with drugs, note by O.B.). The Finns eyed attentively from head to foot, but did not even glanced into the car” (see Vasil’ev 1999). Thus the national stereotypes (in this case Russian stupidity and Finnish naivety) are also ascribed to the state structures. Any situation concerning the border is interpreted by the participants of social interaction in national categories. For example, as one can learn from conversations in queues to the Consulate of Finland, the long time required for visa registration is explained only as the calmness of our ‘hot Finnish buddies’, while at the Estonian Consulate the same wait is referred to as the fact that Estonians do not like Russians; that is why they do not want to let them in. The procrastination of the German Consulate is interpreted as ‘German adherence to order’.

Contrapositions are articulated more clearly, the border separating the two countries is being established in newspaper publications devoted to Finland: “we are not Finland, they have everything *vice versa*” (Anilin 1999) or “Finland is the nearest piece of Europe, the main supplier of tourists, second-hand rags and stolen equipment. We retaliate. Today...in almost every Helsinki night club one can find a Russian narcodealer” (Vasil’ev 1999).

On the other hand, the basic category determining the mutual relations between Russia and Finland in newspaper publications is ‘good neighbourliness’: “We have been friends with Finland for a long time”. Olga Milovidova, the deputy director of a school, says: “we are supported by the Department of Secondary Education in Finland, the Centre of Secondary Education at Turku. We are neighbours!” (Donskov 2000). The problem of so-called ‘disputable territories’ is solved through the same category (see e.g. Chernjakov 1998; Smirnov 1999). For instance, the author of the article “Seeds of Discord”, Vladimir Jantchenkov believes that that “Finnish revanchists openly provoke good neighbouring relations” and appeals “Let’s stay good neighbours!”, which implies cancellation of discussions of this problem (Janchenkov 1999).

One of the main producers of interstate 'distinctions' is the tourist. Like Zygmunt Bauman says: "The tourist searches for adventures consciously and systematically, ... he wants to get plunged into unfamiliar, exotic atmosphere" (Bauman 1995, 146-147). Tourist searches for anything that differs from home and finds this for sure. The whole industry of 'ethnic specificity' works for her/him. The contraposition in this case is presented and is perceived as the good, as a holiday. Apropos, according to my interviews, for tourists the border begins with duty-free shops, rather than with control and 'abroad' becomes a synonym for holiday. An active latent and obvious tourist advertisement overflowing our mass media concentratedly reproduces the 'distinctions' between the two states. In the advertising article "A city where the unemployed buy flowers", Finland is described as a country of a thousand lakes and Valio dairy products (Anilin 1999). The land flowing with milk and honey is one of the permanent attributes of a fairy tale. In connection with the fact that Finland is the 'closest bit of Europe' for St. Petersburg and an attractive object for tourism, the border between Finland and Russia is being actively accentuated by tourist advertising.

A holiday, however, cannot last forever; the borders remain borders. In the mass media, as well as in art texts, the closeness of 'that side' is declared, in contrast to our 'openness'. A considerable number of newspaper articles are devoted to the problems of Russian immigrants to Finland. The information that Finland is going to cut off the number of entrances sounds like an insult (see, e.g. Smirnov 1998; Hiltunen 1998). Thus, the border in the discourse of the mass media is represented as 'closed gates to Europe'.

Concluding remarks

Despite the large-scale discourse on globalisation, we can say like Anssi Paasi: "whether we like it or not, the state remains the basic 'sovereign' context, in which the people will organise their everyday life in the future as well" (Paasi 1999b, 18). Borders as the form of existence of the states will also remain. Now the sense of the border – one of basic categories that structures the social world – is not called into question. Like one of my interviewees said: "for sure borders are necessary. How could one manage without them?! There will be no order, all will be confused" (female, 63 years old). And for everyone crossing the border, it is a legitimate barrier regardless of the reason for crossing. The border is legitimate, since it is perceived as a line that fixes distinctions, these distinctions being made by boundary discourse.

In this chapter I have attempted to analyse the changes encountered in boundary discourse. Instead of a full stop at the end I would like to put dots,

adducing the words of one of the informants: “The border is changing indeed! About three years ago the problems really occurred, but nowadays all the Finnish border started speaking Russian” (male, 34 years old).

Questions

- How important was the narrative construction of boundaries in the fictional stories of Soviet times?
- What was the border like that was constructed through these stories?
- How did the times of Glasnost and Perestroika change the boundary discourses?
- Is the contemporary Finnish-Russian border considered by the Russians to be open or closed? Why?

Suggestions for further reading

- Berdahl, D., Bunzl, M. & Lampland, M. (2000, eds.). *Altering States: Ethnography of Transition in Eastern Europe and the Former Soviet Union*. Michigan: Ann Arbor.
- Brednikova, O. & Voronkov, V. (1999, eds.). *Nomadic Border*. St.Petersburg: CISR.
- Medvedev, S. (1998). *Russia as the Subconsciousness of Finland*. UPI Working papers, no. 7. Helsinki: Finnish Institute of International Affairs.
- Neumann, I.B. (1996). *Russia and the Idea of Europe: A Study in Identity and International Relations*. London: Routledge.

Note

- ¹ For the analysis I used the press-cuttings collection of the archive at the Center for Independent Social Research, namely the publications of the most part of central and local newspapers covering border issues for the last three years. I did not examine the publications concerning interstate official relations.

Dimitri Bazegski & Antti Laine

TRADE AND POPULATION DEVELOPMENT ACROSS THE FINNISH-RUSSIAN BORDER

Introduction: The semi-openness of the border

Historically, the shaping of the border between Eastern and Western cultural realms in and near Finland is very young. The border between Sweden and Russia moved eastward, and the easternmost line was drawn in 1617. Two hundred years later (in 1809), all of Finland fell to Russia, and during the next century Finland developed into a nation (see Figure 1 on the following page). Between Finland and Russia there was boundary which did not, however, prevent lively economic contacts. Even after the formation of the Soviet Union, economic contacts remained, except during the period of the World War II. Timber has been floated or transported over the borderline as long as it has been valuable for trade. However, the possibility for an individual to travel over the boundary was almost totally blocked for a long time and the boundary is still not totally open.

Historical formation of the border

The beginning of contacts between Finnish, Russian and Karelian tribes lies deep in ancient times. The Finno-Ugric tribes populated the south-western and central parts of contemporary Finland (*Suomi*) and – together with the Kvens and Karelians – the north-western area near Lake Ladoga and the Karelian Isthmus at least since ‘The great migration of peoples’. The ethnogeography of the area was later supplemented by a Slavonic population which moved through the lake and river system from the East European plains in the south. Archaeological findings show evidence of the existence of trade between different tribes at that time.

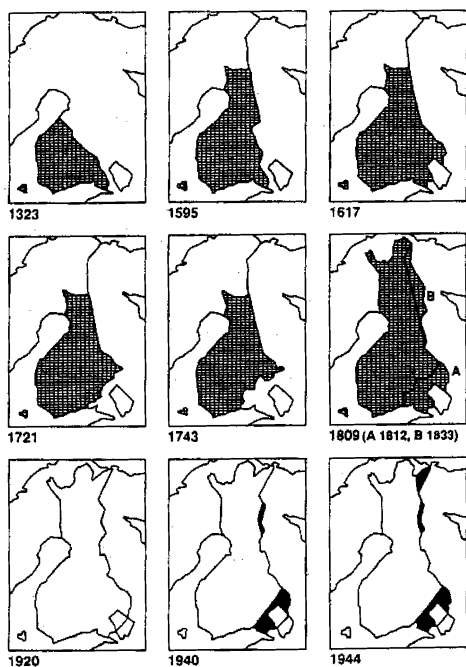


Figure 1. Boundaries and areal shape of Finland since 1323 (source Paasi 1996, 88).

In the Middle Ages, the territory of the Karelian Isthmus and areas surrounding Lake Ladoga became the site of a military-political conflict between the Kingdom of Sweden and the Republic of Novgorod (then the Kingdom of Moscow). The south-western part of Finland and the southern regions of modern Karelia were sites of considerable military action. This long struggle is reflected in the Russian and Swedish heraldic symbols of Vyborg, Sortavala, Kexholm (Priozersk) and Olonetz, which depict fortress walls, spears, swords and shields.

The agreement of Notenburg (Orekhovetz), or Pähkinäsaari Peace Treaty in 1323 concerning the frontiers not only officially sealed the geographical spheres of influence between Novgorod and Sweden, but also established the demarcation of the Church. While the Russians and Karelians were Greek Orthodox, the Karelians and Finns, who were under the dominion of the Swedish Crown, were Catholics and later Lutherans.

The struggle for authority on the eastern coast of the Baltic Sea continued during the 15th and 16th centuries. After numerous armed conflicts between the Swedes and Russians, in 1595 a peace treaty was signed in the village of Täjssinä (Tjavzino), according to which the territory of Ostrobothnia came under the rule of the Swedish Crown. However, commercial and cultural relations between Karelians and Finns were so close that the border did



Figure 2. The map of Karelia.

not really exist in the northern and middle regions of modern Karelia before the 18th century, although the population of this wide territory was under the jurisdiction of different states.

The peace between Sweden and Russia did not last long. The Swedes took advantage of their neighbour's weakness, which had been caused by a period of disturbance ('*Smuta*'), to occupy the Land of Iora and the whole district of Karelia. These new Swedish gains were officially sealed in 1617 by the Agreement of Stolbov. As lands populated by Karelian Orthodox believers now came under the authority of the protestant King of Sweden, about 50 000 people, caught in the religious impact, had to leave their native lands and move to Russia.

After the end of the war, contacts on the border became brisk. During the second half of the 17th century, the city of Kajana (Kajaani), owing to its profitable location, became one of the centres of frontier trade. The Northern War in 1700-1721 put an end to the might of Sweden in the Baltic region. According to the terms of the Peace Treaty of Uusikaupunki, the Russian Empire regained its previously lost access to the sea and consolidated its position in Ingria and on the Karelian Isthmus. Proximity to the theatre of military operations favoured the economic development of the Russian part of Karelia, the

iron-manufacturing industry, in particular. The future capital of Karelia – the city of Petrozavodsk – was founded by Emperor Peter I in 1703, beginning as a factory for manufacturing cannons needed in the war against Sweden.

After the Northern War, Sweden and Russia fought each other twice during the 18th century. As a result of the war in 1741-1743 the Russian Monarchy obtained the south-western part of Finland. In the 18th century the economic interdependency of the border areas of Finland and the Russian part of Karelia was strong. An example of this is the way in which local authorities concluded a secret armistice during the Russian-Swedish wars.

The alliance between the Emperors Alexander I and Napoleon in Tilsit in 1807 committed Russia to obtain the participation of Sweden in the continental blockade of England. Diplomatic attempts proved unsuccessful, and in 1808 the last Russian-Swedish war began. As a result of this war, Finland finally became an autonomous part of the Russian empire, as was declared in the Peace Treaty of Hamina (Friedrichshamn) and during the first session of the Finnish Parliament in Porvoo in 1809.

Preservation of the prohibition on rural trade that had been in force since the Swedish times favoured the development of 'laukkukauppa' (peddlar trade) – a special kind of street-hawking carried out by the Karelians. In the middle of the 19th century several thousand people were occupied in this kind of trade, which gave considerable turnover of goods and money. During the Crimean war in 1853-1855, for example, Karelians used the favourable market situation and imported to the principedom almost the half of all articles registered in the official statistics as imports from Russia to Finland. The importance of street-hawking as a peculiar 'cultural bridge' between Finland and Karelia can scarcely be exaggerated.

Migratory relations between the two regions developed not only from east to west. Until the beginning of the 20th century, many Finnish-speaking communities had existed in Petrozavodsk and Olonetz, concentrated near Lutheran parishes. There are known cases of Finns taking up seasonal work in the district of Olonetz and of Finnish coast-dwellers fishing in the White Sea. During lean years, hundreds of Finnish peasants travelled through the border areas in the provinces of Arkhangelsk and Olonetz looking for food and work.

The forms of economic connections changed gradually with the penetration of capitalism into the area. First and foremost was the felling of timber by Karelian and Finnish peasants for firms in Russia, Norway, Holland and Great Britain as the timber industry of Finland made sure it did not miss out on the rich raw materials of Karelia.

Following the trails of Elias Lönnrot, many Finnish enlighteners made their way to Karelia searching for the cultural roots of Finnishness and ele-

ments of 'Kalevala'(epic), Finnish national epic based on folk poetry. This phenomenon, known as 'Karelianism', became the basis for formation of the ideology of Finnish independence.

In sum, the period from 1809 to 1917 can be considered the epoch when both cultural and economic relations between Karelia and Finland flourished. The autonomy of Finland in matters of customs, financial and migratory legislation favoured cross-border contacts. The peak development of border contacts occurred right before the World War I.

Finland breaks away from Russia: Flows of refugees and the end of trade

The contacts between Finland and Russia were important for communities on the border: trade across the border was continuous and this area was part of the economic region of the capital, St. Petersburg. Eastern Finland exported dairy products and imported grain from St. Petersburg and Olonetz. The growth of the capital also generated considerable immigration – to such an extent that before the revolution St. Petersburg was a centre of Finnish-speakers second only to Helsinki.

The Russian revolutions of 1917 provided Finland with an opportunity to abandon its current ruler. In 1918, soon after independence, however, the new nation faced civil war. As the times were uneasy on both sides of the border, from the beginning of 1918 all cross-border trade from Finland to St. Petersburg and Olonetz was curtailed. Rural areas on the Karelian Isthmus and in Border Karelia faced a severe crisis because of the end of this trade.

While the proportion of Finnish export trade with Russia had amounted to 28 % before the World War I, in 1919 it was only 0.2 %. Since cheap imports from Russia were no longer available, the agriculture of eastern Finland had to start to develop strategies towards the policy of self-sustainment. An important decision from the perspective of providing Border Karelia with life supplies was made in 1919 when it was agreed that a railroad should be built to Suojärvi. The new track made it possible to transport food and other goods to the most remote Suojärvi villages.

Before the peace treaty, the old cross-border trade between the inhabitants on both sides of the border continued, for example, in Border Karelia. This trade was both legal and illegal, the latter consisting mainly of food. In 1922, Finland and Soviet Russia came to an agreement that logs purchased by Finnish forest companies before the revolution could be floated to Finland. Large quantities of groceries for the lumberjacks and utensils needed by the Karelians also crossed the border. The number of illegal crossings also increased with

the flow of refugees from Olonetz and the movement of Border Karelians to relatives in Olonetz Karelia. (Hämynen 1993, 196-200.)

The turmoil on both sides of the border generated a flow of refugees in two directions, both east and west. In 1918, the official number of Russian refugees was 15 457, which soon decreased when they continued their journey to the West. In 1920 the number of the Russian-speaking population in Finland was 4 800 and ten years later 8 200.

The flow of Eastern Karelians was greatest in early 1922, when the border communities in the province of Kainuu received more than 11 000 refugees within a short time. (Nevalainen 1996, 246-247; Laine 1991, 110-111). The number of refugees reached its peak, 33 500 during the final months of 1922. While Russian refugees often continued to a third country, refugees from Eastern Karelia and Ingria chose to live close to the border and often (3 000 Eastern Karelians and 5 000 Ingrians) returned to their homes, encouraged by promises of amnesty.

The end of the Finnish Civil War in the spring of 1918 also generated a considerable flow of refugees, this time towards the east. The number of Reds, the losing side in the war, who left Finland with their families was about 10 000. Their initial direction was mainly towards Leningrad, where they strengthened the city's Finnish community, which dated from pre-revolutionary times. Many of the refugees continued towards Russian Karelia, where Finnish communists came to form a central political group until the mid-1930s when Finnishness was swept underground for some years.

The Finnish nationalist movement, centred since the 19th century upon the national epic *Kalevala* carved out of Karelian folk poetry collected in regions beyond Finland's eastern borders, gave birth to and strengthened a desire to annex the lands occupied by the Karelian tribal brothers and thus to construct a Greater Finland. It was the intention of the nationalists to relocate the borderline farther east.

Amidst the World War I and the Finnish Civil War, when Finland considered itself to be at war with Soviet Russia – which was run by the Bolsheviks – Finns felt that Russian Karelia was a no-man's land they were entitled to. In March 1918, three Finnish troops crossed the Karelian border to fight, among others, the Reds who were guarding the Murmansk railroad. The annexation of this area was represented as the active wish of the local inhabitants to join Finland. In early August 1918, the people of Repola, a small community closest to the Finnish border, accepted annexation to Finland in their public meeting. Their decision to join Finland was mainly a result of their wish to gain economic safety and obtain the grain promised by the Finns. The latter, in turn, were interested mainly in the large forest areas in Repola (Laine 1998, 207-210).

The first Finnish excursions into the northern parts of Russian Karelia ended in late 1918 with no visible results. In the spring of 1919, an expedition to more southern regions (Olonetz) was planned and carried out by voluntary troops. It was the intention of the organisers of this expedition to convey the image of a locally planned revolt against the Russians. But this attempt by no more than 3 000 men was also fruitless. The only result of the operation was a parallel event: the municipality of Porajärvi decided to join Finland. In September 1919 the Finnish government sent its army to the area. Towards the end of the year, interest in tribalism was already fading, and only the municipalities of Repola and Porajärvi remained under the control of the Finns. (Laine 1998, 210.)

The Peace Treaty of Tartu and the question of Karelia: The border closes

The political relationship between Russia and Finland remained unsettled for several years. Finland had made its interest in Karelia very clear. On the other hand, the main interest of Soviet Russia was to secure the conditions along the Murmansk railroad, the importance of which as a transport route had increased since Finnish independence. Moscow had only one practical way of resolving the issue: to extract a concession from the Karelian people which would leave the area under Moscow's control. In order to stabilise its regime the Bolshevik government needed peace. Soviet Russia and Finland resolved to enter into peace negotiations in spring 1920. The main obstacle to an agreement was the question of Karelia. (Kangaspuro 1998, 120-121.)

Around the end of 1919, Edward Gylling, one of the leading Reds in Finland, sent a proposal to V. I. Lenin in Moscow suggesting autonomy for Karelia. The proposal was well received by Lenin, who was still planning global expansion. Gylling's pragmatic approach included a clear vision for the future. The idea was that, first of all, Red refugees needed a place to live. Second, they also needed a base near Finland where preparations for revolution could be carried out. Soviet Karelia was an excellent location in both respects. It also had a long, common border with Finland and hosted a Finnic population, the Karelians. (Kangaspuro 1998, 16-17.)

In summer 1920, at the same time when Lenin's government decided to embark on peace negotiations with Finland, they also made a political decision to found the Commune of Karelia. As a result of this decision it was the Finns, not the Karelians, who became the political elite of Karelia until 1935. The decision to found the Commune was made on 7 June 1920, and peace

negotiations between Finland and Soviet Russia started in Tartu a week later, on 12 June. After time-consuming negotiations, the final treaty was signed on 14 October 1920. (Kangaspuro 1998, 16.)

The announcement of the autonomy of Eastern Karelia was an appendix to the peace agreement. Later the Finnish side interpreted this as the result of negotiations which, according to the Finns, gave them the right to intervene in the issue. On the Russian side this was a mere announcement, not legally binding. Yet the fact that the issue was made public contributed to the achievement of a positive result in the case of the autonomy of Eastern Karelia. The crucial factor in founding the Commune of the Working People of Karelia was the fact that Soviet Russia had to secure an agreement with Finland before the peace negotiations. (Laine 1998, 211.)

As long as the people of Eastern Karelia demanded separation from Russia, were ready to revolt and received support from Finland, Karelia was – from Moscow's perspective – a threat to the economic development of St. Petersburg and Moscow. It also threatened the Murmansk railroad, which was crucial for the safety of Soviet Russia. Thus the founding of the commune was a temporary compromise in which many participants, including Finland, were involved. Gylling's proposal fit in well with Moscow's foreign policy.

The commune was only a short interlude, since the decree concerning the founding of the Autonomous Socialist Republic of Karelia was passed in July 1923. As the Republic was expanded well into the areas populated only by Russians, Karelians and Vepsians became minorities.

When the peace treaty came into effect, the Soviet Union expressed great interest in starting trade with Finland. One of the main reasons for this was that St. Petersburg lacked many goods which could easily have been transported from Finland. Finland, however, responded rather coolly to its neighbour's offers to negotiate. The background of this attitude was that the Soviet economy (and the whole system) was expected to collapse soon.

Borders always involve a safety zone, where movement is limited and not free for everyone. Political life in Russia during the 1920's and 1930's involved gradually tightening control and a marked, paranoid fear of spies. The new passport law of 1932 restricted not only life in cities but also that in western border regions. A border zone, 100 kilometres wide, was constructed and everyone who lived there was required to have a passport (Kangaspuro 1996, 247-248). Thus almost all of Soviet Karelia was a special zone in terms of the movement of people.

Karelian economic autonomy: The border opens slightly for trade and becomes a means of smuggling people

The co-operative form of the early international economic relationships of the Soviet Union was that of concessional agreements; this was particularly the case during the NEP period (*Novaja Ekonomitseskaja Politika*, New Economic Policy). As the Finnish government was rather sceptical about such agreements, it expressed no official interest in concession trade with the Soviet Union. What the economic autonomy granted to Karelia meant in practice was that 25 % of the currency gained through foreign trade was given to the Republic for its own use.

Two Finnish businessmen who were involved in forestry actively negotiated with the representatives of the Soviet Union and finally came to a co-operative agreement. According to the terms of this agreement, their company, Repola Wood Ltd, was to receive open access to the forests in the Repola area close to the Finnish border. The company therefore acquired the Penttilä Saw Mill on the Pielisjoki River in Joensuu. The co-operative agreement was genuine since the river was part of the same water area, that of the Lake Pielinen, and had been in use since the 1860's. (Autio 1997, 117.) The final agreement was signed in Moscow in January 1924. The agreement mentioned that all timber felled in the Repola forest district was to be processed in a sawmill to be founded in Finland. The concession agreement between Repola Wood Ltd and the Republic of Karelia named London as the location of the company's headquarters. The final products of the sawmill were transported to England and South Africa. (Autio 1997, 117-118.)

As decided by the Karelian Economic Council, the fellings started in 1922. It was the aim of the Karelian Forest Government to offer work to people living in the border communities. Yet the project faced enormous difficulties because of natural conditions. The agreement defined that it was the task of the Forest Government to take care of the timber felling in Repola and to float the logs to the border, where the Finnish partner was to receive them. The Finnish side committed itself to floating the logs from the border to the sawmill, sawing them and transporting them to a port to be exported. The Finns were also in charge of the sales and shipping expenses for the final products. Profit from the sales was to be divided equally between the two partners. (Autio 1997, 118-119.)

In 1931, the agreement was extended by three years and in early 1934 the conditions for two further felling periods were agreed on. After these two terms the concession ended and up to the World War II timber was acquired through normal trade. Finland bought much timber from the Soviet Union, since the

trees were large and thus suitable for sawing (ibid.). Indeed, unprocessed wood played a central role in Finland's trade with Russia.

While agreements concerning the movement of people across the border movement were also made, there were very few ordinary crossings involving a passport and official permission. Instead, the secret cross-border action of the Finnish Communist Party, directed from Leningrad and Petrozavodsk, was busy and probably formed the most important task of the Detecting Central Police in Finland.

Three different forms of Finnish movement into the Soviet Union can be distinguished. First, a number of co-operatives, founded in the West by the idealists inspired by communism, moved to Russia. About 300 people entered Karelia in the early 1920's with American Finnish co-operatives. The second wave also consisted of official action seeking to attract Finns from Canada and the United States.

The Finnish leader in Karelia, Edward Gylling, was a Fennoman, a Finnish nationalist, in spirit. His dream was a Red Greater Finland, something that can be seen in the aim of the Finnish leaders in Karelia, to strengthen the proportion of its 'national' population, Karelians and Finns.

Second, when the need for masses of professional foresters emerged in connection with the exploitation of Karelian forests, the Soviet leaders remembered the Finnish immigrants in Canada. Thus in 1930 Moscow decided to start to recruit Finnish Americans. The flow from North America into the Soviet Union continued until 1935. During the period 1926-1935, altogether 98 000 people moved into Karelia, including 10 000 Finns, 60-65 % of them Finnish Americans. The disappointments of the returnees soon turned the flow away from Karelia, and about 1 500 Finnish Americans managed to leave the country. In addition many tools and other goods, the immigrants provided the Karelian economy with about 600 000 dollars. (Laine 1998, 222-223.)

The depression of the 1930's, felt strongly in Finland as in other Western countries, compelled many workers to look eastward for new opportunity. Another factor that pushed Finns toward the USSR was the popularity of the right wing movement in Finland. On the Soviet side, the Finnish Communist Party produced colourful propaganda telling of the building of the Soviet state. This literature, both books and magazines, was smuggled into Finland. "*Punainen Karjala*" (Red Karelia) claimed that Karelia needed almost 100 000 workers, half of them to be recruited from elsewhere. The view presented was that it is difficult to get hold of workers. (Kostiainen 1988, 42-44.) At the same time, lumber industry on the Finnish side of Karelia cut their wages to a level where they no longer covered daily living expenses.

For the people crossing the border, the initial time in the Soviet Union was full of surprises. Upon entering the state they were to surrender to the Soviet authorities. Yet the first meeting with supposedly friendly and welcoming Soviets was an interrogation, where the authorities' attitude towards the immigrants was one of suspicion: it was feared that Finland was sending these people to the Soviet Union as spies. Virtually for all immigrants, the next step was a work camp, where the newcomers were to work hard to achieve the aims of the five-year plan. Most Finnish defectors were sent to camps in the Leningrad region (*Leningrad oblast*) and in Karelia (Kostiainen 1988, 110-117). According to recent studies, the number of defectors from these camps was 15 000 (Rislakki & Lahti-Argutina 1997, 17-18).

Because the harshness of everyday life was a shock for both Finnish Americans and defectors, many of them decided to seek a return to Finland – either legally or illegally. According to Auvo Kostiainen (1988), 2 200 defectors managed to return to Finland. The fate of the remaining Finns culminated in the cleansings of 1937-38, where thousands were killed or deported to Siberia.

The Soviet fear of spies and sabotage was related to several international incidents. As a result, the OGPU was instructed in 1927 to take action to protect the Soviet Union from the threats posed by foreign spies and saboteurs. In the summer of 1937, the politics of nationality in Karelia became the target of criticism, when the Leningrad District Council blamed Karelia for 'peripheral bourgeois nationalism'. The murder of the Leningrad party leader Kirov in 1934 sparked the final, dramatic change in Karelia and led to termination of its Finnish domination. Finally, in 1937 the Finnish language was replaced with a new Karelian literary language (Kangaspuro 1996, 259, 281, 291, 366).

Two wars and Karelia: Redrawn borders benefit the Soviet Union

The increasing tensions of world politics briefly united Germany and the Soviet Union. As a result of negotiations between the two countries, the Molotov-Ribbentrop Pact was signed (23 August 1939). In a secret appendix to the agreement, Finland was defined as a country belonging to the sphere of interest of the Soviet Union. The Soviets acted according to this view and required that its borders with the Baltic states and Finland be redrawn. As Finland held a different view, the negotiations came to an abrupt halt and the Red Army attacked Finland on 30 November 1939.

According to the Soviet Union, the Finnish government – headed by Risto Ryti – did not properly represent the Finnish people. To replace it, a list of the names of Finnish communists living in exile in the Soviet Union had been drafted already earlier in November. This list was published in the newspaper “*Pravda*” soon after the attack and labelled as the ‘new government of the Finnish people’. Its new leader was Otto Wille Kuusinen, who had been a leading official of the Komintern for years. The view of Moscow was that this government was the true representative of the working people of Finland.

Yet the Finnish willingness and ability to defend their own territory by fighting an invader that was in many ways superior showed that the Terijoki government was a false one. Since the Finnish attitude towards this government was one of incredulity, it was not able to break the will of the Finns to defend their territory. Finally the Terijoki government faded away and Moscow decided to start negotiations with the Ryti government. This process culminated in the signing of the peace treaty in Moscow on 12 March 1940. According to this peace treaty, Finland lost ca. 11 % of its total land area and the 420 000 inhabitants in the ceded regions had to be relocated in other parts of Finland. The border mainly followed the so-called Peter-the-Great line of 1721.

One sign of a wish to begin normal movement across the border was the fact that a customs office was founded in Vyborg as early as the summer of 1940. Many regulations involved in controlling border crossings were also drawn up. Before the next war, however, the movement of people and goods remained insignificant.

In the Moscow Peace Treaty was written the option that civilians trapped during the war in areas about to become Soviet land were allowed to choose whether they wanted to remain there or move to other parts of Finland. The largest group of people involved consisted of the 3 000 inhabitants in the Suojärvi village of Hirsylä, where the border curved into the Soviet Union; another group consisted of 200 Suomussalmi inhabitants. Yet only a few dozen chose to remain in their new homeland, and in June 1940 more than 2 800 people crossed the new border into Finland.

The Continuation War of 1941-44 meant a three-year period of Finnish occupation in Soviet Karelia. On 6 December 1941, Finland (re-)annexed the parts of Karelia it had lost in the Treaty of Moscow. A large part of the population that had been relocated in other parts of Finland returned to their homes to start a rapid process of reconstruction. One reason for allowing the return was the need to re-cultivate land. It has to be added that the Karelians were so anxious to resettle in their former homes that attempts to regulate the return were not successful.

The history of the area is told rather differently on the two sides of the border. While Finnish historians have represented the area as a returned and re-annexed region, Soviet historiography has defined Finnish Karelia, like the occupied parts of Soviet Karelia, as a part of the Soviet homeland that was only temporarily invaded by Fascist destroyers. When the Finnish side had to withdraw to the border specified in the Moscow treaty in 1944, the industrial and agricultural losses of this formerly Finnish area were included in the war indemnities that the losing side had to pay to the Soviet victors.

New state of peace and the new meaning of the border

When the Finns had withdrawn from Karelia, they had also taken with them industrial equipment that the Soviet Union now required them to return. Thus already during the months of September and October 1944, almost 200 boxcars crossed the border in Värtsilä, taking back to the factories of Sortavala and Värtsilä various machines and industrial equipment. Similarly, in other areas, for example, in Enso and Vyborg, relocated goods were returned.

In anticipation of Finnish attacks, the Soviet Union had evacuated almost all the inhabitants people from the former Finnish area; in the original Soviet Karelia occupied by Finland, 70 % of the region's inhabitants had either escaped or been evacuated. The people of Karelia were spread through out the Soviet Union, its various republics and regions (*oblast*). Thus the Karelian-Finnish Republic did not reach its pre-war population until 1954; for similar reasons, the re-population of the Karelian Isthmus, now part of the Lenin-grad region, was also difficult.

The Soviet Union took extreme care in repopulating the border regions. The border zone became extremely broad, and in the north, in the areas of Repola and Kalevala, some of the re-established kolkhozes were relocated farther from the border. The width (on land) of the zone was often 3 kilometres. All people seeking to live in the border zone were forced to undergo NKVD control to be provided with permission to move. On the Finnish side there were also some restrictions on living in the border zone.

The Treaty of 1944 differed from the 1940 Moscow Peace Treaty. The main difference was that now the Soviet Union wanted to possess the Petsamo mining areas in the north. As a result, Finland lost its access to the Arctic Sea, which created a difficult economic and political problem. The nickel mines belonged to the Soviet Union but the Jäniskoski power plant and the Niskakoski dam, essential for keeping the mining going, remained on the Finnish side (Pohjonen 2000, 343-345).

The initial solution was to secure the electricity required by the nickel industry through different rental arrangements. Various alternatives were suggested: should Finland sell electricity, should the Soviet Union rent the whole area and produce the electricity itself, or should the whole area be sold to the Eastern neighbour? In material terms, the issue was not problematic: the withdrawing Germans had destroyed the power plant and Finland lacked the resources to renovate the power plant, which had been planned especially for the needs of the Petsamo nickel industry.

A solution was reached by including the region in the previously negotiated payment contract concerning German war payments. The Jäniskoski-Niskakoski region came to form part of the reimbursement. The contract (3 February 1947) estimated this area of 176 km² to be worth 700 million Finnish marks. While the solution saved Finland much valuable Western currency, it was not entirely unproblematic in terms of principles – it is the only land sale in the history of independent Finland. (ibid.)

Immediately after the war the two neighbours tried to seek manageable arrangements for patrolling the border. The population living close to the border was also actively recruited to gather information about construction works near the border and border patrolling. Information on foreigners, especially British and American, travelling in Finland was also highly esteemed by agents. Virtually everything seemed to be of interest to those gathering information. This kind of small-scale spying was lively well into the mid-1950's. (Pohjonen 2000, 412-418.)

Practically all goods crossing the border during the late 1940's were part of war indemnity transports, which lasted until 1952. The last years of this 'trade' also witnessed the beginning of export trade into the Soviet Union, which created the basis for the constantly increasing bilateral trade. While an agreement concerning passenger traffic was signed in 1947, the first direct train from Helsinki to Leningrad did not begin to operate until early 1953. The following year the route was extended to Moscow.

The busiest form of passenger traffic from Finland to the Soviet Union was to grow out of transport related to different construction projects close to the border. Because of these projects, a number of border crossing points were opened. The first of these were in the north. The power plant sites in Rajakoski and later in Jäniskoski gave rise to an active Finnish working community, whose members often crossed the border.

A slightly different form of border co-operation was the renting of the Saimaa Canal in 1962. The whole canal was in disrepair and required total renovation: a new, markedly larger lock system was to be erected. During the years when construction was most active (in 1966 and 1967), the number of workers crossing the borders exceeded 300 000. When the construction work

was complete, a new border crossing intended for international trade was opened in Nuijamaa.

Similarly, the Enso paper mill, dating from the pre-war period, also required renovation and modernisation. The contract for the Svetogorsk project, as the place was now known, was signed in 1972. During the most active years of the project the number of border-crossers recorded in the specially created Pelkola crossing point exceeded 600 000.

Already before the war, a large deposit of iron ore had been found in the district of Uhtua in the northern part of the Republic of Karelia. To exploit this deposit and start a productive mine, workers were needed and roads had to be constructed. In late 1973, a skeleton agreement between Finland and the Soviet Union was signed, resulting in a mammoth project, which was to provide long-term relief to difficult unemployment situation for the northern Kainuu region. The project was set up to erect a new mining town, Kostamuksha, in the Karelian hinterland, far from all civilisation. From here the iron ore was to be transported on the railway track, specially laid for this purpose, to the Rautaruukki steel factory in the town of Raahe on the west coast of Finland. At the height of the project, in 1977, the number of crossings exceeded 450 000.

Border opens for private travellers from both sides: The era of New Russia

The opening up of the Soviet Union during the final years of the old regime also changed the way in which areas close to Finland opened up. Formerly, all border crossings were tightly controlled. The main restriction upon the Finns was that many of those who had left their homes (now on Soviet territory) during the war were not able to visit these former homes, even though many other parts of the Soviet Union were accessible to tourists. Now, as Karelia started to open up, journeys to these regions were boosted by the fact that the Niirala border crossing in Värtsilä was opened for passenger traffic.

The collapse of the Soviet Union also meant growth in tourism from Russia to Finland. The inhabitants of the Leningrad region, the city of St. Petersburg, and the Republic of Karelia began to visit and shop in Finnish border towns. As part of the same process, Finnish tourist sites have been sparked off by the arrival of Russian tourists.

The collapse of bilateral trade slowed down the transportation of goods, until the economic rise of Russia started to boost Finnish trade with the

neighbouring region. A new slump was, however, experienced in 1998 when, due to devaluation of the Russian rouble, the buying power of ordinary Russians diminished considerably.

One of the imports from Russia that has remained the same throughout the different periods of trade is unprocessed wood. Import of wood to Finland continued after the period of concession trade in the 1920's, though on a slightly smaller scale, up to 1939. While during the immediate post-war period the cross-border flow of goods was directed mainly to the East and consisted of exports of war indemnities, the return of normal trade in 1956 brought back the import of unprocessed wood on a continuous basis. Ever since, this has continued actively on a large scale and today's Finnish pulp industry actively seeks cheap raw materials from areas in more easterly parts of Russia.

During the last five years the Finnish-Russian border, which extends over 1000 km, has also been the easternmost border of the EU. As such, this situation has not caused any significant changes in everyday practices. The end of the previous century also witnessed a political upheaval on the other side of the boundary, when the Soviet Union collapsed. Since this transition, the Russian economy has been in serious crisis. One reason has been the long-lasting crisis caused by the fact that the ailing president refused to retire. Transport connections, which are a central element in developing co-operation, have never developed into well-functioning routes. Their development is quite a difficult task, especially in light of the current state of the Russian economy. We are living in a time, when co-operation across the border is still taking shape, but no large upheavals are seen on the horizon.

Questions

- What was Finnish-Soviet trade like?
- How did the administrative border change after the World War II? What about the cultural boundary – how did it change?
- How did people move across the boundary? How has the border been used to restrict the 'natural' flow of people, material and goods in Karelia?
- In what historical situations has the border zone formed an activating link between people?
- What was the importance of political negotiations in opening possibilities for trade between Finland and Russia (the Soviet Union)?

Suggestions for further reading

- Kangaspuro, M. (1998). "Nationalities Policy and Power in Soviet Karelia in the 1920's and 1930's". In Saarela T. & Rentola K. (eds.) *Communism: National & International*, University of Tampere, *Studia Historica* 58, Tampere, 119-138.
- Kostiainen, A. (1985). *Dominating Finnish Minority? On the Background of the Nationality Problem in Soviet Karelia in the 1930's*. Oulu: Department of History, University of Oulu.

Aku Alanen & Heikki Eskelinen

ECONOMIC GAP AT THE FINNISH-RUSSIAN BORDER

State borders play different roles in economic activities. First and foremost, they are barriers to economic interaction, for instance, export and import. Secondly, they are used as filters to regulate economic flows between different national jurisdictions. Thirdly, border areas form arenas of economic integration and co-operation. Many borders are asymmetric in the sense that the geographical neighbours separated by a border have major differences, for instance, in terms of economic development and income levels. This has implications for the volume and composition of cross-border economic exchanges and forms of co-operation. This chapter focuses on the economic asymmetry at the Finnish-Russian border. This asymmetry is measured by gross domestic product (GDP) per capita based on purchasing power parities. The main empirical finding concerns the size of the economic gap: it is one of the largest between neighbouring regions in the whole of Europe and it has only widened in the 1990's.

Introduction

State borders have different implications for different economic actors, such as enterprises and consumers. Firstly, a state border is a barrier. It increases the costs of economic interaction, for instance, trade flows (see Figure 1 on the following page).

The additional costs caused by a border result in the volume of economic interaction tending to be lower across a state border than between comparable actors in the same country. This has implications for the formation of market areas, and furthermore, for the formation of functional economic regions. To give a concrete example, Engel and Rogers (1996) found in the case of U.S.-Canadian border that the border imposes barriers to arbitrage comparable to 1 700 miles of physical space (distance).

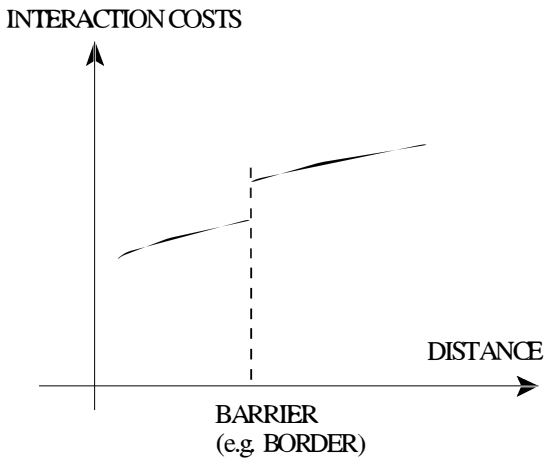


Figure 1. Border as a Barrier to Economic Interaction.

Obviously, the role of a border as a barrier varies considerably. For instance, the border between the two Koreas is completely closed, and in principle forms a categorical obstacle to interaction between the two countries. In contrast, the EU attempts to abolish the barrier effects of its internal borders altogether. Most borders are located somewhere on the continuum between closed and open so that they are used as a kind of filter between nation-states (Ratti 1993). Some forms of economic interaction are allowed to cross them, while others are considered to be illegal. Customs tariffs and rules can be used as instruments for regulating the flow of trade, passports, visas and work permits for controlling tourism, commuting, and migration. The implementation of these measures as well as border patrolling are typical economic activities in the border areas themselves. In many cases, various border-induced economic activities are found near crossing points; these include transport and logistics services, assembly industries and retailing, and other such activities which benefit from differences in cost levels.

Asymmetric border

In Figure 1, a state-border is conceptualised as an institutional barrier. In practice, it is usually linked with other types of barriers and discontinuities, which cannot be manipulated overnight by means of political decisions. In Table 1, factors that generate interaction costs between economic actors are classified according to their potential for change.

Rapid			Very slow	
Technical- Logistical	Political- Administrative	Economic- Structural	Cultural- Historical	Geographical and Biological
- Costs of production and transport of goods	- National/regional rules and regulations for goods and services	- Economic development level/demand patterns	- Language	- Physical distance
- Costs of transport of persons	- Custom duties etc.	- Economic structure	- Religion	- Geographical obstacles (e.g. rivers)
- Costs of capital and capital transfer	- Tariff zones	- Educational level	- Ethnicity	- Time zones
- Costs of information and information transfer		- Economic structure and standard of infrastructure	- Population density	- Human biology
			- Power structure and property rights	

Table 1. Factors creating interaction costs and their potential for change. (Westlund 1999.)

In principle, regulations concerning political and administrative borders can be changed in a straightforward way, and these changes are reflected, for instance, in the transportation costs of production factors. In contrast, the border-related economic-structural as well as cultural and historical differences, and most geographical barriers, tend to be resistant to change. These differences have evolved as the result of historical processes, and continuity is one of their inherent characteristics. For instance, the development of a particular industry creates specialised production factors such as human capital, machinery and physical infrastructure, which cannot easily be adapted to other purposes (for more on the so-called path dependency in economic development see Arthur 1994).

In some cases, regulations concerning borders are asymmetric in the sense that mobility from country A to country B is more limited than from country B to country A. This is the case, for instance, on the U.S.-Mexican border. Another form of asymmetry, often linked with the previous one, is the case in which a border separates neighbours that are characterised by major differences in terms of economic development, physical and social infrastructure, and various cultural factors. Obviously, this asymmetric setting is also reflected in patterns of economic interaction between the two partners, among other things, in commuting, migration, trade flows and direct investments (see, e.g., Clement et al. 1999).

Finland's eastern border

The Finnish-Russian border is an example of an asymmetric border. The clear-cut socio-economic and politico-cultural differences characterising the two sides of this border have not been formed only in the period when the border was closed during the Soviet time, but are partly derived from differentiated historical lines of development during the centuries when northern Europe was settled for purposes of natural resource utilisation and geopolitics (see Kauppala 1998).

In past centuries the border between Sweden and Russia moved several times until Finland was annexed to Russia as a Grand Duchy. However, the Western and Eastern spheres of economic and cultural development had many contacts in the border region. In particular, the explosive growth of St. Petersburg into a European metropolis in the 19th century (see Bäter 1976) created a circle of influence, resulting in business and other connections across the administrative border (which existed between the autonomous Grand Duchy and Imperial Russia, for instance, as a customs barrier) (Katajala 1995). The eastern border of the newly independent Finland was first defined in the Peace Treaty of Tartu in 1920 and was closed in the 1920's. Obviously, this contributed to a further differentiation also in the economic development of the border regions. In addition, the shift of the border westwards after the World War II disconnected the eastern side of the border from its earlier history and split up functional economic regions, thus completing the separating function of the border.

The economic structures and roles of the northwestern border regions of the Russian Federation clearly bear the legacy of the Soviet model of development. Leningrad (St. Petersburg and the Leningrad Region) was an important centre of the military-industrial complex, Russian Karelia (the Republic of Karelia) specialised in forestry and forest industries, and military and mining activities formed the backbone of the economy of the Murmansk Region. The exploitation of natural resources was based on huge production complexes in one-purpose towns; as a result of industrialisation, the population of the northwestern regions of the Soviet Union grew rapidly through migration. The key role of the centralised state activity in the transformation of these regions was also realised by means of forced labour, which was used to construct important infrastructures. In addition, in several places military activities played a leading role in the local economy (see Dmitrieva 1996, Westlund et al. 2000).

In Finland, eastern border regions, with the exception of the industrialised southwestern part of the country, have been peripheries, not only geographically, but also in terms of economic development. Compared with Europe, rural settlement policies in Finland were continued for a long time, even after the World War II. This striving towards the frontier forests changed after the reconstruction period, and since then the population in border regions has been declining due to increased growth of productivity in primary sectors (agriculture and forestry). To alleviate the structural problems, the economic base of these fringe areas – and of a large part of the country, for that matter – has been upgraded by means of specific regional policies (the ‘small regional policy’). In addition, the construction of the welfare state according to the same criteria throughout the country (i.e. ‘large regional policy’) has consolidated their socio-economic development.

Thus, the two models of socio-economic development, socialist planning and the welfare state, were implemented side by side, but up to the 1990’s they were strictly separated by the border. Economic interaction across the Finnish-USSR border at a regional or local level was limited to certain specific projects, which were implemented in the context of centralised political agreements and bilateral trade. The best-known example of these enclave-type investments is the construction of the mining town of Kostamuksha (approx. 30 000 inhabitants) near the border in the 1970’s and 1980’s (see Tikkanen & Käkönen 1997).

In summary, the centuries-long separate developmental histories, highlighted in the Soviet time, and the 70-year period of the closed border are the key reasons why the two sides of the Finnish-Russian border deviate significantly from each other in economic terms and in many other respects. The 1990’s has been a far too short a period to alter this setting; in fact, it has made the difference even more striking. In the following discussion the economic gap is surveyed in quantitative terms.

Disparity in GDP per capita

The economic gap at the Finnish-Russian border is described here by using data on gross domestic product (GDP) per capita in purchasing power parities (PPPs). This is probably the most commonly used indicator of economic development and income levels in international comparisons. It is far from being a perfect summarising measure of a border-related economic gap in living standards, but it is the best one available for comparative purposes.

What is gross domestic product?

Gross domestic product (GDP) measures the total value of products and services produced in a country. It can also be calculated for a region of a country. The definition of the GDP implies, for instance, that the GDP of a region does not include information about the redistributive policies of the public sector by means of taxation and income transfers, which influence interregional distribution of income. Nevertheless, the use of GDP as an approximate indicator of living standard can be argued on the grounds that in the long run, even in the case of interventionist redistributive measures, the value of production is reflected in the final use of incomes. In addition, the GDP level makes itself felt in the distribution of wealth.

When the GDPs of different countries are compared, calculations based on PPPs give a more reliable picture of the existing differences than do calculations based on currency exchange rates. In addition to the actual differences in the quantities of goods and services produced, calculations using currency exchange rates also reflect differences in price levels. Thus shifts in exchange rates have a direct impact on the results. PPPs are obtained by directly comparing the prices of goods and services in different countries.

GDP comparisons in PPPs have been made since the late 1960s. For instance, the OECD makes calculations for its member countries, as does EURO-STAT for the members of the EU. In addition, comparisons have been made that cover also the transition countries in Eastern and Central Europe. In the comparisons concerning 1993 and 1996, the Austrian Statistical Office made calculations for the transition countries, with the exception of the Baltic countries, which were analysed by Statistics Finland. For obvious reasons, bilateral GDP comparisons between the United States and the Soviet Union were made even in the past decades.

Grand dynamics

Historical time-series on differences in GDP per capita levels between the border regions of Finland and Russia/Soviet Union are not available. However, the country-level data on the GDP per capita can serve as a rough approximation (see Figure 2 on the following page).

Before 1809, the current Finnish territory was, as part of Sweden, slightly more developed economically than was Russia. According to Figure 2, this difference, in comparison to the other parts of Imperial Russia, grew continuously during the more than century-long period when Finland was an autonomous Grand Duchy under the Tsar. During the Soviet time, somewhat different periods are discernible: in particular, the disparity remained

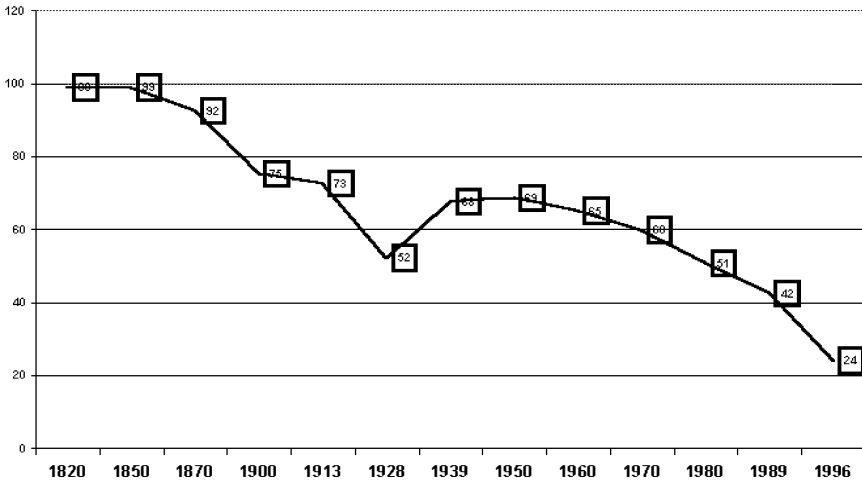


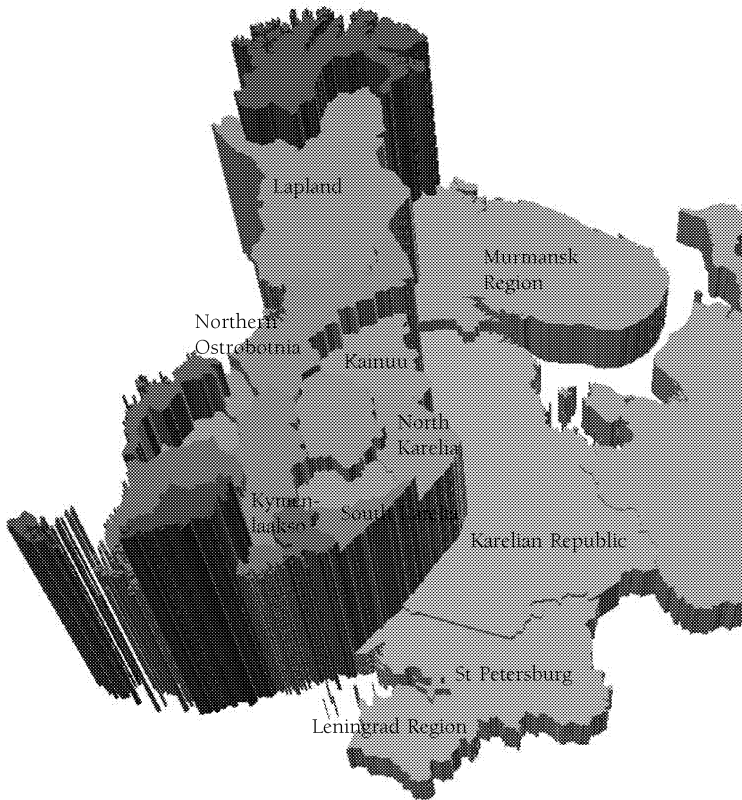
Figure 2. GDP per capita comparison: in Finland and Russia/Soviet Union in 1820-1996, in PPP's (Finland = 100).

[Figure 2 is based mainly on the so-called Geary-Khamis-Dollars comparison for the years 1820-1992 by Angus Maddison (1995). It has been compiled by utilising information from a large number of country-specific sources, and is the most commonly used GDP time-series in comparisons of historical economic development. In the case of Finland, these series were slightly adjusted on the basis of novel data (sources Heikkinen 1995, and personal communication with Heikkinen). For the years 1993-96, in the Finnish case the source is OECD, and in the Russian case the PPP's comparison by the UN (1997).]

quite stable in the 1950's and 1960's, and then started to increase again. Since the collapse of the Soviet Union, the gap between the per capita GDP levels has been widening considerably. In general, about one-third of the current economic gap derives from the Grand Duchy period, one-third from the Soviet times and one-third from the 1990's transition crisis in Russia.

Border regions: Cross-section in 1996

In Finland regional GDP data have been calculated annually since 1988. In Russia, regional data in terms of comparable concepts are available from 1994. Figure 3 illustrates the results of comparison of these data.



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Figure 3. GDP per capita disparities between the Finnish-Russian and Norwegian-Russian border regions 1996, in PPP's. (See also Table 2.)

In Finland, the ratio between the GDP per capita in the most prosperous region (of Uusimaa: index value = 132) and that in the poorest region (of Kainuu: index value = 68) is about 1.9 for 1996. This disparity is about the same size as the average in the EU countries, whereas disparities between neighbouring regions within a country are in most cases much smaller. At the Finnish-Russian border, this measure of the economic gap varies from 3.7 to 4.9. The highest ratio is found between Southern Karelia and the Leningrad Region, the lowest between Kainuu and the Karelian Republic. The disparity between the Finnmark region in Norway and neighbouring Murmansk region in Russia is about the same size that at the Finnish-Russian border.

As indicated already, GDP per capita figures provide only rough estimates of disparities in living standards. To take the Murmansk region as an example: Large mining companies raise the region's GDP per capita compared with other Russian regions. Yet it is highly questionable whether the average standard of living of the region's inhabitants remained at the corresponding level in the Russian ranking in the 1990's when the relative wage level decreased in northern regions and various social benefits were cut off. Unfortunately, the regional GDP data cannot be adjusted to allow comparison of living standards by using regional information on prices and wages. However, some illustrative comparisons are possible. In the Murmansk case, for instance, the price index of 25 basic commodities was 134 in 1998, when the whole Russian Federation was set at 100, and the price index in relation to the average wage was 123 (Russia 100). Thus, the position of Murmansk in terms of living standards is obviously not as good as can be argued on the basis of the GDP data.

With regard to the average level in the vast Finnish-Russian border region, it is worth emphasising that the metropolis of St. Petersburg dominates, as it accounts for more than half of the total population in the 10 border regions: 5 regions in Finland, Finnmark in Norway, and the Karelian Republic, the regions of Murmansk and Leningrad as well as St. Petersburg in the Russian Federation (see Figure 3). In terms of living standards, in the past St. Petersburg was in a better position than Russia on average, but in recent years its privileged position has been undermined. In 1998, the proportion of persons with incomes below the official poverty line was for the first time higher in St. Petersburg (27 %) than in Russia on average (24 %). In the Karelian Republic and in the Leningrad Region, this indicator of average living standards was about in line with the average for Russia.

In any international comparison the economic gap on the Finnish-Russian border is found to be striking. It is indisputably one of the widest in Europe. For comparisons, we calculated respective figures (based on the relevant EUROSTAT sources as well as on regional economic statistics concerning the transition countries) for the other pairs of neighbouring regions on the East/West divide. No single case was found that exceeded the Finnish-Russian gap. The disparity in living standards is probably even highlighted due to the fact that the Finnish border regions are net recipients of public income transfers. No systematic information on these mechanisms is available for Russia, but it can be assumed that their impacts on interregional redistribution have been diminished by the economic crisis.

Finland	97
<i>Border regions from south to north</i>	
Kymenlaakso	96
Southern Karelia	89
Northern Karelia	72
Kainuu	68
Lapland	80
Russian Federation	34
<i>Border regions from south to north</i>	
Leningrad Region	18
St. Petersburg	23
Karelian Republic	20
Murmansk Region	27
Norway	130
Finnmark	100

Table 2. GDP per capita calculations for the border regions in 1996 [based on gross domestic product per capita in PPPs (EU =100) (see also figure 3)].

The Finnish data are from the official publications of EUROSTAT and Statistics Finland and the Norwegian data from the regional statistics of Statistics Norway. Calculations of the Russian GDP are based on the comparison made by the Austrian Statistical Office in 1993, which has been used by several international organisations. The Russian GDP in 1993 (Austria=100, Finland=81, Russia=26) was standardised according to the EU average (= 100), providing the index values of Finland 91 and of Russia 29 in 1993.

In the respective 1996 comparison (Gerdenits W. & Sergijev S. 1998), Russia, when compared to the EU (=100), received the index value 34 and Finland 97. In our opinion this is not credible, as the real GDP in Russia (its volume index) decreased – instead of increasing – during the 1993-96 period by about 20 %, and inflation was rampant. The most important difference between the 1993 and 1996 calculations concerns the methods used to estimate the production of non-marketable goods, that is, the public sector. In particular, in estimating the 1996 figure, no adjustment was made for

change in productivity. This is a potential source of error as one of the peculiarities of the Russian economy concerns the ratio between marketable and non-marketable goods and services, as shown by the components of the 1993 GDP figures.

	GDP per capita	private final demand	public expenditure	investments
Finland	81	81	83	62
Russia	26	25	44	13

Table 3. Components of the GDP. Comparison of Finland and Russia in 1993 (Austria =100).

In the production of non-marketable goods and services (including, e.g., military production), the ratio between the GDP per capita in Russia and Finland is about 1:2, whereas in the production of goods for private consumption it is about 1:4. Interestingly, the ratio is approximately the same in the GDP and in its component ‘private final demand’, which supports the use of the GDP per capita figures for describing differences in living standards. For Figure 3, the GDP data for Russian regions have been adjusted according to the Russian average level (Goskomstat 1998). Due to lack of data here, it is not possible to adjust for regional differences in prices, even though without a doubt in such a vast country as Russia such differences do exist. However, the same problem concerns even the regional GDP figures by Statistics Finland and EUROSTAT. Overall, there are a number of inherent difficulties in comparisons of Russia vis-a-vis Western countries in PPP’s. (For various views: see Maddison 1998; from the Russian point of view: Kudrov & Treml 1998.)

Conclusions

A closed border is usually an obstacle to the development of nearby regions. Thus opening such a border raises the issue of the implications for the location of economic activities, and even for the formation of cross-border functional economic regions (see Ohmae 1992). In the case of Finland and Russia, these issues have to be evaluated against the background that the border regions – with the exception of St. Petersburg – have clearly been in a peripheral position in their own institutional and functional spheres (see Eskelinen 1999).

The repercussions caused by opening a closed border can be classified in terms of the following three alternatives. Firstly, it is, of course, possible that

the border remains functionally closed even if direct links across it are allowed. Here the establishment of nature protection zones in the sparsely populated Finnish-Russian border region serves as an example: the closed border contributed to the exclusion of certain regions from economic activity, and some such regions will be utilised as biodiversity reserves even in the future. Secondly, transport corridors can be built across borders so that their impacts on economies of the border regions remain very limited. There are such cases also in the Finnish-Russian border region. The Turku – Helsinki – St.Petersburg connection, which is part of the Trans-European Networks, has been upgraded; and new crossing points, such as Niirala and Vartius on the western border of the Karelian Republic, have been opened for international traffic. The third main alternative is that the border region attracts economic activities which benefit from geographical proximity and complementary resources, such as raw materials and human capital, on the two sides. For instance, the so-called *macquiladora* industry, which has grown up on the U.S.-Mexican border in a couple of decades, nowadays employs more people than the whole manufacturing sector in Finland. This spectacular growth has been based on border-related asymmetry, in particular, on major differences in labour costs (see Clement et al. 1999).

The economic gap on the Finnish-Russian border is comparable to the one on the U.S.-Mexican border. This has not, however, resulted in any skyrocketing growth of border-related economic activities. Only a very limited number of manufacturing establishments have been founded in Russian border regions for purposes of utilising border-related wage disparities. On the Finnish side, the most notable economic impacts have been seen in transport, tourism and shopping trips, not in investments in new, Russian-oriented production and service activities. In addition, the growing asymmetry has contributed to criminal activities typical of many border regions, such as smuggling and prostitution.

The continuing economic crisis and the resulting political risk in Russia is probably the single most important reason for the fact that in the 1990's cross-border economic connections, and their positive impacts on border regions, remained smaller than anticipated. Another reason for this is the lack of resources, people and economic activities. In particular, there are only a few centres of any size in the actual border region, which effectively limits daily contacts. However, St. Petersburg is a notable exception, and its potential as a centre of gravity still waits to be tapped.

In summary, the main finding of this chapter, the clear-cut economic gap and its widening in the 1990's, suggests the following.

- Firstly, opening of a closed, asymmetrical border is not as such a sufficient condition for a growth of economic activities so that they would transform the economy of the border region concerned. In the present case, developments in both the Finnish border region and in the Russian one are still mostly determined by factors other than the cross-border links.
- Secondly, the motivation of Finland, and that of the European Union as well, for co-operating with Russia has been derived mainly from various security threats, including those linked to economic disparities (mass migration, environmental problems, etc.). The clear-cut increase in asymmetry at the border in the 1990's tends to further highlight this motive.
- The border-related economic asymmetries imply that the neighbouring regions, even though they resemble each other in terms of natural resources and conditions, do not compete with each other to any major degree. Rather, a key challenge in their economic development is to identify and create complementary resources and joint institutional frameworks, that would facilitate formation of more permanent cross-border connections. Yet it is obvious that the path-dependent dynamics of the two sides cannot be connected in a short period of time, especially when the years since the disintegration of the Soviet Union have hardly contributed to such connections at all.

Questions

- How can economic boundaries be measured?
- How do the Finnish-Russian and U.S.-Mexican borders differ from each other? In what ways are they similar?
- Can you think of any reasons for the fact that asymmetry has not promoted economic activity across the Finnish-Russian border?

Suggestions for further reading

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Markku Tykkyläinen

MENTAL BORDERS AS BARRIERS FOR INDUSTRIAL CO-OPERATION

Introduction

Opening of the borders of the former Eastern Europe and the subsequent divergent economic development have not supported conventional theoretical insights into the economic development of border areas. On the contrary, at many borders socio-economic development has been of an unanticipated kind and spatially uneven. The Finnish-Russian border is one example of this dissonance. The economic gap between Finland and Russia is wide and it has only widened in the 1990s (see chapter by Alanen & Eskelinen in this book). What kind of factors can then lie behind this unfavourable development?

The unanticipated economic development in many European border areas has shifted emphasis from the study of formal, physical and administrative borders to research on mental and social boundaries and borders which divide different socio-economic systems, such as ethnic and cultural areas and groups. All places and regions, as well as their borders, in inhabited areas are very much human constructs. That is, places are constructed out of particular interactions and mutual articulations of social relations, experiences and understandings (Massey 1993, 67). Social processes produce various types of borders, and people perceive these borders differently. This constitution of socially constructed borders has also taken place in communities along the Finnish-Russian border. How does it influence the development potential of border areas?

The post-Cold War era has led to various attempts to lower the economic barriers created by administrative boundaries. Yet, lowering of administrative boundaries has not always cleansed social and mental boundaries? For instance, the traditional and most concrete representation of border, the border between nations, often persistently divides (two) complex sets of more

or less divergent mental and social formations which have become institutionalised over a long period of history. This mental divide seems to be strongly in evidence when the economic development in areas along the Finnish-Russian border is examined.

The purpose here is to further examine the present economic border between Finland and Russia and study how co-operation with foreign companies has been perceived by Russians in the North. The point is to show how the (re-)construction of the border has been a result of the economic turmoil in Russia. The argumentation is based on two types of reasoning. First, the sluggish development of the border area is explained by differences in formal institutions and past structures. Second, if formal institutions are the cause, what about people? What are their attitudes to economic co-operation? Do the attitudes of employees reflect institutional barriers and to what extent? To answer these questions, this research investigates the attitudes of employees in two towns of Murmansk region: Nikel and Zapolyarnyj, in the vicinity of the Norwegian-Russian border. These mining towns are facing restructuring problems – there is too much labour, and the industrial capital dates back several decades. These restructuring problems have brought to light the importance of international activity: foreign partnership and cross-border co-operation.

Theory: Opening of the border and anticipated effects

According to many standard geographical and economic theories, the differences in costs, profits and the prices of production factors gradually become evened out when the border between two divergent economic systems disappears. As a reaction to the outflow of capital and jobs, high-cost areas develop dynamic competence. Nevertheless, this reaction does not abolish the idea of a possible convergence of regions if competition can be replaced by co-operation and division of labour. Various arguments assume the convergence of diverse economic systems when barriers to the flow of commodities and capital are lowered. For instance, (1) marked differences in wages are anticipated to lead to flow of industrial capital to a low-cost area (in order to utilise low-wage labour); (2) the opening of a border should lead to the flow of investments to low-cost areas; (3) the Russian northern territories possess considerable natural resources (forest, minerals, and in the Barents Sea hydrocarbon reserves), which it is assumed will attract investments; and finally, (4) the industrial capital in these resource-rich areas are out-dated, which is expected to lead to replacement investments. It is easy to find theoretical arguments for the expectations of increasing cross-border interaction at the

Finnish-Russian border. Nevertheless, no part of this reasoning has been proven to be true. On the contrary, in the 1990's economic development, in terms of economic and employment growth, has been very negative.

It is very evident that at the moment the Russian forest- and mining-based economy in the northern border territories is non-competitive. The restructuring of these industries takes place slowly. Various explanations has been offered as reasons for the Russian economic turmoil. Institutional and political reasons have been regarded as crucial in this decline (Sutela 1996; Kosonen 1997). This institutional explanation must be understood as a broad framework that includes both formal and informal operations of the society. The formal institutions are rules, laws and organisations; and the informal (or tacit) institutions are individual habits, group routines and social norms and values (Amin 1999, 367). Many authors blame institutional bottlenecks and the inherited Soviet socio-cultural environment for the recent turmoil (Tykkyläinen & Jussila 1998). The extensive use of non-cash modes of payment, massive tax and wage arrears and the mutual indebtedness of companies have led to a very inefficient economy where companies can continue production without any profit (Gaddy & Ickes 1999).

The problem of a suitable politico-institutional milieu for the economic environment in Russia has impacts on the development of border areas. Although the border of the states is no longer so inaccessible, the socio-economic systems in both countries, i.e. in Finland and Russia, are still different. From the economic standpoint, Russian human capital, although well-educated, and the entire socio-economic system have few suitable attributes which fit well to a market economy. Thus, the total labour costs are not as low as nominal wages indicate. One may also blame the regulation of the economy and foreign trade, which turn attention again to the issues of institutions within Russian society – the embedded ways of thinking and reasoning.

Administrative reconstitution of the border

Territories beyond the Russian northern land border with Finland were almost inaccessible before the collapse of the Soviet Union. Finns might go to Leningrad and Moscow and to holiday resorts on the Black Sea, but very few went anywhere else in Russia. The Soviet Union was a complex of places connected by airlines, trains and bus routes. It was a discrete and regulated geographical space, because entry to most areas was restricted.

What Finns kept in mind were nostalgic memories of the so called 'ceded Karelia', propaganda from the war times and talks about Siberia as the pre-

1917 destination of convicts. The last-mentioned case consists of reminiscences from the time of Finnish Autonomy, 1809-1917. The Finnish-Russian border has been the divide between West and East since the World War I. During the Cold War the Russian North and Siberia were tacit and secret territories for laymen, but they constituted an economic area which was economically important for the Finns. The high-latitude zone of Russia was, and had actually been already before the time of the Soviet Union, a source of raw wood, oil, gas and minerals; and Finns supplied a great deal of the machinery installed in saw mills, pulp and paper mills, mines and smelters in the northern territories. Those areas were chiefly platforms for all-Union companies – not regions in the European sense. The northern parts of Russia were only mentioned in consignment notes of deliveries to somewhere in Russia.

In 1990 everything changed. Access to Murmansk region, Karelian Republic and Leningrad region was no longer restricted and strictly controlled, and possibilities to do business cross the border commenced. Already before *Perestroika*, cross-border trade was conducted in the form of barter trade between Finnish and Russian companies, but the volume was small. The openings in the early 1990's made it possible for both companies and individuals to conduct business. State organisations as middlemen disappeared, and no bilateral agreements regulated trade. Based on expectations of vast markets and resources on the 'other' side, there was great enthusiasm not only to visit the Russian border territories but also to commence business. But when economic decline continued in Russia, the entire 1990's was an economic disappointment.

Economic interaction across the Finnish-Russian border

The gap in the gross domestic product between a Russian region and the neighbouring region of another country is widest in the northernmost land border territories of Russia (Murmansk region, Karelian Republic and Leningrad region). (See Table 1 and chapter by Alanen & Eskelinen in this book). The resource-based Karelia and Murmansk region are relatively wealthy and export-oriented, but unemployment figures indicate that there are structural problems (van Selm 1998). Leningrad region and St. Petersburg seem to benefit much more from foreign investments than Karelia and Murmansk region. Industrial production in all these regions has been recovering after the 1998 devaluation.

Table 1. Economic and social indicators.

Region	Population as percentage of the Russian total	Unemployment %	Monthly income per capita, 1000 RUR	Foreign investments per capita US\$	Industrial production, percentage change on a year-by-year basis	Exports/Imports ratio
Murmansk region						
1997	0.700	18.5	1300	3	13	2.6
1998	0.691	21.0	1533	10	-4	3.6
1999	0.682	16.5	12:99 3983	15	5	
Karelian Republic						
1997	0.529	11.9	1023	5	1	3.4
1998	0.528	16.6	1052	6	-3	4.5
1999	0.526	15.8	12:99 2394	21	21	
Leningrad region						
1997	1.138	12.8	601	102	-4	4.0
1998	1.143	15.0	649	114	-0	4.4
1999	1.146	14.5	12:99 1528	172	8	
St. Petersburg						
1997	3.240	9.9	1022	49	7	0.4
1998	3.228	11.3	1060	87	-0	0.4
1999	3.223	11.1	12:99 3025	148	7	
Russian Federation						
1997	100	11.8	930	83	2	1.2
1998	100	13.3	970	80	-5	1.3
1999	100	11.7	12:99 1563	65	8	1-11:99 1.8

Sources: Computed by the author from data in Statistics Finland (2000) and from IBS-service (Statistics Finland) and Goskomstat Rossii.

The border territories adjoining Finland are economically important for Russia because of minerals, wood-processing, manufacturing and transport routes. Energy-intensive, resource-based production is prevalent. Both Russian northern regions and the northernmost parts of the Nordic Countries have for a long time supplied minerals and forest products to both world and domestic markets. In the 1990's, most resource-based products made in the Russian North and Northwest¹ lost their shares of the market, and very little investment has been made in these areas.

During the Soviet time, the trade of Finnish companies with the Russian northern territories was fixed in long-term trade agreements. Finnish companies supplied mainly machinery, equipment and construction work for investment and modernisation of the Soviet industrial capital in the Russian

North and Northwest; and the Soviet trade organisations sold raw materials, energy and high-volume products to companies in Finland.

On the Russian side, the current high-volume production sector consists of privatised successors to the former industrial complexes; and on the Finnish side, resource-based production has been increasingly integrated into both European and global networks of production. The socio-economic development in the 1990's led to economic divergence between the two systems in their reciprocal trade relations in the resource-based sectors (Fig. 1). More precisely, the crisis of the Russian economic system could not facilitate, or even maintain, Finnish-Russian economic co-operation in the engineering industry and construction at the level it had been during Soviet times.

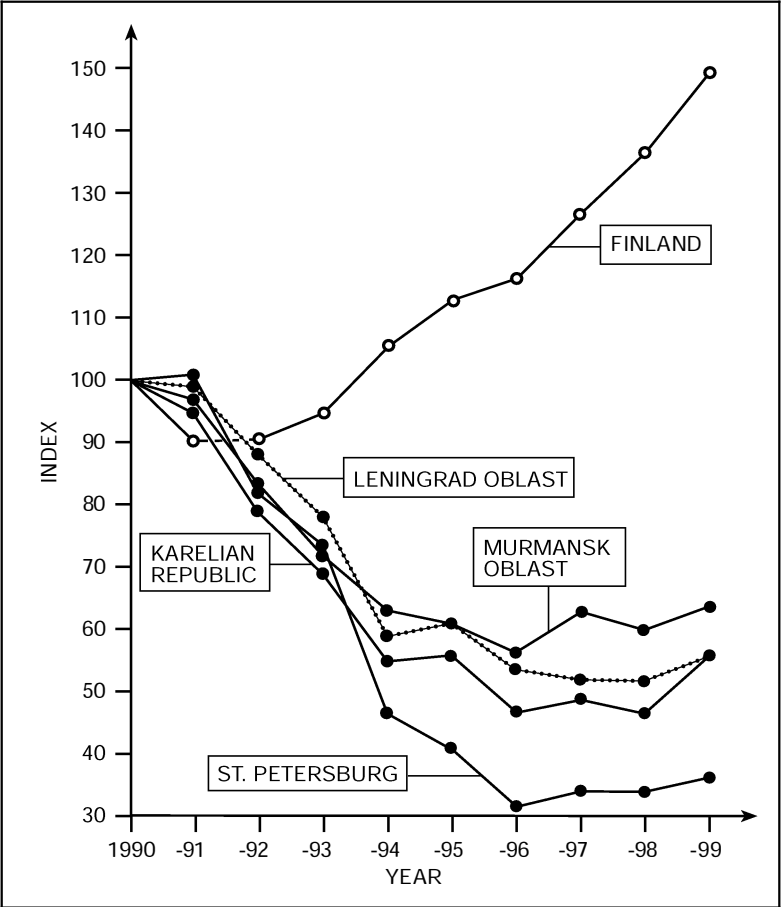


Figure 1. Industrial production (1990=100). Sources: Statistics Finland 2000; Statistical yearbooks 1990-1999 and unpublished data from Statistics Finland.

The subsequent economic interaction settled at a relative low level in the 1990's. Apart from roundwood deliveries, trade was slight and developed slowly, and the flow of capital goods to Russian factories ceased. Only a few joint ventures in Karelia can be considered economically important, and foreign direct investments to the Russian North were negligible. Economic interaction was not as intense as many companies and actors anticipated in the early 1990's. The persistent economic downturn and institutional problems in Russia failed to utilise the advantages brought about by opening of the Finnish-Russian border. Actually, when the demand for machinery and equipment to large companies in the Russian North declined, the outcome was the closure rather than the opening of the border from the standpoint of deliveries of machinery and equipment, which had been the backbone of Finnish export to Russia since the early 1950's. Small businesses began operations in the North; but at least in the 1990's, its significance has been minor for both Finland and for the border territories.

Mental boundaries retarding economic co-operation?

What do the Russians think about foreign business partners and foreign investors? Are they eager or reluctant to welcome global economic integration? What sort of seedbed for industrial co-operation exists in the Russian North? Zapolyarnyj at 69°26'N 30°52'E and Nikel at 69°24'N 30°14'E are industrial towns near the Norwegian-Russian border in Murmansk region. The industrial base of these towns consists of nickel production operated by Pechenganickel. The main production units in the 10 by 30 km mining area situated in Arctic conditions are three open pits, underground operations, a mill producing nickel concentrate, a roaster plant producing pellets, a sulphuric acid plant and a smelter. When the first interviews were conducted in August 1998, the mines and factories employed 9 000. Retirements and layoffs were seen as an outlet for financial woes. In 1997, 800 employees became redundant; and in 1998 the labour force was further reduced by another 1 100. Layoffs continued in 1999.

Pechenganickel is part of the Kola Metallurgical and Mining Company (KMMC), which is a recently-formed subsidiary of the large multilocal mining company of RAO Norilsk Nickel in Russia. KMMC consists of two large companies on the Kola Peninsula, Pechenganickel and Severonickel. The latter is located in Monchegorsk. In early 1999 the conglomerate employed 100 000, of which 80 000 were in Norilsk, 8 000 in Zapolyarnyj and Nikel, 8 000 in Monchegorsk and a few thousand in Olenegorsk and St. Petersburg. Pechenganickel is part of the nickel production chain that processes local

nickel ore and ore concentrate from Norilsk, 3 000 km east of the *Petsamo (Pechenga)* fells. The nickel produced by Pechenganickel is further processed in Monchegorsk. The main concern of Pechenganickel is the lack of competitiveness and profitability. The low price of nickel does not account for all the losses; the main reasons are raw material problems and inefficient production. Ore suitable for the current production system is also almost exhausted. During the research interviews, the managers (CEO and executive director of mining) of Pechenganickel voiced concerns about insufficient resources for the necessary modernisation investments (Blatov & Kamkin 1998). The company also needs investments to develop a new underground mine in order to ensure sufficient nickel ore for the processing works.

The following analysis is based on the interviews; 563 employees between the ages of 18 and 62 (average age 37 years) were interviewed in Zapolyarnyj and Nikel during the summers of 1998 and 1999. Interviews were based on a systematic random sample and carried out by Russians.

The logic of the analysis is based on the causal thinking that local people behaved according to the following sequence of reasoning, leading to co-operation with foreign actors: (1) awareness of the economic problems, (2) a need to find ways to restructure the company successfully (relying on existing organisations), (3) a search for advanced technology and ways of implementing it (in this case from the global markets), (4) using foreign technology and capital inputs, and (5) accepting both a foreign company as a shareholder and foreign contract work. This sequence of reasoning ends up with the attitudes of employees toward collaboration with foreign actors, that is, possible acceptance of a foreign company as shareholder and acceptance of foreign labour.

According to Table 2, the vast majority of employees consider replacement investments and investments in new operations to be necessary. Employees do not trust the ability of management to carry out investments and consider that management does not think about what is best for the employees. The majority also considers that employees do not participate sufficiently in decision-making. According to the interviews, 7 out of 10 employees would like to be retrained and continue their work in the company. The rest would like to retire, move away or go into another line of work.

The logical and concrete starting points for the evaluation of attitudes is found in Pechenganickel: employees recognise that investments are needed, and they are ready to implement the process of modernisation (Table 2). The critical issue is how modernisation will be carried out. What sort of mental barriers exist for foreign collaboration? Do the attitudes hinder co-operation?

Table 2. Attitudes of the employees of Pechenganikel: from awareness to collaboration.

	Largest category and its share, %	Agree or strongly agree, %	N
<i>Awareness of the problems:</i>			
Mining company urgently needs major modernisation investments	Agree 45.1	79.3	552
Modernisation reduces pollution	Agree 49.1	67.6	547
Modernisation investments are urgently needed to ensure jobs	Agree 29.6	44.7	548
I believe that in the near future the mining company is going to face major modernisation investments	Neutral 38.9	36.7	558
<i>Human resource policy and participation:</i>			
The present company will not pay any attention to the needs of its individual employees	Neutral 32.6	52.1	543
The top management will do whatever is most profitable in the short term, regardless of the long-term interests of the company and its employees	Agree 40.7	62.3	551
Workers should have a bigger share of stocks in the mining company than they have now	Agree 35.2	61.2	547
Local authorities should play a larger role in developing the mining company	Agree 32.2	52.6	551
<i>Trust:</i>			
The present company will do the best it can to look after the welfare of all its employees	Neutral 37.5	36.4	552
The local people at the top do not have the skills to introduce this sort of major changes successfully	Neutral 45.1	39.1	550
<i>Western technology:</i>			
The mining company of this town needs western technology	Agree 54.2	81.6	553
In the long-run, foreign modernisation investments will bring prosperity to this town and workers	Neutral 37.1	45.3	545
<i>Attitudes to foreign partners:</i>			
If there are investments, they will be made at least partly by foreign companies as co-owner of the mining company	Agree 43.7	56.0	550
It would be best if investments could be done by a domestic company	Strongly agree 31.5	58.7	559

	Largest category and its share, %	Agree or strongly agree, %	N
Foreign mining companies as shareholders of the Pechenga Nickel are welcome	Neutral 32.0	41.5	544
Foreign people (builders, workers, managers etc.) are welcome to this town	Disagree 35.6	25.3	546

The employees of Pechenganickel are very convinced that advanced technology from international suppliers is needed for modernisation. In interviews only 6 per cent of employees who intended to continue working in the company denied the crucial importance of imported technology, and only 8 per cent of the employees were at all something negative toward foreign investors.

Positive attitudes are based on past experience and the current economic difficulties. Most of the advanced machinery and equipment of the company have been acquired from world markets during recent decades. The main problem is that the industrial capital is out-dated, representing different layers of technology from various decades. Domestic technology is not a real alternative, but employees are not sure whether multinational investments will bring prosperity to the town. Benefits may be used, for instance, to cover earlier losses and to show profits.

Previous deliveries and installations of machinery have been multinational, although the production of nickel was a strategic issue. In recent decades non-Russian companies have to some extent installed their machinery and equipment using their own employees. Russian experts have often been trained in the West to use new technology. For instance, this happened in the early 1990's when Outokumpu Oyj renewed a mill in Zapolyarnyj. There is also collaboration with foreign partners in everyday operations, such as in blasting. Employees were aware of the option that if investments are made they will be made at least partly by foreign companies as co-owners of the mining project, but employees clearly would like to keep control of the company in Russian hands. Foreign companies are not very welcome as shareholders.

This kind of preference for domestic companies is not new. Similar attitudes are found even in a very open, international economy like Australia (Tykkyläinen 1994). Likewise, in Karelia on some economic issues the locals are very nationalist. For instance, when business school students in Karelia (n=72) were asked their opinions, 61 % agreed to some degree (strongly agreed, agreed or slightly agreed) with the statement that Karelian business

should be owned by Russian citizens, and 78 % would like to see roundwood exports to Finland restricted (Tykkyläinen & Jussila 1998). The latest public opinion poll of 2 338 people in Karelia supports this result (Karelian students' environmental organisation 2000). These protectionist attitudes are common when we talk about natural resources and large companies, but not for business in general. Karelian students considered joint ventures very necessary and favoured deeper integration with the European Union (Tykkyläinen & Jussila 1998). It is a very common Russian attitude that natural resources are a national, invaluable asset which should be controlled nationally.

Employees face severe reduction of the labour force, which takes place via labour adjustment programmes that prefer retirement and a voluntary search for jobs elsewhere. This is certainly an important reason why foreign employees (builders, workers, managers etc.) are not very welcome to Nikel and Zapolyarnyj. In summary, the attitudes of Russian employees to collaboration are well-grounded in the context of the socio-economic situation (the need for modernisation, labour reduction, etc.) of the mining sector in Nikel and Zapolyarnyj.

The results show that attitudes to foreign collaboration are in general favourable and do not hinder co-operation. As expected, employees defend their own interests and expect that collaboration will improve the competence of the company and their own position. On the other hand, high expectations for improved results may lead to disappointment, resulting in strikes and economic losses, as happened at the paper mill acquired by AssiDoman in Segezha in the late 1990's (Tykkyläinen & Jussila 1998). Thus, the success of co-operation is assessed in everyday situations, i.e. as incomes, job opportunities and job satisfaction. Russians are used to having strong social ties within a working community, because this community has been the main actor in organising social services and leisure activities. Thus, this strong sense of solidarity should not be underestimated when decisions are made concerning working conditions and rationalisation.

Conclusion: Different mindscapes

Russian border areas are victims of the economic turmoil of Russia. At one time, the resource frontier of the forest industry and mining sector shifted to the Russian northern border territories. That period is over, and many of the uses of resources are not economically viable in the new economic conditions where global market prices determine the internal prices and where financial support from the state is not possible. Many companies still exist in the North (and Northwest). The inability to make replacement investments

indicates serious structural problems in the resource-based industry of this region. Many factories will be gradually downsized, but some of them may find such a profitable combination of production factors that they can invest in new industrial capital and continue. Unfortunately, so far there have been very few successful cases.

This chapter is based on an idea that all inhabited places and regions, as well as their borders, are human constructs being formed by historical processes. The Russian northern territories were constructed by the conditions of large-scale high-volume production and the armed forces, which also determined much of border relations. Opening up the border did not lead to a continuation of the former Soviet trade pattern and to economic growth, and there were no favourable conditions for profitable production. Economic cross-border co-operation did not flourish.

Are mental boundaries then impediments to cross-border co-operation? People are associated with places and regions, and they easily reject influences from 'others'. The case of Pechenganickel shows that people are strongly associated with their hometowns, so that the great majority do not even consider the option of moving. The strong sympathy towards collaboration with international suppliers indicates that co-operation is considered, in the first place, as an economic option. The outlook toward collaboration is not emotional, affective and political in the same sense that Finns think of the ceded part of Karelia. If most people in Russia had been very nationalist and unresponsive, they would have denied the importance of imported technology and co-operation with foreign partners – and that was not the case.

It is important to recognise the differences in attitudes between people on the two sides of a border. The Finnish outlook is bound to the experiences of post-Swedish autonomy, the fight for independence, two wars with the Soviet Union and the lost properties and memories of ceded areas: Karelia (Karjala), Pechenga (Petsamo) and Salla (see e.g. Paasi 1999). Consequently, there is often prejudice and mistrust towards Russians in Finland (see e.g. Helppikangas et al. 1996; Jukarainen 2000). In contrast, the attitudes of Russians derive from the particular position of Russian northern border territories. The area was an economic frontier zone where people came to earn money. Employees in the territories adjoining Finland have no memories that coincide with the collective memories of the Finns. Institutional barriers do not arise from any common painful reminiscences of the Finnish-Russian border on the Russian side. At the moment, the most important issue for them is to maintain jobs and income, and past experiences of economic co-operation with foreigners have been positive. Hence the mindscapes of individuals across the borderline are, in most cases, completely asymmetric.

Questions

- What are the Finnish and Russian adjoining regions at the border between Finland and Russia?
- How do you interpret the economic development of the 1990's in the Russian border areas?
- How – according to this chapter – has the Finnish-Russian border been reconstructed during the 1990's?
- What is the chain of causal thinking that is assumed to lead to modernisation and co-operation in Russian mining towns?
- What do the employees in Zapolyarnyj and Nikel think about foreign business partners, foreign investors and foreign workers? What sort of mental barriers to foreign collaboration exist on the Russian side?
- Is there a mental border between Finland and Russia; if yes, what can be the reasons for this division of people into 'us' and 'them'?

Suggestions for further reading

- Helppikangas, P., Kinnunen, P., Kotomin, A. & Urponen, K. (1996). Pohjoinen raja, the Northern Border. Yhteiskuntatieteellisiä julkaisuja B26. Rovaniemi: University of Lapland.
- Henk van Houtum (1997). The Development of Cross-border Economic Relations. Center Dissertation. The Netherlands: Center for Economic Research, Tilburg University.
- Lausala, T. & Valkonen, L. (1999). Economic Geography and Structure of the Russian Territories of the Barents region. Arctic Centre reports, no. 31. Rovaniemi: Arctic Centre, University of Lapland.
- Sutela, P. (1998). The Road to Russian Market Economy: Selected Essays 1993-1996. Series B. Helsinki: Kikumora Publications.
- Tykkyläinen, M. & Jussila, H. (1998). "Potentials for Innovative Restructuring of Industry in Northwestern Russia." *Fennia* 176, 223-245.

Note

¹ Murmansk region (oblast), the Karelian Republic, Arkhangelsk region (oblast), Vologda region (oblast) and the Komi Republic are referred as the Russian North and St. Petersburg, Leningrad region (oblast), Novgorod region (oblast) and Pskov region (oblast) as the Northwest. This territorial division is based on the classification of economic regions used in Russian statistics. The definition of the Russian North and Northwest is contractual (Bradshaw 1995; Tykkyläinen & Jussila 1998).

II

CHANGING DYNAMICS OF BORDERS AND BORDER AREAS IN THE EUROPEAN NORTH

Anssi Paasi

THE FINNISH-RUSSIAN BORDER AS A SHIFTING DISCOURSE

Boundaries in the world of de- and re-territorialisation¹

This chapter discusses the changing roles of boundaries in the contemporary world, which is increasingly characterised by processes of de-territorialisation and re-territorialisation. This means that the boundaries between diverging territorial units are comprehended as shifting rather than stable categories. This chapter aims at providing some new theoretical ideas for border studies and, as a background, discusses the arguments that have been put forward regarding the ‘disappearance of boundaries’ (and of nation-states) in the current world. Secondly, some theoretical perspectives will be discussed that might be useful for multidimensional border studies. The Finnish-Russian border is discussed as an example to illustrate these theoretical ideas. The roles of this border have varied a lot, reflecting both Finnish-Russian relations and changes in global geopolitics. Current economic practices and discourses strive to open up the border and permit freer movement of capital and people, but in terms of foreign policy, security discourses and territorial control this border is still a relatively closed one. Therefore, the Finnish-Russian border is an illustrative case of both processes of de-territorialisation and re-territorialisation.

Introduction

Borders have by tradition been a major topic in political geography, while concomitantly many scholars have regarded them as being among the most boring objects of research. This rather disparaging view is based on the fact that most border studies have been empirical, while theoretisations and

generalisations have been rare. Borders have therefore often been regarded as static fixations of modernity that finally divided the world of loose frontiers at the turn of the century into the world of strict border lines (Taylor 1993). As a consequence, boundaries and the state-centred system of territories have largely defined how we understand and represent the world.

The present chapter discusses the changing roles of borders in the current world, where this stable order is being challenged by processes of de-territorialisation and re-territorialisation. The boundaries between territorial units, particularly states, are now comprehended as being shifting rather than stable elements (Paasi 1999b; Newman & Paasi 1999a). The tendencies of de-territorialisation and re-territorialisation occur concomitantly in various interdependent spheres of social action: partly in the 'real' world of concrete boundaries and partly in rhetoric and discourses e.g. on regionalisation, 'the Europe of regions' or the future roles of borders. This chapter is in three parts. I will first briefly evaluate the debates on the 'disappearance of boundaries' (and of nation-states) in the current world. Secondly, I will discuss boundaries as part of the institutionalisation of a territory, putting emphasis on the production of their territorial, symbolic and institutional shapes. This theme has become crucial with the efforts of many researchers to understand territories as socio-cultural constructs. Thirdly, I will use the changing meanings of the Finnish-Russian border as an example to illustrate these theoretical ideas.

Boundaries in the de-territorialising world

State boundaries have for a long time been understood as fixed, stable empirical entities which divide the global space into bounded units and which change mainly as a consequence of conflicts between territorial powers. It is now increasingly being argued that the processes of globalisation will give rise to new global geographies and increase all kinds of economic, political and cultural links over boundaries. This will, the argument goes on, reduce the roles of state boundaries and sovereignty and finally lead to de-territorialisation, i.e. changes in the functions and meanings of boundaries. Boundaries are hence interpreted as being elements that will vanish in the course of spatial transformation rather than being stable physical lines. The notions of de-territorialisation and re-territorialisation are associated with the works of Deleuze and Guattari (1988), who used them to describe the effects of capitalism on previous fixed orders of class, kinship, space, etc. In the current geopolitical literature they have become much used metaphors for cultural, social and spatial change. ÓTuathail (1998), following the Itali-

an philosopher Virilio, argues that de-territorialisation is actually a question: it “evokes the challenges posed to the status of territory, our territorially embedded understandings of geography, governance and geopolitics, states, places and the social sciences, by planetary communication networks and globalising tendencies”.

Researchers in various fields are eagerly discussing the new roles and – at times – the disappearance of states, sovereignty and boundaries (Shapiro & Alker 1996; Ashley 1988; Ó Tuathail 1996; Kuehls 1996). Much of this discourse is linked with the ideas of globalisation or the economic, cultural and environmental transformation of the global space. Scholars are not unanimous about the meanings of this phenomenon or its effects on global-local relations and boundaries, but the new rhetoric in any case reflects changes in global activity spaces. This rhetoric often represents boundaries as symbols of a past world characterised by a space of places that will be replaced by a dynamic world characterised by a space of flows (Castells 1989). The Castellsian flow rhetoric is persuasive and is used in many contexts. The space of flows, it is argued, will reduce the roles of the ‘sovereignty’ and ‘identities’ of states and challenge national identities and boundaries. In his extreme opinion, Ohmae (1995, 11), for example, declares that “in terms of real flows of economic activity, nation states have already lost their role as meaningful units of participation in the global economy of today’s borderless world”.

Side-by-side with previous tendencies, nationalism and ethno-regionalism, linked with the flows of displaced people and refugees, create new boundaries and challenge the relations between existing social and physical spaces. This will give rise to conflicts and the drawing of new boundaries between social groups, to re-territorialisation. Boundaries are thus understood as one dimension of identity formation and territoriality (Paasi 1999b). This means that the politics of identity, a constant process of negotiation, becomes a crucial question (Bammer 1994).

Other scholars think that the state will still be the major territorial context in which people organise their everyday life in the future, in spite of globalisation, but that states will operate in a different, global context (Agnew 1997). Hirst and Thompson (1996) have argued that despite the rhetoric of globalisation, the majority of the world’s population live in closed environments, trapped by the ‘lottery of their birth’. They argue that states remain sovereign, not in the sense that they are all-powerful or omnipotent within their territories, but rather because they police the boundaries of these territories and, in so far as they are credibly democratic, they represent the citizens living within the boundaries.

Regions and borders as social constructs

Many scholars evaluate boundaries more or less technically, in terms of interaction, cross-border co-operation and integration. Illustrative of this is the typology of Martinez (1994), in which boundaries not only separate territories but also organise contacts. They are lines whose meanings as potential barriers are changing. Contrary to the tradition of political geography, I do not regard borders as fixed lines, but rather discuss them as arising out of processes in which territories and their contested meanings are socially and culturally constructed (Paasi 1991; 1996). Territories and their identities and boundaries are social, political and economic constructs that – contrary to traditional vernacular cultural regions that emerged from the life of social communities – may be relatively well separated from the everyday lives of ordinary people, i.e. they are public representations which literally take place in the sphere of these discourses. They exist at first perhaps in the namings, strategic definitions and proclamations of politicians, foreign policy experts and researchers, and may then be gradually transformed into a set of social (political, economic and administrative) practices and discourses, which for their part may have an effect on how we act in different situations and how we interpret and organise the mosaic of places, regions and boundaries that surrounds us. This is a perpetual process and is therefore an expression of the fact that social space and regions are simultaneously both products and constituents in social action. This holds good in the case of examples such as the Barents Sea or Baltic Sea region or the discourse on the meanings of the ‘Northern Dimension’ in the EU. These have all initially been ‘regions in discourses’ and ‘regions on paper’, but they may some day turn into ‘regions as social practice’ that may have very concrete effects on people’s daily lives.

The construction of territories is part of the perpetual transformation of the spatial system, in which regions emerge, exist for some time and may then disappear. I have referred to this process as the institutionalisation of regions, which consists of four simultaneous aspects, the formation of (1) territorial, (2) symbolic and (3) institutional shape and (4) its establishment as an entity in the regional system and social consciousness of the society concerned. This institutionalisation usually means at the same time the de-institutionalisation of the previous territorial order (Paasi 1991; 1996). It is a process through which a territorial unit becomes an established entity in the spatial structure and is then identified in political, economic, cultural and administrative institutionalised practices and social consciousness and is continually reproduced in these social practices. The formation and dissolution of territories, and hence also the de-territorialisation and re-territori-

alisation of their boundaries, is taking place all the time and on all spatial scales, being just as observable at the local, regional or national level as it is on a broader scale. The changing meanings of the Finnish-Russian border make this very obvious. I will show how this territorial frame can remain the same even though the processes of de-territorialisation and re-territorialisation may crucially shape the spatial expressions of social, administrative, economic and political practices. This has been obvious since the collapse of the Soviet Union and Finland's entry into the EU. I will discuss the meanings of this border from three perspectives. Firstly, I will analyse the process of territorialisation in which this border was established, secondly, I will analyse the meanings of the border and the forms of de-territorialisation in the post-Cold War geopolitical order, and thirdly, I will evaluate the current forms of concrete cross-border co-operation.

Territorialisation of the Finnish-Russian border before the World War II

The meanings of boundaries are crucially dependent on social and (geo)political situations and contexts. Territorial borders are always boundaries with other territorial entities, and this is the fundamental context for both disputes and cross-border co-operation. The meanings of a state, its relations to other territories and the meanings of boundaries are thus inevitably historically contingent. This is obvious in the case of the Finnish-Russian border. Beginning from the establishment of the autonomous state of Finland in 1809, passing through the gaining of independence in 1917 and the loss of huge territories as a consequence of the World War II, and continuing up to the most recent ideas of the Northern Dimension in European Union policy or Finland's decision to enter the European Monetary Union, all the transformations of this boundary reflect the changing links between her relative 'activity space' and broader geopolitical contexts. All these changes are illustrations of de-territorialisation and re-territorialisation of space. During the autonomy period under Russia, for instance, Finland did not have any foreign policy of its own, even though it had a national economy and a customs border with Russia. This border was a formality up to 1917, however, and there was intensive economic and cultural cross-border interaction (Paasi 1996). Then, after the gaining of independence, Finland's territorial strategy changed, so that it tried to secure its boundaries and use them to strengthen and legitimate the territoriality of the state. The eastern border of the state was confirmed in the Peace Treaty of Tartu three years later, in 1920.

One essential part of foreign policy consists of boundary-producing discourses that are exploited in the creation of territorial identities, i.e. the construction of 'inside' and 'outside', 'domestic' and 'foreign', 'self' and 'other' dichotomies that always imply the existence of a border (Campbell 1992, 8). This was obvious in the Finnish case, too. The acquisition of the potentially violent components of a state apparatus, an army and a police force, after 1917 to maintain internal and external order, and the demarcations inherent in defence and foreign policies, were based on the notion of averting any threat from the east. Popular discourses regarding the Soviet Union also changed, so that Finnish publicity and education before the World War II represented the Soviet Union in negative terms, as a representation of the 'eternal opposition' between two territorial entities and a crucial constituent of Finnish national identity (Paasi 1996; 1997). The border was also an economic one, since whereas in 1910 almost 30% of Finnish exports had gone to Russia, only 0.5% went to the Soviet Union in the 1930's (Michelsen & Kuisma 1992). The aim of public policy in the 1920's and 1930's was to create economic connections with Western Europe and the United States.

Finland's refusal to cede certain eastern parts of its territory to the Soviet Union formed the background to the Winter War of 1939-40, and in the subsequent Continuation War of 1941-44 justifications were also sought for attempting to extend Finland's physical territory towards its 'natural boundary' in the east, resulting in Finnish troops moving over the old border to occupy Russian areas in Eastern Karelia. The pseudo-academic discourses of scientists were of crucial importance in the construction of the images and visual representations – maps – of the space known as 'Greater Finland' that leading politicians alluded to (Paasi 1996). After losing that war, Finland had to cede 12.5% of its territory to the Soviet Union. Its current eastern border was confirmed in the Peace Treaty of Paris in 1947.

De-territorialisation of the border in the post-Cold War geopolitical order

During the years of the Cold War Finland belonged to the formally neutral camp between the Eastern and Western blocks. This self-defined 'neutrality' with simultaneous good relations with the 'east' formed the cornerstone of the official foreign policy discourse up to the time of the collapse of the Soviet Union. This was a security policy solution, a product of the Cold War, that emerged from the country's realist doctrine and its emphasis on state security (Tiilikainen 1997, 145-146). Formally, this self-understanding placed

Finland outside the world's political blocks, but in practice its international position was deeply coloured by the agreements that it had been forced to conclude with the Soviet Union after the war. Particularly influential in the creation of an image of a strong eastern link was the Treaty of Friendship, Co-operation and Mutual Assistance (1948-1992). Finland was therefore partly excluded from the western discourse, but partly linked with it through geopolitical connections and images propagated on various spatial scales (Paasi 1996; 1998b). Its link with the global scale was mediated by the UN, its position in the divide between the great powers (and within Europe) was shaky, and the link with Northern Europe was organised through various forms of co-operation, beginning with membership of the Nordic Council from 1955 onwards (Möttölä 1993).

The demise of the Soviet Union, Finland's entry into the EU and the strengthening of western links in security and defence policy (e.g. observer membership of the WEU) have altered its location in the global geopolitical imagination. The EU has now become an important instrument in Finnish security policy, and political elite have effectively used this card to re-territorialise the former geopolitical spatial images and constantly strengthen the image of importance attached to the structures of the European Union. Simultaneously, reminders are continually being issued in public that the external border of the EU should not become a new Iron Curtain.

I have argued elsewhere that many Finnish geopolitical discourses of the post-war years are drawn together by one theme, the question of the location of the Finnish-Russian border. The roots of this discourse lie in the fate of the ceded territories (Paasi 1999c). The loss of these areas led to the resettlement of 420 000 people in other parts of Finland and gave rise to a 'national agony' that only came to the surface in public debate after the collapse of the Soviet Union. During the 1990's some organisations (mainly representing groups of Karelian refugees) began to stimulate this debate, with the idea of interesting the leading politicians and governmental apparatus in the 'problem' or 'question of Karelia'.²

Official foreign policy has been operating on different lines. The current boundaries were confirmed in peace treaties after the war and no territorial claims exist. The government does not see any debate on possible return of these areas as being 'in the national interest' and this idea is now clearly linked to a broader context of European Union, as one criterion for a new member candidate is that that country should not have any border disputes with its neighbours. On the contrary, as Östhol (1996) has shown, there has been a growth in the number of co-operation initiatives occurring across the external borders of the EU with Eastern Europe since 1990. Official foreign policy of Finland coincides with that of the Russian authorities. This also

holds good in civil society, since the great majority of the Finns, 80% in 1995, would not demand any reopening of negotiations with Russia on border questions. In a survey carried out in Russia in 1998, 70% of the people replied that the ceded areas should not be returned to Finland (Paasi 1999c).

Adjacent area co-operation and the 'Northern Dimension': Two examples of the deterritorialisation of the border

The discourses calling for restoration of the ceded areas were aimed at de-territorialising the current territorial frame in a very concrete way, by suggesting removal of the border. Foreign policy, for its part, has tried both to maintain the current territorial framework and also to de-territorialise it in various ways. I will briefly discuss two examples from the last few years that clearly imply de-territorialization of the traditional exclusive forms of foreign policy (Paasi 1999c).

Finland's entry into the European Union at the beginning of the 1990s, continual speculations by politicians and members of the security policy elite on possible NATO membership or the future of the national identity in relation to a general European identity are effectively de-territorialising and re-territorialising the country's space of dependencies, defined as the spatial set of constellations in which the government acts, consisting of images, discourses, strategies and other social (political, economic, administrative and cultural) practices which are impregnated with power relations. This space is structured on various spatial scales, and in the case of Finland the links with the broader western European space have now become much stronger than the earlier Nordic links, e.g. with Sweden. The foreign policy researcher Teija Tiilikainen, for instance, has recently argued that Finland and Sweden are actually becoming more distant than before in terms of security policy and that the discussions of 'possible co-operation' in defence are merely one tactic for hiding this fact (see Keränen 1998). On the other hand, she argues that the NATO link is concomitantly strengthening, even though this is not discussed in public. This simply means that one more discursive space exists which is not a 'real space' but may still have strong rhetorical meanings that actually mask the construction of real activity spaces.

The most recent instrument in the de-territorialisation and re-territorialisation of the former national territory and identity space has been the decision to join the EMU, which means that Finland, along with 10 other EMU countries, will give up its current economic power and national currency. This is a huge change, since the Finnish mark became a major institution

and symbol of the institutionalisation of the Finnish territory in 1860s, when the autonomous state of Finland began to create its own monetary policy, i.e. economic space (Paasi 1996, 90). It also indicates the power and will of the Euro-elite to bind Finland increasingly closely with Europe, i.e. the West.

Finnish foreign policy has thus taken long strides towards the West, but at the same time it has struggled to strengthen links that could integrate Russia into the larger European space. One of the major examples in Finland has been the adjacent area co-operation agreement that was established in 1992, aimed at promoting peaceful, stable development, strengthening economic relations and minimising environmental problems. A whole set of new discourses has emerged in this context – not only on Finnish-Russian relations but also on the new ‘regionalisations’ in the Baltic Sea and Barents regions (Forsberg & Vaahtoranta 1993; Käkönen 1996). It is important to note that border questions are not included in this agreement, so that the aim is to change the roles and meanings of the borders, but not the borders themselves. These developments did not arise in vacuum, since some activities had already been going on since the mid-1980s, but the Soviet collapse provided a completely new basis for such efforts.

Finland’s entry into the EU provided a new, broader institutional space for this co-operation, and current adjacent area co-operation has two aspects to it: joint projects between the two partners, and larger projects based on development programmes funded by the EU and other international organisations. Finland occupies a peripheral position among the members of the EU, along with Portugal and Greece, but this cross-border co-operation is part of the general process of integration that is occurring throughout the EU area (Östhol 1996). The Finnish-Russian projects have concentrated mainly on environmental investments, renewal of the legislation that forms the basis for economic and social development, more effective use of energy, nuclear safety and the development of an infrastructure, which is important for economic progress. All this means that environmental questions are particularly prominent among the areas of co-operation (Ulkoasiainministeriö 1998).

The Finns have had an important role in constructing the broader de-territorialising discourses regarding the current European space since their entry into the EU – and not only the discourses but also concrete social and political practices. At first Finland took a prominent part in the preparations for Russian membership of the Council of Europe, i.e. in the effort to include Russia in a wider international context and anchor it to the West. Another recent example is the current discourse of the Northern Dimension in EU policy, a real illustration of a constellation of spatial dependencies, a network of ideas with very different spatial shapes (Paasi 1999c). Nature, culture, economic co-operation and environmental problems seem to be among the

key words of this new discursive space. The basic pillars of this 'dimension' are Barents and Baltic Sea co-operation, Nordic adjacent area co-operation and co-operation in the Arctic Council. But co-operation between neighbours and bilateral relations in general also belong to this framework. The initiative for the Northern Dimension came from Finland and was created originally by scientists, politicians and other governmental instances, together with business people (Heininen & Langlais 1997a; 1997b), but the broader socio-spatial and political basis for this was provided by Swedish and Finnish membership of the EU.

As far as eastern links are concerned, the aims of propagating the Northern Dimension are complex ones: firstly, to emphasise co-operation and economic benefits in order to lower the traditional barriers of power politics between west and east, and secondly, to bring the energy resources of the Barents region and north-western Russia (oil and gas) within the reach of the EU. The effort to create co-operation with Russia is therefore not just a matter of economics and co-operation but also one of security policy, even though 'traditional security policy' does not belong to the matters that are actively discussed in connection with the Northern Dimension.

The Northern Dimension is a fitting illustration of discursive construction of a socio-political space: at first an abstraction, then a set of discourses and maybe some day part of territorial practices that may ultimately shape social action. In the context of the EU, this Finnish initiative was shaped discursively at the Luxemburg summit (December 1997) and the aim is now 'to shape a content for this initiative', as Heininen (1998) puts it. Joenniemi (1998) shapes this content in rhetorical terms: whereas in earlier times 'northernness' was something that remained between the East/West divide, it can now contribute to eliminating confrontation between East and West. According to him, the Finnish initiative on the Northern Dimension is based on a belief that northernness constitutes a symbolic capital that can successfully compete with collective identities that have different backgrounds. Heininen (1998), for his part, sees northern politics as a strategy in which 'northernness' and 'northern themes' are exploited consciously in a foreign policy that aims at contributing to the peaceful development and stability of neighbouring areas and the whole of Northern Europe by developing co-operation.

Concrete cross-border interaction

Whereas the discussion above evaluated de-territorialisation processes mainly at the level of the Finnish state, now I will briefly discuss how such processes have affected the border areas in concrete ways: how the world of 'flows' is

manifested in this area and how this context is still characterised by social control over such flows. Since the World War II the border had been strictly closed, and cross-border activity was permitted only in a few controlled places. Rail traffic through Vainikkala began in 1947 and road traffic through Vaalimaa in 1958. Both the Finnish and Russian border areas were thus typical examples of alienated borderlands, to use the concept of Martinez (1994). Co-operation was strictly regulated and organised at the state level. The Finnish economy was greatly dependent on the bilateral trade with Soviet Union, however, and more than 20% of Finnish exports went there in 1985-86, for example. With the decline of the Soviet system, exports also collapsed, so that the above proportion was 13% in 1990 and less than 3% in 1992 (Sweedler 1994). In 1996, 6% of Finland's exports went to Russia and 7.1% of its imports came from there (Statistics Finland 1997).

The border is becoming more 'porous' as far as the opportunities for interaction are concerned. The number of crossing-points has increased rapidly since the Soviet collapse, being now 26, including 6 that are open to international traffic. Several temporary crossing points are open mainly for timber transport (Paasi 1999c). The 'flows' of people have expanded rapidly: total border crossings by passengers increased from 0.96 to 4.1 million between 1990 and 1996. The number of Russian passengers has also increased rapidly since 1994, being almost two million in 1997, while the number of Finns seems to be going down after the first boom (Statistics from the Headquarters of the Finnish Border Patrol Establishment 1998).

The Russian border has also become more open to economic flows, and the number of firms with foreign investments has increased rapidly. Where the number of foreign firms registered in Russia in 1987 was only 23, they numbered almost 15 000 in 1995 (Eskelinen et al. 1998, 21). The economic policy of the Republic of Karelia relies on its border location and natural resources, and legislation has been established to encourage foreign investments (Lynn & Fryer 1998). The number of firms with foreign investments has also increased in Russian Karelia. Whereas there were 20 registered firms of this kind in 1990, they numbered 170 in 1992 and more than 400 in 1995. Only 211 firms were actually operative in 1995, i.e. they reported having employees and pursuing actual business activities. The proximity of Russian Karelia to Finland is reflected in the number of small investments and other forms of co-operation across the border (Paasi 1999c).

The de-territorialisation of the border has not only given rise to flows of people, goods and money, but has created a whole bunch of social practices that are turning the border areas into interdependent borderlands (Martinez 1994). Cross-border interaction is becoming more diverse on various spatial

scales, the current situation is characterised, among others, by the following major tendencies (Paasi 1999c):

- Numerous co-operation projects have been established, varying from cultural to environmental, from economic development to humanitarian aid.
- Actors in Finnish border communes are looking forward optimistically to opening up communications with areas in Russia – this optimism being partly motivated by the concrete chance to obtain resources through various EU programmes.
- Co-operation in spatial planning has been established between the Finnish and Russian regional authorities.
- In addition to actual land use planning and construction activities, a specific form of ‘border-crossing’ marketing has emerged. Many plans are under development to realise the potential of the prospective ‘corridors’, gateways and regionalisations.

In spite of the increasing cross-border activity and optimism, problems still exist, which partly arise out of the concrete, material facts of everyday life and are partly concerned with attitudes (Paasi 1999c). Firstly, the great majority of the inhabitants of Karelia have experienced a huge deterioration in purchasing power since the demise of the Soviet Union (Jussila et al. 1997). It is therefore very obvious that most Russians will not become ‘actively consuming border-crossers’ for a long time. The huge gap in the standard of living also means that this area will hardly become an integrated borderland (Martinez 1994) where people, goods and ideas ‘flow’ without restriction.

Secondly, there have not only been expressions of hope and enthusiasm on both sides of the border since the collapse of the Soviet Union, but also signs of a certain scepticism. Karelia has been seen from the viewpoint of foreign capital primarily a source of raw materials, mainly because of its forest resources, as forests make up 70% of the surface area of the Republic. It is no wonder, then, that debate soon arose in Eastern Karelia, for instance, as to whether the aim of the Finns was ‘neo-colonisation’ of Karelia in an economic sense and exploitation of its natural resources (Lehtinen 1994; Paasi 1996). The suspicions are partly based on conditions in civil society. Surveys carried out in the border area indicate that the Finns and the Russians do not know much about each other and that the Russians have a more favourable opinion of the Finns than the Finns have of the Russians. Also, Finnish opinions are polarised, so that some people favour cooperation while others have deep prejudices and suspicions (Kinnunen 1995). The violent history of the border area still casts its shadow on Finnish attitudes, and this may be a problem as far as the future development of cross-border activities

is concerned. The scepticism is at times linked with broader contexts, too. The lack of information has led to suspicions that the Finns are using their Russian partners in order to benefit from EU programmes. Actors in the border communes in both Finland and Russia have organised joint seminars to promote trust among the partners and to clarify the aims and possibilities of the EU programmes (Paasi 1999c).

Concomitantly with the relative de-territorialisation of the border, foreign and security policy elite is continually evaluating the limits of sovereignty, which in turn imposes limits on de-territorialisation. In 1997 President Yeltsin suggested to Finland's President Ahtisaari that the two states could undertake 'common border control', but Ahtisaari pointed out that 'sovereign states always take care of border control independently!' Finland's entry into the EU and resulting responsibility for its only border with Russia actually points towards organising a more effective patrolling system, since customs operations are now carried out on behalf of the whole EU area. Border controls are very strict, and the number of refugees who have entered Finland by crossing this boundary has been very low (7-45 persons per year between 1994 and 1997). The number of people turned back has been increasing continually, but the total (some 800 in 1997, for example), is very low relative to the intensity of passenger traffic over the border (Statistics from the Headquarters of the Finnish Border Patrol Establishment 1998). The nature of the patrolling operations has also changed. Whereas this action was very formal in Soviet time, it is now characterised by increasing co-operation and exchange of information with the Russians (Paasi 1999c).

Epilogue

Much of the recent discourse concerning the roles of the nation-state and boundaries has suggested that both are fading away in the current 'postmodern', globalising world. The key argument of this chapter, however, is that territoriality is still explicitly linked with nation-states and the major challenge for researchers is to conceptualise borders in new ways in order to enable the evaluation of their meanings in a world of de-territorialisation. Instead of being fixed with just one territorial framework, a modern state typically exploits different territorial strategies in different spheres of social action. Taylor (1994) argues that, as a power container, the state tends to preserve its existing territorial boundaries. This means that in terms of security policy the principle of territoriality as a form of control still dominates the power relations. On the other hand, as a wealth container, the state strives towards larger territories, that is it actually strives to render more effective

accumulation of capital possible by addressing areas beyond its borders. As a cultural container, on the other hand, the state tends towards smaller territories, for representations of the existence of a homogeneous 'national culture' are crucial in most narratives of nationhood. On the other hand, cultural nations can extend well beyond the territorial borders of a nation-state. Taylor does not include environmental problems in this framework, but – as some representatives of IR theory remind us – the borders that divide up the contemporary geopolitical realm into separate sovereign territorial states are pathetically porous (Kuehls 1996). The state therefore seems to be a territory, which only partly remains with its boundaries, which are actually sets of shifting discourses and social practices.

This makes it easier to understand the changing meanings of the Finnish-Russian border, both as a concrete element and as a symbol. Having been closed during the Soviet era, the border has become a significant topic in economic, political, military, cultural and environmental discourses since the collapse of the Soviet system, and this has led to its de-territorialisation and re-territorialisation. These discourses have found many modes of expression, beginning with a re-evaluation of the border areas in Finnish foreign policy and economic co-operation. The Soviet collapse radically altered the status of the border area, as both Finland and Russia now share motives for cross-border co-operation. The strengthening of ties is an important challenge for local and regional development. The problem is that the infrastructural prerequisites for co-operation are weak in the area and much effort has been concentrated on creating these prerequisites. The boundary is now that between the EU and Russia. In Finland the larger institutional space represented by the EU is used both as a new scale for identification and as a source of resources for organising cross-border activities.

The above examples illustrate the fact that boundaries are not only lines but meaningful, historically contingent symbols and institutions which are in a complicated way sedimented in social practices and discourses. These examples also illustrate that, contrary to all the speculations on the disappearance of nation-states and boundaries, "in some ways the modern nation-state, with its sovereignty defined by familiar territorial boundaries, seems as firmly rooted as ever: tax-collectors stop at the border, immigrants are stopped at the same border and transnational (or, more strictly speaking, trans-state) linkages can still be snapped off by independent state power" (Anderson 1995, 67).

Border crossings occur not only in the 'physical space' of border areas but also in the spaces of representation and imagination. To understand the current meanings of boundaries concomitantly requires a whole bunch of 'keys' which are linked with finance, legislation and local and national attitudes

and which reflect power relations in complicated ways. All this may well be an expression of the new power relations of the 'information age' discussed by Castells (1997), who argues that the new power lies in the 'codes of information' and 'images of representation' around which societies organise their institutions and people build their lives and decide their behaviour. The sites of this power are people's minds (Castells 1997, 359). This must be case with the contemporary forms of territoriality, too. Instead of state territoriality, we should perhaps discuss territorialities, some of which are limited by state boundaries while others are not.

Questions

- What do de-territorialisation and re-territorialisation mean? What are the effects of these two processes?
- Which different phenomena have de-territorialised the Finnish-Russian border?
- According to the author – what kind of future do boundaries have in the world?

Suggestions for further reading

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Notes

¹ A slightly modified version of an article published in NEBI (North European and Baltic Sea Integration) Yearbook 1999, with the permission of Springer Verlag, Berlin.

² I have argued elsewhere that many Finnish geopolitical discourses of the post-war years are drawn together by one theme, the question of the location of the

Finnish-Russian border. The roots of this discourse lie in the fate of the ceded territories (Paasi 1998b). The loss of these areas led to the resettlement of 420 000 people in other parts of Finland and gave rise to a 'national agony' that only came to the surface in public debate after the collapse of the Soviet Union. During the 1990s some organisations (mainly representing Karelian refugee groups) began to stimulate this debate, with the idea of interesting the leading politicians and governmental apparatus in the 'Karelian problem'.

Yrjö-Paavo Häyrynen

THE MAGIC BORDERS

Symbolic demarcations in current European societies

“Cultures (or civilisations..) are ways of ordering space just as economies are.”
Fernand Braudel

Introduction

If cultures are ways of ordering space similarly to the way that economies are, as the French annalist Fernand Braudel believed, boundaries that divide people can also be symbolic or mental – and still act as ‘real’ borders with barbed wires and flood lights. This chapter is concerned with symbolic demarcations in current societies, both in nation states and in the global system. These demarcations distinguish between the ‘outsiders’ and the ‘insiders’ of modern society, acting as invisible barriers for the submissive part of the population. Symbolic boundaries are generated in the processes of mutual name-giving and in the formation of identities, in which some people receive the low cards and others get the aces. In question is the way in which society distributes reputation and honour among its different groups, presenting some people as the moral elite, while declaring others as surplus population or the ‘excluded’. This happens through the magic action of *symbolic power*, which the dominant groups utilise to justify their positions in society, the mechanism which Pierre Bourdieu has discussed in several of his works.

In late capitalist or post-industrial societies, production of images and identities appears to be as important a part of economy as material production is; this was suggested the Canadian sociologist Philip Wexler in the early 1990’s (Wexler 1990; see also Häyrynen 1999b). While the class division of industrial society was based mainly on differences in property and incomes, the essential division in late capitalist societies seems to be between the ‘win-

ners' and those who possess a socially unacceptable *habitus*: the 'losers', or people in the extreme periphery of society. Wexler (1990) believes that only the former group – which he calls the 'First Class' – has the cognitive power to map what happens in the world, while the 'Other Class' consists of people who feel mutual solidarity but lack the cognitive skill to understand political changes and are chiefly confined to explanations transmitted to them by TV.

Wexler's proposal of a new class division in the 'semiotic society' symbolises ideas in which cognitive power is seen as monopolised by the dominant class, while a wide section of people are presented as helplessly excluded from the mainstream of community life. The commonest sociological explanations of the current social reality of Europe seem to repeat such notions as the 'globalising world', 'postmodern society' or an economy in which free mobility of goods, capital and people is the maxim – all phenomena which seem to act according to the natural law of development (see Bourdieu & Wacquant 1998 for critical review of these explanations). In this 'new Vulgata of the world order' (Bourdieu & Wacquant 2000) the social periphery is composed of people who are unemployed or placed in temporary and part-time jobs, who are not sufficiently 'flexible' in following the pace of development or who live in the slums of New York or in the '*cités*' or '*banlieus*' (the immigrant suburbs) of France. As Wacquant states, never in history has poverty been so concentrated spatially as it is now. A symbolic demarcation surely functions in late capitalist societies, dividing the population into sectors that are *totally strange* to each other.

On the international level, an effective barrier separates the 'modern' and technologically developed West from the hemisphere that represents the Third World, Asia, or the deep South – the directions of the compass which symbolise, for Westerners, the non-modern periphery of the world. This 'periphery' includes fairly different countries, which, according to Western understanding, are politically unstable or at most semi-modern in their stage of social development. After the recent collapse of the socialist bloc, it has become more difficult to define different countries with a unidimensional criteria of political system. How indeed to classify such culturally, politically and socially polymorphous countries as Russia or Turkey? It can also be asked whether the criteria with which we weight different countries and cultures are evaluated represent chiefly the Western idea of economic development and modernisation. What about the role of Russian or Turkish cultures in European history – are not their intellectual traditions neglected, as they seem to be today, when we attempt to categorise the real place of these countries' in the world? I shall later refer to the ideas of a Turkish feminist researcher, Nilufer Göle, who indicates that several different models of

modernisation actually exist, among which the Western notion of 'globalisation' is only one alternative.

Membership in the European Union has been for some border countries – such as Finland, Greece, or Portugal – a more precise formulation of their identity as countries 'belonging to the West', when their authoritarian past or position in the interface periphery had previously caused difficulties for their definition as 'democratic' or 'modern' Western European states. Today, the main questions seem to be whether Poland, Hungary, Estonia, and the Czech Republic are sufficiently 'democratic', whether they have adequately 'liberated' their economic markets, and whether their state budgets fulfil the monetary criteria of the European Union so that they could be candidates for membership in the EU. The symbolic value of this membership is no doubt high for all border states. For example, to Turkish intellectuals the country's recognition 'as a part of Europe' was a vital signal – this can be concluded from their reactions after the Helsinki summit in December 1999, in which Turkey was accepted as a candidate for EU membership.

A conceptual clarification justifies its place here. It is evident that all borders are mainly symbolic: i.e. they are institutionally maintained and not material in nature, whether they are marked with boundary pillars or not. In this sense, talk about symbolic borders sometimes indicates a *misunderstanding* of the notion symbolic, if no clear theory exists which would explain the generation of symbolic boundaries and the subtle ways in which they function as a *definite part* of the social control system. What is understood by symbolic borders is not borders generated by political treaties or by national legislation (if a country does not apply direct *apartheid*). But neither are symbolic demarcations merely 'allegoric', since in practice they regulate the social movement of people in a subtle but definite way. Who *in practice* is allowed to enter the EU and who is not, and which groups are subjected to the strictest control in public places?

The official control policy of the European Union appears to be intertwined with more unofficial practices, which are applied in everyday border and street control. Thus, political treaties such as the Schengen Pact in the European Union (mutual abolition of passport control among the countries which have signed the Pact) *can* reinforce the existing barriers against entrance of immigrants to the European Union, as these EU countries co-ordinate their immigrant policies. In practical situations, passport checks and police control in the streets, the controllers not only follow formal rules, but the *external habitus of the people to be controlled* (their appearance, clothes, skin colour and way of speaking) *partly determines the strictness of the controllers*. Therefore, symbolic demarcations are not based on formal legal rules but on more or less *arbitrary* principles, applied as 'rules of thumb' when

people are screened and their proper places indicated. This is why the existence of symbolic barriers is difficult to show and requires a specific analysis.

In this chapter, three theoretical angles of vision are loosely bound together: the theory of symbolic dominance as developed by Pierre Bourdieu, the formulation by Alessandro Pizzorno of mutual ‘name-giving’ processes as a condition for the social existence of various groups and individuals, and the idea of the ‘binary discourse’ of Western civil society, as proposed by Jeffrey Alexander. What combines these different and largely incompatible theories in this paper is *the topic*: they illuminate different aspects of symbolic demarcation and the anatomy of symbolic domination. In general, in modern society power avoids being openly called power: it prefers to be presented as ‘rationality’, the ‘general good’, or a ‘biological fact’. Therefore, the names and identities which different groups achieve in the symbolic power space do not look ‘arbitrary’ but seem like deserved honour or shame.

Identity: Being recognised or unrecognised by others

It cannot be denied that identity and name are difficult notions to use in a precise analysis: “To say that somebody is identical with him/herself is trivial, and to say that somebody is identical with someone else is absurd”, maintains W. V. Quine, the analytic philosopher. However, identity also has a non-trivial meaning, referring to the social paths through which people can achieve a certain identity. In this sense, identity is the trajectory of the ‘names’ which the individual obtains during his/her life-course; it is the mail received from significant others. But people also receive the wrong mail or anonymous letters; they can achieve from others a name that they feel is totally inappropriate compared to their own genuine experience. It may help this analysis of symbolic demarcation and expulsion if we sketch the commonest dilemmas of identity in our society, as shown in Figure 1.

We shall later return to the problem of a polymorphous or ‘multivoiced’ identity, in which peripheral identities may be absorbed by the dominant identity of the world system. But who actually achieves a full-weight identity and how is this identity formed?

The Italian sociologist Alessandro Pizzorno maintains that in modern society only people who are considered to be free-willed, rational actors – who are not controlled by sovereign authorities or by irrational group emotions – can be considered to be *citizens* with their justified interests. No individual or social group exists before first having entered the networks of social interaction or the ‘social game’; “The primary condition of social existence is be-

Figure 1: Dilemmas of identity.

- *Too strong identity*: the social selfhood excludes Others; a strong identity often means exaggerated nationalism or provincialism, with a sharp distinction between 'Us', the accepted ones, and 'They', the non-preferred others;
- *Too weak identity*: people become 'rootless' and have changing identities in different situations; they feel themselves to be 'foreigners' or the Other even in the society where they live;
- *Wrong identity*: identity that which does not correspond to one's ideal selfhood: people who feel that the name they receive from the important others in society is somehow false,
- *'Polymorphous' identity*: identity is considered to be a network in which a number of different cultural elements are assimilated, without any definite 'Ego' that would give it coherence.

ing recognised by the others and achieving from them a name", claims Pizzorno (1991). Therefore, the idea of an 'individual' or a social group with certain personal characteristics, before the individual or group participates in social interaction, is totally impossible:

"... for a social order to be possible, the individuals who will be part of this order must first recognize each other's worth of being preserved, or – in a different terminology – of entering the game. They do this through forming identities and conceiving of their recognised selves as being identical in time." (Pizzorno 1991, 219-220).

A stable identity is, for many, their last chance to survive in difficult social circumstances: "Individuals threatened by nature with impermanence get together to simulate reciprocal recognition and thus lend each other stable identities. – They can now live as if they will last." (Pizzorno, op. cit.). But what this thesis also means is that groups that are not recognised by others as free-willed and rational actors can be expelled from the network of citizens and subjected to hardened control. This is where symbolic demarcation enters the scene: the networks of mutual naming make people dependent on each other – they are similarly dependent on those groups who have the capacity to afford social recognition to others. This means that people are *vulnerable* in the social game, in which there always lies a possibility of remaining unrecognised.

The anatomy of symbolic power

The basic human need to be recognised and the resulting dependence on others may also explain the mechanisms of *symbolic domination and violence* which Pierre Bourdieu has analysed so thoroughly (e.g. Bourdieu 1997; see also Bourdieu 1991). Symbolic violence is often manifested in *disrecognising* others or breaking their self-esteem. A subtle way of generating symbolic social separations is, for example, letting the public understand that some people do not want to earn their livelihood with hard work but instead utilise social assistance for the unemployed; this might justify hardened control of people living on unemployment, which many rightist politicians have actually suggested.

Bourdieu assumes that effective use of symbolic power depends, in the final analysis, on the *credibility* of the socially dominant group and its basic explanation of the world. Credibility requires – to use the idea of internal dialogue which the Russian semiotist Mihail Bakhtin put forward – both *an audience to be convinced* and *a hero* (or a ‘topic’) *to be lauded or contested*. The speech situation of everyday life is usually controlled by different rules of decent behaviour, politeness, or by official censorship, which are apt to silence the protests of suppressed people, who cannot find a voice to express their most bitter experiences (for these ideas of Bakhtin, see Bourdieu 1991, 40, 88).

The question here is a dialectic of honour and shame, which are distributed among individuals and social groups. This *economy of honour and shame* has its developmental roots in the early processes of socialisation, in which the child gradually internalises ‘the magic boundaries’ between the dominant and the dominated in his/her society (e.g. Bourdieu 1997; in fact, it was Karl Marx who appears to have first used the expression *magic borders*, those borders which the subordinated people do not dare to exceed even in their thoughts). In these early processes the family and the school transmit to the child a picture of his/her proper place in society, which corresponds to the social position of the individual’s original family (its race, ethnic origin, family social status, etc.). At the same time, the growing individual learns about the fundamental divisions of society, such as the difference between socially accepted and rejected human qualities.

All symbolic boundaries are, claims Bourdieu, “inscribed into the bodies of dominated people”, acting as a social physiology which warns about entering social positions that do not correspond to one’s status. The extremely compact empirical work *La Misère du Monde*, which was collected under the leadership of Bourdieu (1993), includes many testimonies in which people

at the extreme social periphery tell the researchers about their subjective experiences, their feelings of shame, inferiority and hopelessness, which are related to being definitely bound to positions that do not afford the elements of a worthy living. *It is important to see that these symbolic demarcations are not only 'metaphors' (which many social scientists think the symbols basically are) but display a real exercise of power and suppression.* Symbolic barriers get expressed as the bodily signals of shame, anxiety, or guiltiness (such as stuttering, blushing, hesitating speech, or trembling hands), when a person feels s/he has entered the wrong social places or feels subjected to the hardened control of his/her superiors.

Bourdieu compares the offence of dictated symbolic boundaries to the violation of sexual taboo in the psychoanalytic theory of Sigmund Freud: the offender's reactions of embarrassment are similar to those of a child who has broken the rules of suitability in front of his/her parents. The relationship of domination is transformed into bodily form, it becomes a part of the suppressed group's *habitus* (i.e. the totality of their mental dispositions). This is how the magic border between the dominant and the dominated functions "as the click in the mind of the dominated, from which it is impossible to loose oneself" (Bourdieu 1997, 203). Early adoption of the existing patterns of hierarchy – the basic contrasts such as *white/non-white, masculine/feminine, winner/loser, insider/outsider* – makes these differences appear as part of nature, and not as an aspect of intentional dominance.

Cleavages in modern identity

The theory of citizenship that the Californian sociologist Jeffrey Alexander (1993) has suggested goes right to the heart of the dynamics of social fragmentation, which also permits deeper analysis of the symbolic boundaries that function in the *international community* – the aspect in which Bourdieu's theory is relatively limited. Alexander formulates the maintenance of democracy as a *binary discourse*, in which the democratic code, the praised Western identity, evokes a counter-voice, the identity of those who should be expelled from the core society. The 'democratic code' combines two fundamental elements which structure the Western idea of citizenship. These elements are *rationality of action* and a *feeling of common mission*; maybe the triumph of what has been described as 'Western values'. Alexander believes that not the economic model nor the legal institution, but the dynamics of civic society define coherence or fragmentation in society.

Jeffrey Alexander draws an interesting picture of the moral centre of civic society; this moral elite is composed of people who mutually recognise each

other and follow common codes of self-control and friendliness. These features of openness, honesty and rationality can be spotted in the narratives that describe Western historical victories and their key figures, from George Washington to Winston Churchill and the World War II, to John Wayne beating the Indians.

Now this democratic code also includes a code that defines those who do not deserve full political or economic rights, or who should not be recognised as friends. Alexander postulates a counter-code, describing the part of society that is not accepted as a deserving partner: people who are described as irrational, hysterical, treacherous or unreliable. What is important is the fact that the democratic code legitimates expelling individuals in the groups that are considered to be the enemies of democratic identity (see Figure 2):

“Political struggles over the status of lower-class groups, racial and ethnic minorities, women, children, criminals, and the mentally, emotionally, and physically handicapped have always involved discursive struggles over whether the discourse of liberty can be extended and applied ” (Alexander 1993, 295).

Figure 2. ‘Democratic identity’ and its counter-code, based on the ideas of Jeffrey C. Alexander.

<i>Democratic code</i>	<i>Counter-code</i>
Open	Closed
Rational	Irrational
Liberal	Authoritarian
Calm	Hysterical
Friendly	Hostile
Loyal	Disloyal
Independent	Dependent
Official	Tribal
Capable	Uncapable
EXPULSION & EXCLUSION —————>	

These ‘morally good’ and ‘bad’ qualities of identity are not descriptions of the ‘real’ states but reflect social projections in which some groups are imagined as being ‘*generally good*’ and some others ‘*generally bad*’. But the social dynamics behind these projections is real and the risk of repression is always present even in the most democratic type of society. As Alexander states: “The centres of purity may easily become centres of purification”. Civic society and its borders are controlled by a moral and political élite, whom Alexander calls

‘dignitaries’ and ‘public servants’. The code of repression means a tendency for hardened control of immigration, for defining part of the population as ‘non-citizens’, in order to save the healthy core. Is this not a relatively common type of rightist argument, especially during periods of rapid and unpredictable social changes? This is a question of *symbolic hierarchies*, in which rationality and intelligence are seen as a monopoly of the wealthy centre. Being poor, long-term unemployed, black or without proper housing labels a person in our society *with an additional shame*. The democratic code and its counter-image therefore seem to portray the ‘magic border between the dominant and the dominated’, which Bourdieu (1997) presented – on the basis of quite different arguments – as the basic demarcation of a class society.

Traps of modernisation: A Turkish example

As stated above, the model that Jeffrey Alexander presents is also functional on the *international scale*, in which different nations are evaluated on the basis of acceptable or unacceptable, modern or ‘pre-modern’ identity. What is happening today on our continent is restructuration of the European core, which presents itself as a resort of rational and right-minded identity: a representative of the democratic code. Collapse of the bipartition of Europe into Communist and Western capitalist spheres resulted in a crisis of identity, in difficulties to define the counterpart of the West: the Eastern and South-Eastern quarter of Europe. The external and direct enemies of Western democratic order are indeed rare (only Libya, Irak, North Korea and Serbia today represent the ‘Kingdom of Evil’); so the strongest border in the world-system may run between those who have already gained an acceptable modern identity and those whose identity is still somehow ‘obscure’ or ‘disputable’.

Thus, most European border states have a problem similar to that which Turkey, Finland or the Balkan countries have had. To cite Kevin Robbins, who has studied the ‘interrupted identity’ of Turkish intelligentsia, *Turks are Europe and they are not*. This may also depict the common European opinion of Russia, which despite its intellectual traditions, is still considered to be an unpredictable, even a tribal society and only partly modernised. Typical is the statement of the British historian Arnold J. Toynbee, whom Kevin Robbins cites: “Turks, as well as Jews, are a peculiar people”. One astonishing trait of Turks is, according to a Western visitor, that they do not go to opera.

But why be concerned with these mixed peripheral identities or bother with the fact that Turks do not go to opera or do not drink beer, but instead play games on specially constructed boards? The very idea that Turks do not understand opera gives a wrong impression of their multicultural tradition,

which has been rooted in the multicultural Ottoman state. Nilufer Göle, a Turkish feminist researcher, remarks that there exist forms of modernisation other than the Western free-market paradigm (Göle 2000). For example, Turkey represents certain specific modes of Muslim modernisation which are not usually recognised in the West. However this may be, modernity is already an intrinsic part of everyday life in the hemisphere that is usually, in the Western core, considered to be 'half-modern'.

"... modernity is becoming an intrinsic part of everyday life in non-Western communities, becoming a simultaneous experience with Western countries. Voluntary modernisation, forced colonisation, and globalisation of the free flow of capital, ideas, consumer goods, cultural artefacts, all contributed at different stages to the indigenisation of modernity." (Göle 2000.)

Some prognostic figures

The present estimate is that at least *20 million* 'foreigners' are part of European manpower today. In addition to those with foreign citizenship, also the families of former immigrants are often counted in this category of 'foreigners' – a category that is surprisingly weakly defined in the present European Union. In Sweden one million of the present population were born outside the country, which is 15 % of the whole population; in Finland the proportion of foreigners is one of the smallest in the European Union, only some two percent. A UNESCO prognosis suggests that Western Europe would, during next 25 years, need an additional 40 million foreign workers to compensate for the shortcomings of its own labour force, the decreased supply of manpower caused by aging and reduction in birth rates. Future expansion of the European Union will open the common labour market, first to the 'Western East-European' belt. In the second wave countries with a more 'Eastern' identity, such as Romania or Turkey with its 65 million Muslim inhabitants, will probably join the Union. A special stream of entrance is East-European workers who are qualified in computer technology and telecommunication – they are what politicians tend to call the '*good foreigners*'.

All new entrants to the European union have their own national cultural heritage, which has contributed to world literature and architecture. The problem is that their original traditions are usually understood in the West as marginal, and the incomers to the EU are expected to be adapted to what is called the universal free-market model of identity. In the present discussion 'globalisation' is understood as assimilation of different cultural identities – a

process which looks quite colourful and versatile but which also seems to lead to what some researchers call ‘cross-cultural malaise’.

Assimilation or cross-cultural malaise?

Some researchers think that the theory of multivoiced selfhood – in which identities may be mixed and assimilated with each other – may offer a solution for building identities that would represent a mixture of cultural elements. A debate on the risks and advantages of multicultural identities has occurred recently in the “American Psychologist”, in which two psychologists who support the theory of Dialogical Selfhood criticised current cross-cultural research for emphasising the differences rather than the similarities among various world cultures (Hermans & Kempen 1998). These writers suggested a model for *multiculturalism* in which the traits of local and peripheral cultures would be cross-breed with a universal type of trends. They called these cross-breed identities cultural hybrids and expressed their enthusiasm for the new process of multiculturalisation which is, according to them, related to advancing globalisation.

However, Hermans and Kempen also received heavy criticism for their multiculturalist ideas. Ben Holdstock (1999) claims that they have forgotten the central role of cultural identity in national and international politics. Therefore the idea of harmonic assimilation of the dominant and the dominated culture sounds naïve. The notion of a dialogical self as the basis of multicultural identity also appears problematic, as there exists a universalist voice speaking with the accent of authority. As Charles Taylor says: “A risk of the multicultural is the existence of an identity which is superior to all others.” (cit. by Smith 1999.)

This thesis seems to concern especially the Anglo-American paradigm of multiculturalism, which in the final analysis is based on the idea of free market and of culture as a diversified model of consumption; in this paradigm, superior identity belongs to those who are efficient in marketing and selling and who best conform to the conditions prescribed by the globalising economy. Therefore, the idea of hybrid or polymorphous identities in the globalising world does not seem to resolve the basic problem of symbolic demarcations, which the economically superior market forces initiate with their expansion.

Conclusion

As an alternative to the Anglo-American paradigm of modernisation, which is concerned with expansion of the world markets, the Turkish feminist researcher, Nilufer Göle, has suggested a *French* or *jacobinian* model of emancipation. This model is concerned with *political modernisation*, which dates from the French revolution; it represents the emancipatory tendencies of modernity, rather than freedom of commerce. In Turkey this has meant, despite the Kemalist or militarily directed reforms of administration, emancipation of women, who openly influence universities and political life. (Göle 2000.)

The jacobinian model of modernisation apparently avoids the dangers of 'multiculturation' and economic conformism, which are bound to the Anglo-American type of market modernism, in which the central process is broadening of the free market. As Bourdieu and Wacquant (2000) state, the problem of the current Anglo-American oriented sociology is that it presents the trends of social development that have characterised American society as if they were universal trends of the whole world situation, into which all societies will be sooner or later unavoidably integrated. At the same time, this model of development would emphasise utilisation of cheap labour, unemployment, concentration of poverty and social exclusion as inevitable parts of future development. The 'new Vulgata' of the world order is based, Bourdieu and Wacquant claim, on the total liberalisation of market economy at the cost of welfare planning, a process in which a continuous generation of losers and winners – and maintenance of present symbolic demarcations – seems to be unavoidable (Bourdieu & Wacquant 2000).

One might ask whether the European Union could be more oriented to the jacobinian model, starting from conditions of political emancipation, when it is now chiefly concerned with the idea of free flow of capital and manpower. The intellectuals of countries such as Russia, Turkey, Poland or Romania would have more chances to voice their opinions if political emancipation would *precede* the liberation of capitalist economic forces which is now occurring in their societies. The wish of the different 'cultural and economic border countries' is that they would not be considered a 'border area' of the world-system but would be recognised on the basis of their own cultural identity. To return to the ideas of Nilufer Göle, instead of symbolic demarcations that categorise people without asking their opinion, each country should have the right to their own way of modernisation, as voiced in its literature and arts or in its religious and philosophical thinking.

Questions

- What kind of symbolic boundaries do you believe differentiate people in your own country; whom do these borders define as a 'social periphery' and in this case which groups of people form the 'centre'?
- How important do you think it is for people to be recognised by others and to possess a 'name'?
- Can symbolic demarcations and boundaries be totally abolished, and if so, what could be the consequences?
- What makes symbolic borders magic boundaries; why are they so strongly fixed in the mind of the dominated people (compare, for example, to the theory of Bourdieu)?

Suggestions for further reading

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Pertti Joenniemi

CHANGING POLITICS ALONG FINLAND'S BORDERS

From Norden to the Northern Dimension

Movements at the edge of Europe

The contrast between the previous period in Finland's border politics and the present one, brought about by the disappearance of the East/West divide, is striking. A stable and well-bordered environment, essential for both Russia and Finland, has been subject to radical changes. What labels Europe's North in particular is that it appears to have turned into a veritable laboratory of innovative ways of dealing with the tendency for borders to be divisive (Bailes 1998, 183). The emerging political landscape is far less rigid than the previous one, being imbued with multilateral constellations and many regional formations.

This implies, in the case of Finland, that the fuzziness of the external borders has increased dramatically. The influence of the traditional logic of *Realpolitik* – involving divisive, statist borders that clearly indicate who is 'inside' and who is 'outside' – has become less important. The categories of 'us' and 'them' are no longer as strictly delineated as they used to be, and the needs of the former category do not automatically take priority over the latter. Such a hierarchy has now become far less distinct, as shown in the increasing number of transborder projects (cf. Christiansen & Joenniemi 1999). Approaches featuring more equality and parity between 'us' and 'them' are highlighted as previous divisions are replaced by numerous overlapping jurisdictions. Recently, Finland has thus been called upon to cope with the emergence of various shifting patterns of co-operation, including those that stretch across the Baltic Sea region and the Barents area, and to adapt to a profoundly altered, and less bordered, political landscape.

One may recall, however, that these challenges are not altogether new. The Cold War constellation was not entirely divisive; it left some room for formations that deviated from the prevailing bipolarity. The most obvious exception was Nordic co-operation; Denmark, Finland, Iceland, Norway and Sweden deviated, in some ways, from the rules of the Cold War period, were never fully in line with those rules and followed instead what might be called a *Sonderweg*. The logic of *Realpolitik* was partly set aside, not being applied to intra-Nordic relations. Hence the Nordic countries introduced, by forming a grouping of their own, considerable variety into the political landscape already at the beginning of the 1950's. Finland was initially seen as being located at the fringes of nordicity, but then was included in 1956. Within the Nordic 'family' borders have not been viewed as obstacles to interaction and there has been far-reaching equity.

My purpose here is to use Norden and nordicity as signposts in tackling the meaning of the recent changes for Finland. How do the representations now evoked in the discourse relate to the more established ones? And more particularly, how does Nordic co-operation tie in with the other co-operative vehicles that have emerged in northernmost Europe since the end of the Cold War? Are the current moves towards elimination of borders to be seen as an extension and follow-up of earlier moves already present in nordicity, or do they contain some entirely new elements, thereby profoundly altering the political landscape in northern Europe?

The most interesting issue to pursue appears to be the relationship between nordicity and northernness, with the latter assuming a certain importance in the context of the European Union's Northern Dimension. Obviously these two images are related (Norden means literally 'the North'). They have a certain affinity in both a symbolic and historical sense. Over time they have drifted apart, but now a certain re-approach seems to be underway. Thus we may ask whether the relationship between nordicity and northernness is complementary or competitive. Or seen from Finland's perspective: Is the Northern Dimension initiative to be seen as an extension – now that the conditions allow for this – of the experiences gained in a Nordic context, or does the Northern Dimension initiative represent something qualitatively new, pushing Nordic co-operation into the shadows? Is Finland actually trading nordicity for northernness, and thereby aiming to inject some new features into post-Cold War Europe?

The two representations of political space singled out here, nordicity and northernness, are perhaps not, strictly speaking, opposites. They may both remain on the scene, but their relationship is no longer as harmonious and detached as it used to be. This would imply that, in particular, the Nordic representation, which previously was the sole deviation from a rather bifur-

cated pattern, is under a strain. The more general question here is how borders are comprehended – maintained, strengthened, blurred or moved – and what effects current changes have in the case of Finland, the European Union and the northern political landscape at large.

With the northern and Nordic representations increasingly competing for the same space, these appear to be rather pertinent issues to investigate. For one thing, if borders change the new constellations also bring about a new and differently delineated Finland. As a political entity, Finland changes by having to define and locate itself in a crucially altered environment, one that is increasingly influenced by governance, i.e. an integration-oriented European logic. Finland is allowed, among other things, to expand by reaching beyond its previous borders and it, above all, becomes one of the junctures, or nodal points, that mediate between different spheres of Europeanness. Thus, there are reasons to pose basic questions about Finland's essence, including its location.

Norden: A community of destiny

The Nordic configuration has an established history and has, over time, assumed distinct institutional forms. It has, however, often been depicted in terms of *sui generis*, a case in a category of its own. It is obviously there and yet it remains somewhat evasive, an entity hard to pin down and locate in a broader context (cf. Rerup 1994).

The history of Norden goes back a long time. The idea goes back at least to the days of the Kalmar Union from 1397 to 1523, constituting an effort to keep the German influence at bay; and it may stretch even further back in time (cf. Gustafsson 1997). In the 1830's it assumed the form of a Scandinavian movement, composed mainly of students and academics; its aim was to establish a unified Scandinavian polity. When this turned out to be futile, with Denmark being left without neighbourly help in the Schleswig-Holstein war in 1864, the state-actors largely lost interest in the Nordic option. This left room for various non-statist forces to gain ground. These forces took stock of the opportunity that emerged and over the years were able to provide Norden with features of a rather horizontal 'bottom-up' type of entity. For example, a rich network of Nordic associations emerged furnishing nordicity with features of a popular movement.

The milestones of nordicity also include efforts to form a neutral group at the beginning of the 1930's and more recently the establishment of a Nordic Council in 1952 by Denmark, Norway and Sweden. This body, which consisted of parliamentarians, was joined by Finland and Iceland some years

later. This gaining of an institutional form paved the way for an active period of Nordic co-operation, resulting in various co-operation schemes such as a common labour market (1954), equal treatment in terms of social security (1955) and a passport union (1957) allowing Nordic citizens to travel freely among the Nordic countries. Integration and the establishment of a economic area were discussed through-out the 1960's; but the efforts failed, and to compensate for this, a Nordic Council of Ministers was established in 1972.

With this Council the state-to-state nature of Nordic co-operation became more apparent, but there also remains an intense informal pattern of social and cultural interaction as well as a 'we-feeling' among Nordic citizens. This is a transnational 'we', that is a joint identity and a kind of second-order nationalism that extends beyond the usual confines of nation-states. Iver Neumann (2000, 4) articulates the relationship by arguing that the Nordics are liminars to one another. They are neither simply 'us' nor 'them', they are something in between, something grey area-like. He stresses that borders also between the Nordic societies are constantly reproduced. Enmity has not given way to complete and uncomplicated amity, yet the Nordics tend to feel at 'home' with each other. This feeling of forming a close-knit community is not dependent on the formal structures of Nordic co-operation but constitutes something that envelops the more formal aspects. It is less visible but nonetheless constitutes an important, if not the most important, part of nordicity.

A case apart

Norden has assumed, in a number of ways, a kind of domestic quality; on occasion there are virtually no borders in cultural and institutional terms. One of its essential aspects, one may claim, is that civil servants can pick up a phone and call their counterparts in other Nordic countries almost as easily as they communicate with their fellow nationals. Obviously, the Nordic configuration stands out as a contrast to the ordinary, sovereignty-gearred forms of political space. It has been able to achieve permeable internal borders, although this applies first and foremost to the identity-related and mental borders. The Nordic 'we' that extends beyond the nation-borders has not been particularly conducive either to economic integration or to cross-border regionalisation, i.e. its transactional borders have not been very malleable.

As the Nordic configuration is not furnished with an explicit centre itself, the external borders also remain somewhat vague. It is, however, possible to argue – as Sverre Jervell (1991, 15) does – that the Nordic sphere has historically been delimited by the German and Russian spheres: "It starts where the

‘German’ sphere comes to an end in the south and where the ‘Russian’ sphere does the same in the west”. Øystein Sørensen and Bo Stråth (1997, 3) follow a related pattern of thought, although they apply a less geographic point of departure. The Nordic ‘model’ represents, in their view, a certain variety within Enlightenment modernisation. They contrast the Nordic ‘with Fascism and Bolshevism model’ (although arguing that all of them have been inherent in the modern project): “In Scandinavia the tension between freedom and equality was better contained than elsewhere”. Norden has succeeded, they claim, in avoiding the catastrophes that both Fascism and Bolshevism have brought about, and therefore resides in a category of its own in relation to the two other projects.

In line with this, when the essence of Norden and nordicity has to be described, the word ‘model’ frequently pops up (cf. Mjøset 1986). Such labelling is part and parcel of the view that Norden represents a particularly successful variation of modernity, a high level of growth and welfare, planning and other forms of rationality. It has been depicted as being *avant garde*, an exemplary kind of progress machine (cf. Joenniemi 1997). It stands out as a kind of ‘third way’ between hard-core capitalism and eastern socialism. It is not a negation but rather an improved version of the other two systems. Such qualities have allowed Norden to distinguish itself from the North, which tends to have connotations of extreme peripherality, darkness, winter, barren and primitive conditions, i.e. a sphere outside Enlightenment. The argument can be made that Norden took on features that have been more frequent south of the *limes norrlandicus*, a symbolic, cultural and to some extent an economic line that divides northern Europe into two different spheres (cf. Bergreen 1992, 193-200). The features that are more outstanding to the north of this divide have been suppressed, whereas those located to the south have been elevated and utilised in representations that aim to depict what Norden is basically about.

These assertions have been most evident in efforts to associate nordicity with light, summer and sunshine. Images along these lines have been deliberately exploited, for example, by the Nordic Council of Ministers with the Council hooking on to a debate in the world of arts and in the mid-1980’s assembling an exhibition called ‘Dreams of a Summer Night’. The argument underlying the exhibition was that there is a particular kind of light that can be traced in the paintings of various Nordic artists from the turn of the century. The representations used aimed to set nordicity apart from northernness. The images of day (Norden) and night (northernness) have been used to drive a wedge between two related configurations (cf. Klinge 1984).

Norden has, to a large degree, been pitted against the neighbouring countries and Europe in general. The argumentation varies, but the effort has

invariably been one of distinguishing an outside from an inside. Norden has been depicted as distinct from its environs, this allowing it to turn into a dominant spatial representation in Europe's North. The rather far-going internal de-bordering appears to have been related to an external bordering, i.e. the internal closeness and coherence has come about as the external environment has been perceived in terms of 'them', a sphere quite different from the Nordic one.

The European shift of Nordic co-operation

This division into two sides quite different from each other has now turned into a moot point. Keeping up the Nordic configuration has become problematic because European co-operation is no longer in a category of its own. What is Norden once the confrontation in central Europe has disappeared and the key concepts underpinning the formation of political space in Europe at large are those of democracy, human rights and market economy?

Already the Danish, Finnish and Swedish memberships in the European Union clearly indicate that the relationship to Norden can no longer be comprehended in exclusive terms. A majority of the Nordics now apply strategies of participation instead of trying to remain aloof. Europeanness and nordicity can no longer figure as two spheres apart from each other. Instead, they strongly overlap and tie into each other. In some campaigns against EU-membership Norden may still be purported to be an alternative sphere. The argument is then that Norden should be kept separate from the 'inferior' EU and that it should be developed on its own terms. It may be observed, however, that these conceptualisations of Norden are not broadly shared, and they also tend to fail to find a positive echo on the side of the respective establishments.

Due to changing constellations, questions unavoidably emerge about the relationship between Norden and the rest of Europe. Some may even pertain to the very durability of Norden. One of the major issues to clarify is whether Norden also formed a separate sphere of co-operation premised on the Cold War, and if so, will nordicity be able to survive once the rigidity of that period gives way to co-operative constellations on a broader European scale. Are there elements in the Nordic configuration that allow it to adapt to the new, less bounded conditions or will shrink to something insignificant or perhaps lose ground altogether? Can Norden change from something that has often been seen as separate from and superior to Europe into a configuration and spatial representation that is subordinated to Europe? Various Nordic actors have been forced to ponder these questions. The stands taken

have often been further apart from each other in Danish, Norwegian and Swedish debates than in the Finnish and Icelandic ones. This is because nordicity has apparently occupied a more central place as part of the national 'self' within the former grouping than in the latter.

As to Nordic co-operation at large, considerable changes have been introduced. The effort has been one of tuning increasingly in to the needs of the external environment. Changes have been implemented that lower the external borders and relate the Nordic sphere to co-operation around the Baltic Sea, in the Barents area and in Europe in general. Norden has been called to accept that it is no longer as hegemonic as it once was. It is profoundly challenged in having to compete for space with representations that are explicitly based on endeavours to lower the borders in the northern part of Europe.

One aspect of the process of adaptation consists of reducing Norden's internal orientation. Actually, a re-orientation along these lines has already come about without much effort as intra-Nordic co-operation has to a large degree been crowded out by increased emphasis on the EU (cf. Mouritzen 1995). To compensate for this decline, co-operation with the external environment has been increased. Nordic co-operation and European integration have been taken to be complementary, as exemplified, for example, by efforts to eliminate the tension between the Schengen agreement and the Nordic passport union. The aim has been to include Norway, a non-member, among the Schengen countries. More generally, the task has been understood as linking the Nordic entity with contemporary European governance made up of a three-levels: regions, national governments and European institutions (cf. Stenbäck 1997). Some success has been achieved, although there have also been notable failures as indicated by the unsuccessful attempts to forge a co-ordinated Nordic approach to relations with the Baltic countries or efforts to establish something of a joint front – or at least extensively co-ordinate the Nordic policies – in relation to the EU.

The reforming of the Nordic constellations covers not only the state-to-state relations but also some societal and non-statist spheres. This is clearly shown by the changes introduced by the Nordic associations. New associations have recently been established in the Baltic countries as well as in Russia (St. Petersburg, Murmansk and Kaliningrad). These newcomers have, interestingly enough, been allowed to join the already existing associations, and basically on equal terms. They have been comprehended as being part of the Nordic 'family'. The emergence of new associations bear witness to something rather important. They signal that nordicity is moving beyond its previous boundaries, which had been cultural, legal and institutional. Norden has been able to make use of the fact that it is now possible to reach further

and compete for space outside the borders of the Nordic countries themselves. The introduction of these increasingly porous external borders is quite telling; it indicates that the meaning and significance of Norden's external borders has been re-thought. Borders no longer stand as outer limits and they do not merely constrain. Borders are allowed to operate as zones of contact enabling reaching out and linking with other actors. The changes introduced are, no doubt, rather profound as they deprive the Nordic configuration of its previous modern clarity and unambiguous, well-bounded character.

The reforms introduced and the re-orientation of Nordic co-operation may have given Norden some new life, but has it been rescued for good and provided with a durable position within a new, more pluralist setting? This is hardly the case. Much indicates to that the future remains uncertain. Nordicity is still valued highly and it continues to occupy an essential part of the various national 'selves' in the Nordic countries, but the efforts of translating these strengths into operative political clout appear to leave much to be desired. Many voices have argued that Norden has become redundant and the word 'crisis' keeps echoing around (cf. Joenniemi 1994; Jukarainen 1999; Mouritzen 1995; Neumann 2000; Wæver 1992 and 1994). From being better than Europe, Norden is now often comprehended as being inferior. It is frequently called to compete with new initiatives that have seen the light of the day in Northern Europe, such as Baltic Sea or Barents co-operation, and it remains uncertain whether the Nordic configuration will be able to pass the test of time.

The return of northernness

It has become obvious, over the past decade, that Norden is no longer as hegemonic as it used to be. With several other representations now competing for influence in the northern part of Europe, Norden has become less unique. It stands severely challenged – as one among many – and of the newcomers, northernness is perhaps the most serious contender. It competes with Norden in the form of the EU's Northern Dimension (cf. Ojanen 1999) already because of a symbolic and linguistic affinity. There also exist historical links between the two representations. The return of northernness unavoidably raises the question of how these two representations relate to each other. For one: Why did Finland choose northernness and not nordicity as a point of departure; why a Northern and not a Nordic Dimension?

Norden, due to its boundedness, clearly has a narrower reach than northernness does. It is an either-or type of representation and therefore unable to

spawn policy regimes that are both 'in' and 'out' of the EU-polity. The two are not easily interchangeable, as Norden has aimed to remain aloof from northernness and originally carved itself space by pushing northernness further to north. Now it is precisely this aspiration for exclusivity that makes Norden vulnerable to the return of northernness. Norden needs to remain apart but how can the argument, now frequently raised, that Norden is also part and parcel of a broader northern constellation be countered? Efforts to remain aloof and too harsh rebuttals of the invitation to merge with northernness would render nordicity open to accusations of denying its own roots.

Northernness, for its part, operates in terms of both-and; it does not have to restrict itself like Norden as obliged to do. It may expand, purport itself to be an overarching image, reach out and feed on an affinity between the two representations. This can be done without nordicity being able to insulate itself and put up much resistance. In fact, the return of northernness as a concept that aims at restoring lost unity does not leave Norden other options than linking in and staying around by accepting a symbiotic both-and relationship to northernness. This has to be done despite the fact that such a 'outside-in' type of move (if seen from Norden's perspective) appears to deprive Norden of much that previously justified its existence.

The more general reason for Norden's demise is the fact that it is quite border-dependent and closely attached – despite being in some ways a countermove – to the logic of *Realpolitik*. It has been feeding on the existence of quite distinct divisions: those of East and West, NATO and the Warsaw Pact as well as capitalism versus socialism. Norden thus encounters difficulties, in contrast to northernness, if forced to relate to a graded political landscape with rather vague borders. Northernness now invites Norden – along with Baltic Sea and Barents co-operation – to become part of a broader constellation, one that is very different from Norden's previous environment. In a way, Norden is confronted with a representation previously contained and kept at bay behind the *limes norrlandicus* or, if seen in a historical perspective, the return of an image that used to label large parts of Europe before the Napoleonic wars (cf. Lehti 1999).

Norden has, in general, suffered from the post-Cold War situation as there has neither been replacement of old divisions nor emergence of new ones. Various bounded representations, such as Norden or *Zwischeneuropa* (Middle Europe), tend to lose ground. Northernness, for its part, operates on different premises. It aims at undermining previous borderlines, including those essential for the old Norden. Northernness is clearly premised on inclusive moves in aiming to reach out, in the form of the Northern Dimension initiative, both in a southern (Europe) and eastern (Russia) direction. The

initiative is tantamount to de-bordering as it aspires to a softening of the external borders of the EU. It is part and parcel of recent debates on a new Europe with flexible and transparent borders. Above all, northernness does not aspire to have a distinct sphere of its own but forms an integral part of a broader European setting.

East and West on decline

A further quality that sets northernness apart from Norden consists of the fact that the latter represents – despite its light and somewhat spontaneous character – a high level of ambitions. With the position of both East and West being to some extent undermined by the demise of the Cold War, northernness has been offered an opportunity to enhance its position. It neither aspires to a separate existence at some remote corner of Europe nor aims to locate itself in a Europe that is already defined and fixed. Instead, it has become a vehicle for partaking of a struggle for political space once the standing of the two previously dominant co-ordinates and cartographic signs have become uncertain. It aims to conquer space at the expense of these two and aspires to the position of a core principle, thereby also increasingly defining the meaning and position of a number of other representations, among these Norden.

Yet it has to be added that the confrontation tends to be rather soft and indirect. This is so as northernness, particularly if purported to be essentially European, operates rather smoothly. It has certainly not achieved the position of a firmly grounded and well-established representation. On the contrary, it is in many ways less real than Norden. Northernness remains uncertain, visionary and at best in the making, although these ‘weaknesses’ do not seem to play into the hands of nordicity. Northernness can to some extent lean on its history, but it may also purport that it is something new and exciting. Norden, in turn, has the connotation of being an integral part of a Europe that used to be (cf. Wæver 1992, 96). In a sense, Norden is quite old-fashioned whereas northernness appears to be fresh, dynamic and very much alive. Due to its dual nature of being well grounded in history and yet standing for something quite new, northernness seems to be able to tackle Norden by a pincher move. Northernness is able to radiate a certain naturalness while at the same time making use of its openness for various interpretations concerning its current essence. It may attract attention by serving as a laboratory for new ideas concerning who ‘we’ are at the fringe of Europe and how ‘we’ can locate ourselves and take part in, not lock ourselves out of, the construction of a new Europe.

The Northern Dimension initiative indicates that at least Finland believes in the potential inherent in the old/new image of northernness. Some of this trust may be explained by the fact that the diplomatic process now set into motion is part of a broader discourse. “Northern Europe is pop” argues, for example, Edward James Crockford (1999, 5), editor of a new business journal “Northern Enterprises”. He is confident that the label of northernness and the underlying claim of commonly shared culture and heritage will also support a commercial publication. Some further proof is offered by Yngve Bergquist, who runs a hotel built of ice in Jukkasjärvi, northernmost Sweden. He states, in an interview to Scanorama (Schmidt 2000, 22), that the building of the hotel has changed the character of a previously rather quiet place: “Winter used to be a problematic time here. Now it is our main attraction.”

Pirjo Jukarainen (1999, 378) confirms that there is a broader discourse underpinning the Northern Dimension. She concludes, by reviewing the debates in a Nordic scholarly journal, that Norden appears to have fewer and fewer advocates and summarises the discourse with the claim “Norden is Dead – Long Live the Eastwards Faced Euro-North”. Thus it appears that Norden could, with northernness gradually gaining the upper hand, turn into something of a sub-category within a broader configuration. It may become far less distinct and statist than previously. In fact, Norden might have to translate into a (neo)regional pattern of co-operation. It would be one among a number of other regional constellations, these being tied together by the concept of northernness. Norden would then lose in specificity and translate into a representation that has to compete with other sub-categories, such as Arctic, Baltic Sea and Barents co-operation, all of which are framed and defined by northernness.

Filling a blank spot

As the Northern Dimension is still in its infancy, however, we may have to avoid too far-reaching conclusions. The Northern Dimension initiative remains vague in both political and institutional terms. The concept landed on the EU's agenda in December 1997 when the Luxembourg Council obliged the Commission to prepare a report on the Northern Dimension. A year later the report was introduced at the Vienna European Council, which decided that the European Union now had a Northern Dimension which would require further development by the Commission. The European Parliament prepared a report of its own. It stressed, to some extent in contrast to the views of the Commission, that the Northern Dimension should have a regional role, for

example, in creating and strengthening cross-border co-operation in line with the Euroregions (or Euregios) in central Europe (cf. Haukkala 1999,14).

An important step occurred in November 1999 when a ministerial conference – forming a joint political platform with the Baltic countries, Poland, Iceland, Norway and Russia – was held in Helsinki. Various functional issues pertaining to energy, raw materials, environment, border controls, employment, transport and infrastructure provided much of the substance of the meeting. The EU Summit in Helsinki in December 1999 then took stock of the results and asked the Commission to chart a plan of action with the aim of linking the Tacis programme closer to the Northern Dimension (cf. Forsberg 1999; Ojanen 1999,14-6). Sweden pledged to organise another high-level meeting to review the results during its presidency in 2001, and Denmark announced that it will organise a meeting on the question of Kaliningrad during spring 2000.

This indicates that northernness has been proposed and accepted as qualifying some aspects of the European Union. Round one brought northernness to the EU agenda, although so far in a relatively diffuse manner. Some further steps will be taken, and it remains to be seen how far they will go. Northernness may still turn out to be one of the ideas coined and launched into the debate that in the end amount to very little. The impact will perhaps not reach beyond some local effects. The otherness of the North (cf. Haila 1996; Sörlin 1986,111) and the way the marker has been traditionally comprehended may remain so strong that no firm and positive link to Europe emerges. Efforts to extend northernness beyond its previous sphere may turn out, in the end, to be rather cumbersome.

Yet it may be noted that what used to be, prior to the entrance of Finland and Sweden in 1995, a blank spot on the Union's mental map (Jann 1994,182) is gaining contours of its own. It has been accepted that northernness is a sphere of its own and one that requires specific policies. The representation utilised is not, as might be expected on the basis of previous constellations, that of westernness. The discourse is not about westernness occupying new ground by pushing easternness further towards the East. The area staked out has not been conceptualised as being the focus of a contest between East and West. Thus a third alternative has been chosen and it has not been that of Norden or nordicity.

The Nordic concept, if applied, would have a quality of its own in being exclusive rather than inclusive in essence. Traditionally the use of Norden has been embedded in efforts to stress the non-European character of the region, i.e. to show it as being outside the sphere of European power politics and different from the rest of Europe in many ways (cf. Henningsen 1997, 97). Nordicity has not been on a level with the other basic points of the

compass. It would have been more political and as nordicity is limited to the traditional co-operation between the Nordic countries, it would not been able to serve as a platform for linking up with the East.

Instead of choosing Westernness or nordicity, which would also have been available, a different representation has been capitalised upon. Now a resource is utilised that for a long time had a rather entrenched position at the fringes of a system dominated by an East/West rivalry. Obviously, the configuration that emerges with the elevation of northernness differs from any pattern with the East and West as the main co-ordinates. The newcomer is broader, less political, more differentiated and, most importantly, it allows for being simultaneously European and northern.

Finland: Nordic or northern?

The Finnish effort to inject northernness into the discourse on the new Europe may, at first glance, seem rather odd. Is it really possible to bring a previous 'stranger' or a 'liminar' into the inner sphere of Europe and is it desirable in the first place? Doubts may emerge already because northernness is not imbued with connotations of offering an inroad into world history; rather it has stood for a way out. In trying to bolster Finland's subjectivity and status as an European actor, why should we employ a representation that mainly signals isolation, peripherality, remoteness, marginality and a frontier mentality?

The Finnish view obviously is that there are good reasons for investing in northernness. The introduction of such a quality carries with it the promise of a more flexible Union as the marker of northernness operates by blurring the outer boundaries of 'Europe'. The Finnish claim is, more specifically, that there are areas within the Union that require special attention. The Northern Dimension proposes particular policies for a particular region. The move toward emphasising northernness is rather forceful, as it breaks with the idea that the Union is about creating a homogeneous sphere and constructing a uniform interior by pursuing policies that apply equally to all. The Union has to be made, the initiative suggests, more diversified and sensitive to the circumstances of its more peripheral areas.

The leadership of the foreign policy of Finland has given many reasons why the initiative was launched; but it can also be noted that many symbolic, identity-related and structural issues remain untouched. The leadership has, no doubt, arrived at the conclusion that the connotations of northernness have changed. For a long time northernness stood for exclusion, but now the inclusive aspects seem to have gained in strength. Already

the establishment of the Barents region (1994) signalled that northernness may be furnished with rather positive connotations. The marker has become more attractive and may serve as a joint sphere of co-operation. It increasingly has connotations of a meeting-place and no longer stands, as it used to, for profound difference and perhaps even a kind of opposition (cf. Coates 1993).

One of the untouched issue-areas consists of juxtaposing northernness and nordicity. The one has been placed above the other without explicit reflection. However, the change in the relationship has not passed unnoticed. Some Danish and Swedish parliamentarians have questioned the choice by arguing that nordicity should have been placed first (Ojanen 1999, 16), although they have not succeeded in obtaining Finnish reactions to their argument. We can assume, however, that there are also some essential Finnish interests at stake. One of the basic reasons for singling out northernness instead of nordicity is, no doubt, the fact that the former offered good opportunities to make the European Union more Finnish while at the same time it contributed to make Finland more European. If the initiative meets with success, Finland is not restricted to membership in a narrow and strictly pre-defined Union that ends abruptly at the Finnish-Russian border. The country is not doomed to peripheral position somewhere at the Union's outskirts but may reach out and use its long eastern border as a resource.

Above all, the initiative allows Finland to become a kind of 'Europe-maker'. The purpose of such a stance is to influence what the EU is basically about and, more concretely, to contribute to the opening of a backdoor that is especially important for the countries that have slim chances of gaining membership in the foreseeable future. The marker is broad enough to provide a unifying perspective. Areas not yet part of a common northern European space may be invited to join under the banner of northernness. They are called to become part of the pooling of different local-specific strengths, i.e. resources not previously available because of the divisive effect of borders.

Nordicity, due to its bounded character, would not have been able to offer similar prospects. It has less credibility as a bridge in intra-EU relations and it could not easily translate into a meeting-place with Poland, the Baltic countries and Russia. Nordic boundedness also implies that very little would change at Finland's eastern border. Finland would remain at the fringes of the system and perform the role of gate-keeper. The country would be void of prospects for becoming a unifying link. Furthermore, the use of nordicity would strengthen the image of Finland as being located at the far end of Europe, whereas northernness carries promises of turning it into a core mediator between the Union and the countries located in the 'outer circles'.

Nordicity is also heavily burdened by the fact that it does not function, to a sufficient degree, as a unifier among the Nordic countries vis-à-vis the Un-

ion itself. Norway and Iceland remain outside, and the profiles of Denmark, Finland and Sweden clearly differ from each other. Finland pursues active policies and has the reputation of being a loyal EU-member, whereas both Denmark and Sweden are more reserved in their policies due to a somewhat more critical domestic opinion. Finnish participation, as the only Nordic country, in the European Monetary Union is a case in point. The Nordic members of the EU have each aspired to a profile of their own and refrained from forming a joint grouping that would, with the Union, have been identified as Nordic in essence.

It thus stands to reason that Finland has not opted for nordicity. Investing in the Nordic experience in the context of the EU could easily be interpreted, taking into account its reputation as a particularly successful form of modernity, as an effort to challenge the Union. Such a move could be seen as signalling that the Nordic countries endeavour to place themselves in a category of their own, and they could be seen as aspiring for a position above the other EU-members. Northernness, on the other hand, does not function this way. By having a rather modest reputation, it is less contested and more able to mix with Europeanness.

Northernness benefits from the fact that it may be brought into the sphere of 'Europe' as an unexplored, innocent and adventurous notion. Its content is not homogeneous and categorically fixed; rather, northernness may be approached as a *tabula rasa*, as a blank space. The representation allows, due to its relative openness, various actors to link in and write their own stories and project their own readings of the present and visions of future. Instead of feeding on the various modern binary categories of either/or, inside/outside or East/West, northernness subscribes – due to its non-modern features – to breaking these categories down. The overall figure that emerges is still bordered, but the borders that remain are no longer boundaries in the classical Westphalian sense since they delimit and change both national and EU jurisdictions.

Finland clearly aspires, with the active use of discursive power, to be more than just a peripheral actor located at the external border of the EU, i.e. a border where a rather concentric EU comes to an end. It may be observed that the move pertains not only to the country's external environment; it is also about Finland itself and the option of gaining a position in the new Europe that Finns feel at home with. It is, in one of its aspects, about one's own 'Europe'. It is, as Hanna Ojanen (1999,16) puts it, about Finland getting recognition for its particular features.

Finland thus turns into a country of 'the northern star'. Northernness becomes even more than previously one of its defining elements. Such a quality does not just colour, if the initiative is successful, some particular

aspects of Finland but may label the country as a whole. In other words, the diplomatic initiative also pertains to a certain congruence between the internal and the external. Instead of waiting for a 'Brussels perspective' to arrive and categorise a certain part of Europe, Finland has grasped the initiative and aspires to reach such congruence. Northernness lowers Finland's threshold to Europe. Being part of a Union with a northern perspective makes membership much more attractive, acceptable and rewarding. The EU is less foreign once it can be credibly argued that it contains aspects that we may also recognise, upon closer inspection, in ourselves. Instead of being just 'there', Europe is also 'here'; it is on the spot, as 'here' and 'there' are not counterposed. The distance is made to shrink in the sphere of representations outlining political space as the EU becomes somewhat more de-centralised. Subsequently, the northern actors may feel that their prospects of being related to the core – and even more importantly – their chances of influencing what the EU is about and how it is thematised, have grown.

Concluding remarks

It appears, more generally, that the major co-ordinates of international relations are less fixed than previously. They are not as strictly predefined as they used to be. In particular, the Eastern marker has been in decline, and this is the space that northernness has been able to utilise. Northernness has been able to expand, assume a more autonomous meaning and increase in political relevance. It has been an offensive move in contrast to the use of the more defensive nordicity. The discourse of the Cold War years, which cast the North as something quite different than – and perhaps even opposite to – Europe, has by and large come to a halt. The dominant images are now those of connectedness rather than isolation.

Due to the Northern Dimension initiative, northernness has bolstered its position as one of the defining elements of Europeaness. It has, by growing in eminence, been part of undermining representations of a strictly uni-centred EU/Europe and adds to the credibility of a variegated one. Northernness may become a sub-space and an integral part of a concentric Europe by giving shape to the outer circles and pushing these circles outwards, or if the autonomy of northernness goes very far contributing to a 'Europe of neighbourhoods' or to a Europe with regionality as a core constitutive principle. In the latter case, with northernness as co-space rather than sub-space, one could speak of a polycentric EU or, more generally, a 'Europe of the Olympic rings'. Finland does not, although it has pushed the process into motion, seem to have an explicit policy here. The line is one of both-and as the

country appears to be able to cope with a concentric Europe, but would certainly also be able to relate to a European constellation which consists not only of one centre but several.

In any case, by raising issues of connectivity northernness challenges images of the fortress Europe. The functional spaces of the various cultural, economic and political activities proposed in the name of the Northern Dimension exceed any strict outer limits. Boundaries turn into outer-oriented and rather fluid frontiers. They do not disappear but tend to fade in significance and become more administrative. The Union thus becomes less pre-given, authentic and closed. In bridging entities that have been seen as being apart from each other, the representation brings about a Union with rather fuzzy external borders. It does not explicitly challenge the figure of a Schengen-EU and more broadly the logic of governance that prevails within the EU, although it softens the division between members and non-members, 'in' and 'out'. The constellation at the external borders turns less hierarchic as a joint 'we', one that brings about more equity, may be introduced. Previous opponents across very steep dividing lines are then called 'partners'.

Taken together, Europe appears to have become less closed and predetermined. The overall configuration is not defined just at the core, i.e. the actors located at the very 'heart'. They are not the sole authority concerning the way maps are drawn in northern Europe as there seems to be increased space for some of the more peripheral actors to influence the constitutive rules and frames of reference. These actors may contribute, on their own terms, to the establishment of some of the key attributes defining what the EU is basically about. They can, in the best of cases, interfere in the contest between the major co-ordinates and cognitive frames that also influence the way their own identity unfolds. They may utilise some of the elements used in that process by imposing their meaning on broader European constellations. They do not have to restrict themselves to a contest about centrality as there is also the option of influencing what the Union's periphery is about and how it is defined. The core may retain or even increase its power in some spheres, but as indicated by the Northern Dimension the periphery appears to have been able to influence, at least in some respects, the formation of what constitutes a relevant marker.

Obviously, a European Union furnished with a Northern Dimension no longer stands out as a distinctly modern formation seeking a homogeneous inside and a shared, coherent European identity that would prevail everywhere within the Euro-polity. It is more diffuse, less bordered and allows for considerable plurality. The notion of northernness itself stands out as a stranger in relation to modern political space; it is seen as 'unnatural' and out of place once it becomes imbued with Europeanness. However, if let in, it may be

conducive to the simultaneous existence of several, often overlapping Unions, some northern, Atlantic, southern (the Barcelona process) or central. Northernness then qualifies an EU that constantly changes, a Union that not only acknowledges difference but one that to some extent also builds on such a state of affairs. It has no eternal essence and remains in the focus of an open contest between different representations. Above all, it is a Union that has given up the modern ambition of being something very orderly, uniform, controlled and classifiable. Its meaning has not just one but several focal points, i.e. it is being produced at a variety of sites.

Finland clearly aspires to be one of these sites, or junctions or nodal points as they are sometimes called. This is done by sacrificing a previously quite well ordered 'Finland'. By turning itself into an advocate of the less border-dependent northern 'otherness' rather than the more familiar and border-defined nordicity, the country assumes features of a 'Europe-maker', but it is then no longer the Finland that used to be. In being born again, it becomes imbued with images that make it broader, oriented towards co-operation rather than conflict, images that allow reaching further out by being less constrained by the scale and teleologies of emergence and, more generally, enable it to transcend various barriers in both time and place, barriers that have been rather fixed during the modern period. In being less moulded in both territorial or vertical forms of authority, Finland declines, in a sense, to be what and where it is supposed to be but continues to harbour considerable significance and subjectivity.

Questions

- How have the foreign and border politics of Finland changed?
- What kind of position did Norden (Nordic countries) have during the Cold War, and how has it changed?
- How does Joenniemi define the terms nordicity and northernness? What is the difference?
- What is the content and idea behind the EU's Northern Dimension?

Suggestions for further reading

- Haukkala, H. (1999, ed.). *Dynamic Aspects of the Northern Dimension*. Turku: Jean Monnet Unit, University of Turku.
- Hedegaard, L. & Lindström, B. (2000, eds.). *NEBI Yearbook 2000: Yearbook on Northern and Baltic Sea Integration*, Berlin: Springer Verlag International.

Joenniemi, P. (1997, ed.). Neo-Nationalism or Regionality? The Restructuring of Political Space around the Baltic Rim. Stockholm: NordREFO

Sørensen, Ø. & Stråth, B. (1997, eds.). The Cultural Construction of Norden. Oslo: Scandinavian University Press.

Pirkkoliisa Ahponen & Josef Langer

RECONSTRUCTED IDEOLOGICAL BOUNDARIES AFTER THE FALL OF THE IRON CURTAIN

Austria and Finland in the EU

Introduction

The aim of this chapter is to gain an understanding of how interpretations of political activities in borderlands influence mental experiences of boundaries. Borders refer to spaces that are limited by lines focused on certain centric points as symbolic constructions. The terminology related to this complex also includes territories, zones and frontiers. Metaphoric expressions like bridges, doors, curtains (The Iron Curtain), gateways and ends (an ultimate end) illustrate the multiple meanings of borders. This prism-like variety of concepts is also confusing; it signifies how difficult it is to grasp the theoretical contents of a 'black box' like the idea concept of border (see also Langer 1999a, 31, 39). Therefore, to find a better theoretical basis for studies of border impact, both conceptual comparisons and discussions based on comparative case studies from different borderlands are needed (*ibid.*, 41). The cultural character of political society is reflected in border constructions. From this starting point, here the political strategies of Austria and Finland are mirrored dialogically. These cases located beside the Iron Curtain until 1989 and since then have been members of the European Union.

Borders become symbolically reconstructed after their certain elements are redefined as the result of political changes and social transformations (see Ahponen 1996, 194-195; Langer 1996, 62-65). Another aspect is that theoretical reflections on how borders become culturally constructed artefacts have not been developed very far even though interest in conceptually and semantically oriented multidisciplinary studies has increased among

border researchers during the 1990's (see also Paasi 1999b, 9-24). Therefore comparative observations on the social, cultural and political aspects of boundary-formations are needed to develop theoretical interpretations of the artificial characters of national borders. The ideological importance of how borders are (re)constructed lies in those operations by which the political security of a certain territory is justified. The cultural value system, as included in these operations, is an ideal guarantee of the legitimacy of political borders. Therefore our attention is focused mainly on the ideological formation of boundaries in the context of national policy.

We start by discussing the *concept of ideology* and continue by using our own positions in Finland and Austria as points of observation for understanding the construction of ideological borders. Similarities and differences in ways of positioning Finland and Austria politically are compared as unique examples of how boundaries guarded by European values have shifted since the World War II. The current situation after deconstruction of the Iron Curtain is emphasised and specific concern is focused on recent experiences, described largely in the media, about the declared boycott of the Austrian government by the governments of the other EU members. A strong debate, containing an indisputable ideological charge, took place after the 14 national governments of the member states of the European Union decided to 'freeze' their official relations with the government in which the Austrian Freedom Party is represented. This analysis is based on material gathered by systematically following news both in Austria and in Finland and using some newspaper reports as examples. The comparisons deal with how national political identity is reflected in relation to European policy. Furthermore, attention is paid to the role of national governance in the context of the European Union.

This debate is without precedence in the history of European integration and has aroused widespread attention throughout Europe and even beyond. It also challenges those social scientists who focus their interest on the emergence of the European Union and wonder about its character as a political structure. The phenomenon under discussion here has been labelled 'boycott', 'sanctions', 'merely political', even 'illegal'. In everyday life the term 'boycott' is frequently used. In general, there seems to be much confusion about what it really is. In technical terms it is simply a downgrading of diplomatic relations between states. What is, however, obvious from the level of everyday observation are the emotions the action has been able to stir up and that it has a strong dimension of inclusion and exclusion, which suggests that it could be considered an ideological attempt at boundary formation in the post-Iron Curtain era.

National boundary-formation influences the placement of a member country within the 'European family'. A mediating factor is the dimension by

which the countries in question are culturally linked to larger political coalitions like the Nordic countries or Central Europe (Mitteleuropa). Many other expressions, like Scandinavia, states around the Baltic Sea and the *Northern Dimension* on the part of Finland, are used to identify the placement of an entity (country or region). This aspect is related here to the importance of the ideological reworking of the after-war neutrality/non-alignment policies as a national 'dogma' in the fields of security and the foreign policy of Austria and Finland in their current boundary situations.

Ideology – meaning of boundaries in the service of power

When we discuss borders ideologically, we travel on the cultural ground of conceptualisation by going back and forth between facts and fictions and trying to understand the social use of meanings. John B. Thompson (1994, 6-7) defines ideology as forming symbolic borders because it puts meanings to serve relations of domination. Ideology, understood as meaning in the service of power, is a tool for understanding the reconstruction of borders in specific historical situations by hegemonic groups that argue the legality of the political justification of a certain demarcation. This aspect is emphasised here as the basis for adopting a critical view according to which the process of symbolisation with its meaningfulness cannot be taken as value-free or neutral but as always serving certain social purposes. Both semantic and social aspects make sense to the syndrome of ideological boundaries in its own logical (theoretical, situational) context. The social aspect is emphasised when ideology is seen as used mainly to establish or interrupt social relations, thus having a boundary function. Its exclusiveness and inclusiveness as well as its integrating and differentiating character – depending on the group-formations between 'us' and 'the others' – are significant dimensions on which ideology is focused like a watershed.

Characteristically, ideology itself is labelled by a conceptual conspiracy. It is necessary, although troublesome, to make visible divisions between different ideological meanings. In its widest sense, the Mannheimian concept of ideology as *Weltanschauung* is seemingly 'neutral', describing a system of thoughts or all symbolic systems as such. A kind of system of beliefs pertains to all social activities or political practices (see Thompson 1994, 5). However, this descriptive understanding of world-view is already marked by positivity in its effort to see social activities as object-like 'things'. We do not need to go more toward the Comtean scientific methodology to understand that the ideology of positivism is not suitable for our aims. It cannot show how the boundary-line between the meaningfulness of social activities and the arbi-

trary functioning of symbolic structures is formed. Nor is the structural Althusserian version of totalitarianism, in which the negative concept of ideology rules in a determinative way, fruitful for interpreting ideological boundaries as considered here.

In his 'cultural materialism' Williams adopted an understanding of ideology which took its core from the dialectical Marxian thought and turned towards the aspect of negative dialectics included in the critical theory of Adorno. Gramsci's concept of hegemony provided way of seeing how meanings are socially structured (Williams 1988) or symbolic forms are socially employed (Thompson 1994, 139). Furthermore, Hall (1996, 2-3) advises us to understand how meaningfulness is produced by the discursive work of identification, through binding and marking symbolic boundaries. As emphasised by Hall in this connection, in the modern world an identity is always strategic and positional; the same is also true for ideology.

When focusing on how discourses identify the participants of member communities, we emphasise, together with Fairclough (1995, 64-65, 67), that political practices like negotiations and conventions establish, naturalise, sustain and change power relations and their significations as embedded in all social situations. Therefore hegemonic power, situated in the ways in which conventions are articulated, is the focus of an ideological struggle. Significantly, public media discourses increasingly influence the "discursive facet of the contradictory and unstable equilibrium which constitutes a hegemony" (Fairclough *ibid.*, 93).

The more the politics of difference is discussed, the more identities and ideologies are seen as heterogeneous, transforming and multiple, even though represented as mythical constructions like class positions as well as nationalism or fascism (see Laclau & Mouffe 1988, 40-42, 80-88). Understood in this way, ideology belongs to the sphere of the culture of politics. It can be defined as a more or less coherent system of concepts and values which serves the interests of certain social groups; therefore subjectively constructed meanings can serve power strategies. Contrary to the field of 'theory', the appeal of ideology is directed towards emotions rather than to reason. It is not defined by rationality, even though (positive) ideologies contain a strong cognitive dimension and even claim to be scientific (e.g. Marxism). This also means that those who take an ideology as the foundation for their action must not be aware of its character. Just in this sense, having inherent possibilities for manipulation, ideology has been seen as 'false consciousness', the importance of which has been emphasised from the structural perspective of 'negative ideology'. Ideology as a 'disguise' for interests is critically discussed in situations in which the membership group is sceptical toward the ideas and views represented and advanced by opponents. The opposing ideas are,

according to Thompson (ibid., 48), 'misrepresentations' of the 'real nature of the situation', as understood by the 'we-group'.

On the other hand, those who promote ideology consciously are usually aware of its 'political' character. Being based on interests, world views are forwarded through political activities. Therefore, even intrinsically, the structural understanding of ideology is concerned with who are the carriers of cultural values, identities and certain properties. How can one be certain, otherwise than by learning from history, that some political deeds, attitudes or opinions are right or even correct? To speak of morality in the name of humanity means arguing the *being for the other* in a face-to-face situation (see Bauman 1997, 49). But where there are 'multiple others' who are, as Bauman continues, unique in their challenges "to my responsibility, in their claims on my being for", criteria of objectivity are demanded based on the majority principles of democracy. The flexibility of ideological boundaries is tested by these judgements.

Boundaries of tolerance are then in question among the hegemonic majorities who are responsible for democratically controlled decision-making. We agree with Beetham (1999, 4-5, 26) that a system of collectively binding decision-making is "democratic to the extent that it is subject to control by all members of the relevant association, or all those under its authority, considered as equals". Access to the exercise of control over the decision-makers, currently more and more via the media, is the measure of representative democracy, exercised in practise by deliberative assemblies. Beetham (ibid., 13, 27-28) aptly defines democracy as a means for 'reflexive agents' to determine what the public good is, as well as the capacity to realise the principles of popular control of power and political equality in practice.

The Austrian government in the EU policies

The ideological dimension of what is now called the primary issue in Austria is taken here as an example of how ideological boundaries are currently constructed in the European political reality. On January 31, 2000 the Portuguese Presidency of the European Union on behalf of fourteen of the fifteen member states, issued a statement in which the president and the chancellor of Austria were informed that in the case that a government integrating the Austrian Freedom Party (FPÖ) were to be formed, the following joint reactions of the fourteen other EU member states must be faced:

- The governments of 14 member states will not promote or accept any official bilateral contacts at the political level with an Austrian government that includes the FPÖ;

- There will be no support in favour of Austrian candidates seeking positions in international organisations;
- Austrian Ambassadors in the EU capitals will only be received at a technical level.

The threat by the 14 governments to downgrade diplomatic relations was carried out immediately after nomination of the Austrian cabinet led by Wolfgang Schüssel, head of the People's Party, on 4 February 2000. Officially the boycott was introduced because the new Austrian government is a coalition between the Christian Democratic Peoples Party and the Freedom Party which is ideologically considered to be right wing or even racist. Earlier negotiations between the Social Democrats and the People's Party with the purpose of renewing the old coalition had failed. The idea of a socialist minority government was also short-lived due to the expected lack of parliamentary support.

The statement was without precedence. No reason for the threat of boycott was given except the participation of the party, which after all is legal in Austria, in the government. Therefore it is not surprising that the statement evoked confusion, firstly because the definition had a 'bilateral' status even though it was issued by the presidency of the EU. The boycott was not supposed to effect multilateral relations or the work of the institutions in the European Union. This message has frequently been repeated by Romano Prodi, the chairman of the EU commission.

As declared by the representatives of the 14 governments through the public media, the reason for this measure was that the Austrian Freedom Party was unanimously considered to be a xenophobic and right wing radical party. To let such a party participate in the governing of a EU member was considered to be undesirable, if not downright dangerous, for the further development of the European Union as a democratic organisation. Gradually it was released that the proof on which the decision was based were mainly statements of the leader of the Freedom Party, Jörg Haider, and some other representatives of this party. The incriminating evidence can be grouped into issues concerning the positive character of Nazi Germany and discrimination against foreigners. The facts behind the measures might appear to be shaky because the evidence is either cited from what opponents of Haider have published or is taken out of context. In any case, the coverage in the international media was enormous. Jörg Haider even made it to the covers of Newsweek ("Thunder on the right") and TIME magazines ("Should Europe fear this man?").

With respect to the domestic and the international side of the measures announced by the 14 governments, the following can be concluded:

- Although the downgrading of diplomatic relations with the Austrian government was defined as ‘bilateral’, this became visible to the public mostly at the EU council meetings, which in the present frame of the European Union indicates a difficulty to keep ‘bilateral’ measures separate from ‘multilateral’ ones. Moreover, the functioning of the European institution does not yet seem to be substantially affected by these bilateral measures. This is a kind of bizarre reality: A bilateral restrictive measure is mainly communicated on multilateral occasions on which it should have no effect.
- Although officially presenting a united front, the 14 countries send different signals when speaking outside the EU context. On the basis of media reports, one gets the impression that France and Belgium represent the hard liners whereas Denmark, Finland, Ireland and Italy are taking a more moderate position and signalling an interest in terminating the boycott. Among the governments participating in the boycott, some representatives criticise it publicly, whereas the institutions of the EU offer a platform for expressing symbols of exclusion even though the ideal is to keep the members together.
- Officially, the measures intend to isolate the Austrian government and not Austrian society, although at the beginning there were occasionally appeals to boycott Austrian tourism, student exchange and co-operation in all fields. One month after the beginning of the boycott, at a council meeting of the 15 head of states in Lisbon, this broad interpretation of the measures received official disapproval. Even the Belgium foreign minister regretted his earlier statements in this direction. Now some proponents of the boycott propose to intensify relations with Austria in order to strengthen opposition against the government. Nevertheless, some cases of hostilities against Austrians abroad (mainly in France) have been reported, although the validity of such reports is not always given. Some political analysts also doubt whether it is possible to separate society and the state within the framework of the boycott.
- In Austria itself the measures are visible mainly through the media, which dedicate considerable space to all kinds of statements, events, observations and opinions related to the *causa prima*. The reports frequently provide material based on political statements by the government and the opposition. The government naturally tends to play down the boycott, whereas the opposition speaks of chaos and a great danger for the country. For Austrian circumstances, the verbal exchanges sometimes are unusually aggressive.
- Right after the new government taking office, Vienna experienced one of its largest demonstrations. More than a month later anti-government demonstrations still took place, although on a much smaller scale. From this and also from masses of letters to the editors of Austrian newspapers, observers could detect a deep cleavage in the society.
- The extent to which the boycott contributes to cleavages in Austrian society is uncertain. For the opposition it appears to be just another field in which the government shows incompetence. On the other hand, opinion polls

show that the majority of the populations (about two thirds) consider the measures of the 14 government to be as illegitimate, unjust and wrong. In any case this is a much larger proportion of Austrians than voted for the two parties of the ÖVP/FPÖ coalition.

- The support for EU membership has not, however, significantly decreased among the Austrians. One must remember that no other population in Europe voted so overwhelming for EU membership (two thirds) than the Austrians did in 1994. It is probably important that the boycott does not prevent the Austrian government from participating in EU institutions.

Trying to abstract from political emotions and partly confusing media clippings and classifying the boundary-forming effect of the boycott on a cognitive level, it appears to separate and isolate opposing views, values and opinions. Such a boundary is ideological because:

- the boundary emerges because different clusters of ‘ideas’ are not considered compatible in a semantic sense,
- social relations are impeded without careful proof of evidence and rational arguments, and
- the publicised intentions are most likely not the main or real intentions of the actors.

It is not difficult to argue that all the above characteristics can be identified in the case under discussion. The aim of the 14 governments was to isolate a government in which a party, the Austrian Freedom Party (FPÖ) which is considered not to be in accordance with European values, occupies 50 percent of the seats. A low status of evidence and actual social behaviour in the boycott is signalled by the manner and the speed in which the measures were introduced. The initiator did not opt for the procedure which the Treaty of Amsterdam (Art. 6 and 7) provides in cases of violations against human rights but preferred political and ideological measures outside the legal framework of the EU. Thus, the boycott probably does not meet any criteria of international or institutional law.

Consequently, on the Austrian side the response is, first of all, also ideological. It even seems as if the political forces are becoming acquainted with the boycott, each trying to gain advantage from it. In addition, the country is experiencing an unusually engaged and wide intellectual discussion, the extent being reminiscent of the heyday of the ‘68 movement’. Voices from all sectors of society contribute their opinions to the *causa prima*. The main outlet for these opinions are two major quality newspapers – “Die Presse” and “Der Standard” – which also quote extensively the opinions of the foreign press in this matter. Remarkable in these comments is the great variety

of motives and interests thought to be driving the boycott.

The comments can be roughly classified into three groups. First, there are comments assuming that concern of Austria's partners in the EU is justified, due to the supposed xenophobic and right wing character of the Freedom Party, are introduced by authors with a more or less open or hidden relationship to the Social Democratic Party or the Green Party. Second, a slightly different argument is that it is not so much the Freedom Party as its leader Jörg Haider whose sharp tongue does not refrain from personal attacks on EU leaders (e.g. calling the French president Chirac a 'pocket Napoleon' or the entire Belgium government 'corrupt') who has provoked the measures against the Austrian government. This perception is frequently also shared outside leftist circles, which derive their identity from a fundamental opposition to the Freedom party. These interpretations are, however, not the main thread in the discourse on the conflict. The third position of majority assumes that there are hidden and latent interests of the political players behind the scene.

The boycott as seen by the Finnish media

During February, the Finnish media followed this process carefully since the European Union member states downsized official relations with Austria. The negative attitudes among leading Social Democrats toward the Freedom Party joining the government were stated clearly. The reaction to the nomination of the Austrian cabinet was to report what happened and to review briefly the main phases in the history of the Freedom Party and Haider's personal history. Included in this news it was mentioned that a declaration concerning respect for human rights and democratic values was signed by the leaders of the People's Party and the Freedom Party as demanded by President Klestil (see "Itävaltaan uusi..." 2000). It was also mentioned that, although Klestil was not satisfied with the coalition, he could not defy democracy.

The second phase of the presidential election took place in Finland on 6 February 2000. There was marked concern among Social Democrats about whether the boycott would affect the result of this election, their candidate Tarja Halonen being among the defenders of the EU resolution and Esko Aho, the leader of the Centre Party, as the other presidential candidate criticising this agenda. Ms. Halonen, the foreign minister at that time, also representing the very recent presidential seat in the Union, was considered to be in agreement with the official statement of the prime ministers. A main argument, semantically characteristic, in Aho's criticism was that the case of Aus-

tria was a good example of what can happen in the political conditions of the 'straight flush', in other words, letting Social Democrats occupy all important positions of power, especially in the field of foreign and security policy, for too long. The Union was also blamed for subjugation of national aims to the aims of an international power bloc. Prime Minister Lipponen, hurried to contest these arguments by saying that the resolution was negotiated together and that the statement was prepared in the spirit of consensus, as characteristic of the concept of democracy in the EU (see eg. "Itävaltaan uusi..." 2000; "Halonen: Itävalta..." 2000).

The leading Finnish newspaper, Helsingin Sanomat, considered to represent liberal values, published just on 6 February a critical column "A dangerous way of the EU-leaders" in which the manner of proceeding towards the boycott was questioned. Primarily the heads of Germany, France and Belgium were accused – the other heads being 'taken care of by phone discussions' – of interfering in the 'internal affairs of a member state' in the shadow of democracy. It was even stated that: "This corresponds to a horror scenario of the development of the EU, reminiscent of a new Roman Empire, which rules and dominates like the Almighty in Europe and excludes those who do not behave in the preferred ways and who elect for themselves suspect governments". The author emphasised that, although the rise of the Haider's party into the government is 'a disgusting phenomenon', it took place according to the rules of democracy, while the EU made its resolution without any public discussion. (see Pennanen 2000.) Therefore it was presumed that the reputation of the EU might suffer as a result of this 'crusade'. Popular consent, reached in conditions of free expression and association of people (see Beetham 1999, 82) is, however, the main condition of democracy.

What followed was ideologically reasoned by pleading for democracy, by emphasising either liberal or social values. In practice, evasive strategies were applied to situations in which representatives of the Austrian government were met. It was described how the ministers of social affairs looked down icily upon their Austrian colleague in Lisbon (Karismo 2000a) and how the foreign minister Ferrero-Waldner, representing the People's Party, was listened to without shaking hands with her or without answering her speech at the meeting in Brussels (Karismo 2000b) even though she distanced herself from the Freedom Party. The division between the democratic camps was clearly ideological. On 22 March it was reported as the opinion of the leaders of France and Belgium that the EU 'should not yield an inch' in the boycott of Austria, while Italy and some smaller member states like Finland were ready to think anew about the reasonability of the situation.

In fact, in Finland the official opinion was quickly divided according to the lines represented by the ruling parties. The representatives of the bourgeois

parties criticised the agenda more or less openly while Social Democrats, led by Prime Minister Lipponen, stubbornly defended the consensual decision. When the discussion continued during March and April, the issue became more and more whether the prime minister proceeded correctly in this affair because he had not informed the president Ahtisaari or the parliament before making the resolution to join with the other 13 countries in the governmental boycott of Austria. The president, who was at that time travelling, accepted later the agenda. However, after numerous complaints, the Chancellor of Justice took the affair in his charge, asked the prime minister to clarify the motives of the agenda and the resolution, and officially blamed him later.

This episode may illustrate the change in the dominating power structure or, at least, the use of power in the state-political operations which has in practice shifted more and more, as Väyrynen (1999, 6) among others notes, from the president and the parliament to the prime minister and the holders of the strong ministerial positions in the government. Political democracy is still maintained by election but 'democratic' practice has become a complicated and confused complex of economic values defined by ideological arguments.

Both the new president Halonen and the new foreign minister Tuomioja have expressed their wish that relations between 'the fourteen' and Austria would soon be normalised. However, according to the statement of the foreign minister, as it was reported on 14 April, Finland is not aiming to take the initiative in reversing the boycott. On the other hand, the minister of financial affairs, Niinistö, the leader of the conservative party, is among those who demand termination of the boycott.

A well-known political 'grey eminence', Max Jakobson wrote in his column in March (Jakobson 2000) that the European democratic consensus which has included both conservative economic policies, the social democratic welfare state and liberal values is now being tested by strengthening of the populist extreme movements. Jakobson interprets the boycott as an effort to hinder an increase in racist attitudes, included in populist political movements. At the same time, as included in the politics of inclusion and exclusion, Enlightenment is continuing, integrative programmes for immigrants are forwarded in the hope of preventing unemployment and criminality within 'our' borders, and immigration is also restricted by increasingly prohibiting the granting of asylum. A discussion on 'useful immigrants' is being revived in the name of active immigration programmes. As Jakobson says, all this has to be taken into consideration when immigration politics are developed for a more open society instead of trying to withdraw from foreign influences into one's own closed 'shell'. The challenge of how to 'tame' strangers, represented by the extreme movements among us, has to be taken seriously.

Discussion of the motives and consequences of the boycott

A number of motives with the intended and unintended consequences of the boycott have tentatively been introduced by Austrian and international commentators:

- a) The boycott is a strategy by the large states (e.g. France, Germany) to weaken the position of small member states in the current institutional reform (e.g. pushing the principle of majority voting in the decision making procedure) of the EU. Austria is a warning example of a small country that does not comply with the interests of the big coalition. The EU is ruled by a directorate with French-German dominance.
- b) The move is a further step towards political union. It intensifies discussions on European values. In this respect the boycott is not foreign intervention into the matters of a sovereign state but rather a means of forming European domestic policy. This raises a question about whether bilateral diplomatic representation is possible within the EU.
- c) France intends to push Austria back into the arms of Germany in order to reduce the complexity of the decision-making processes in the EU. Austria would then be a kind of a province of Germany. What was against French interests after the World War I (i.e. German-Austria) is now in France's interest. As the Belgium foreign minister Michel is quoted: "Europe does not need Austria". To rephrase: Europe without French-German strategic rivalry does not need Austria separated from Germany.
- d) The Latin countries, and among them France in particular, are afraid of a German block after the eastern enlargement of the EU. With the case of Austria they are warning the Germans what could happen if this country should try to follow its own course again. Some French politicians seem to see Austria, Northern Italy, Bavaria and German-speaking Switzerland as the core of an emerging Germanic block in the EU.
- e) About half of the EU budget subsidises agriculture. Eastern enlargement will redistribute this money. As France and the Mediterranean members are the greatest beneficiaries of the present pattern of distribution, they are covertly against taking in new members from the eastern-central Europe. To attack Austria gives a possibility to distract attention from this fact and make that country responsible for delays in negotiations with the candidate countries.
- f) One rationale given for the boycott by the 14 were European values, although these were unspecified. This might lead, on the one hand, to demands to make such values explicit and official in a kind of catalogue. On the other hand, such endeavours were criticised as serving centralist and undemocratic purposes in the EU. It was also argued that in the present governmental

- situation this would imply implementation of socialist values. Another question that has been considered is whether such values are not already sufficiently guarded by the existing national and supranational legal systems.
- g) The boycott was interpreted as a possibility for the 14 to distract attention from domestic problems in each of the countries, Austria thus being given responsibility for all kinds of problems in different member states of the EU. Therefore, the low level of interest in an exit strategy is a further indicator of the ideological character of the boycott.
 - h) The boycott questions the institutions of the nation state within the framework of the European Union. The Austrian case might show that a member of the EU can also handle bilateral relations sufficiently just by participating in the European institutions without bilateral diplomatic representation. If the distinction made by the 14 states between boycotting society and boycotting the state works this could be taken as evidence of the emergence of a European society beyond the nation state.
 - i) Since 1989 Austria has not taken full advantage of its favourable strategic position in relation to the new post-communist societies. Now the boycott of the 14 has created a new situation. Having been left alone by its partners in the EU, many Austrians appreciate the mostly moderate, and sometimes even supportive, response of its post-communist neighbours. It is argued that after eastern enlargement Austria could play an important role in a cluster *Mittleuropa* just as the concept of the *Northern Dimension* is outlined in Finland to mean a new constellation in the service of the EU. These groupings of countries within the EU may have functions similar to the French-German axis or the Scandinavian group. In this case the boycott may have been the catalyst for a new structuring.
 - j) The boycott gathers the Austrian population around the centre-right government and diverts attention from the harsh neo-liberal measures it is planning that will downsize the welfare component in the Austrian society. This 'help' for the government is at least not a manifest intention of the boycott.

Ideologically identified group memberships

Between the World War II and 1989 the strongest ideological border in Europe was between communism and the pluralist democracies in the capitalist system. This border converged more or less with the geopolitical construct of the Iron Curtain. In the West the ideological deviations remained inside the nation state. The extreme right that had been politically responsible for the human disaster of the World War II became a marginal phenomenon except in countries like Spain and Portugal. Austrian and Finnish soldiers had both been fighting on the side of Nazi Germany. Although Austria was

clearly the first victim of German aggression, it later became fully integrated into the Nazi war machine – not as a state but as a society. This is also true as far as ideology is concerned (Vaaranmaa 1996). The Austrian state, however, resisted the ‘*Anschluss*’ for many years without support from any Western country. When Austria was occupied by German troops in 1938, only Mexico protested. After 1945 the Nazi party was forbidden by law and Austria ran one of the most ambitious de-nazification programmes in Europe, with the probable exception of The Netherlands. Since then the extreme right has had no representation in parliament. This does not mean, however, that one or another politician was not interested in this kind of ideology. Finland, on the other hand, was on the side of Germany first of all as a state and much less as a society. In Finland after 1945, the ideological influence of communism was strong, whereas it was insignificant in Austria.

Political integration of the member states has been one of the main goals of the European Union throughout its history. In the shadow of the progress of European economic development, political interdependency was assumed to prevent a repetition of the horror of the World War II. However, as Christine Agius (1998, 155-156) states when considering the situation of Austria, Finland and Sweden in their relations to the European Union, the question of how to formulate a common agenda, especially in the fields of foreign and security policy, remains problematic. Agius continues by specifying that the issue here concerns the supranational character of the EU. Therefore, surrendering areas of ‘high policies’ like security and defence to supranational control has been, as Agius (*ibid.*) says: “equated with a loss of sovereignty”. It has not been quite clear how and why the security in Europe should be strengthened, not even within the European Union. The decision-making system in the EU is based on consensus by deliberation. This does not mean withdrawing from any political commitment, on the contrary, the European Union as an organisation actively modifies the contents of democracy, human issues and values concerning civil rights.

The concepts of neutrality or non-alignment policy did not fit well with the demands of EU membership. These concepts were important in the after-war rhetoric of both Austria and Finland, due to their political situations before and during the war as well as to the suffering after the war. However, the methods of application as well as the contexts into which they fit differed in the two countries in question. In the case of Austria, neutrality went through a process of development from a mere category of international and constitutional law when it was introduced in 1955 to a strong element of collective identity since the late sixties. After its liberation from National Socialism in 1945, Austria’s sovereignty was restricted until 1955 when the so-called ‘*Staatsvertrag*’ was signed between Austria on the one side and France, Great

Britain, the Soviet Union and the United States on the other. A visible sign of this restricted sovereignty was the presence of the armies of these four powers on Austrian soil. The day after the last foreign soldier had left Austria in October 1955 the parliament passed a law on '*immerwährende Neutralität*' (eternal neutrality), which had the status of constitutional law. Since the sixties when Austrians increasingly accepted a national identity as being separate from the German nation, neutrality has been a central element of this consciousness (Langer 1999b). In a way the identification with neutrality replaced the feeling of being German. Other neutral countries like Sweden or Switzerland began to compete with Germany in the mind of Austrians for the position of reference nations (Langer 1992). The communist neighbours, who until 1918 had shared with the Austrians a common empire, were perceived as insignificant and almost disappeared from the Austrian mind. In 1994 Austrians voted for membership in the EU with the conviction that they would be able to keep their neutrality. So far it has been mainly the People's Party, now in power, which has most strongly challenged Austrian's 'addiction' to neutrality. The strongest political supporters of neutrality are still the Green Party and the Social Democrats.

What can replace *neutrality* in the Austrian mind? In the seventies and eighties we could find an increasing awareness of *Mitteuropa* as a possibility for a wider identity among intellectuals between Warsaw and Trieste, Budapest and Prague. Although the concept remained vague, ambiguous and suspicious, it provided an ideology for re-establishing relations interrupted by the Iron Curtain. It sounds a bit odd that in Austria, which for centuries ruled the hegemony of Central Europe, the interest in *Mitteuropa* came rather late (Busek & Brix 1986) and remained restricted to a marginal segment of the intellectual scene. A change in this direction might be one effect of the boycott because it forces Austria to look for allies to cope with a conflict inside the EU. The allies could well be the old neighbours who not only shared with Austria a long history but also understand the mentality of the people, not to mention the need to secure existing common economic interests. Whether this ideology of a wider regional identity has a chance will depend on how far the contradictions and mutual dislike implanted by nationalism in this part of Europe can be overcome.

In the Finnish case, the specific border-state situation was determined by proximity with the former Soviet Union. After attaining its independence, Finland turned, as Väyrynen (1999, 9-10) describes the situation, towards aims of national coherence in the name of the politics of national reconciliation, protectionism and state-centralism. The divide between the winners and losers of the Civil War in 1918 was, however, maintained side by side with the image of a constant Russian danger, mostly fed by right-wing ex-

tremists. During the inter-war period Finland, as characterised by her historical-political uniqueness, was even distanced from the neighbouring Nordic countries. International contacts were maintained only as a curiosity in the circles of a few participants in cultural radicalism. In some intellectual circles cultural contacts with Central Europe, in particular with Germany, were favoured. Export business was developed in order to make possible the growth of the GNP, which was very necessary in the conditions of a rural periphery aiming to modernise and industrialise more effectively.

During the World War II, Finland defended her independence against the Soviet Union in two phases, first fighting bravely and alone in the months of the Winter War (1939-40), then as a 'fellow-fighter' with Germany in 1941-1944. The armistice with the Allies obliged Finnish army to turn its guns against the armed forces of Germany in Lapland. Finland had, as Paasi (1996, 115) reminds us, a quite extraordinary position in the post-war situation. Although Finland was among those involved in the war and even part of the Molotov-Ribbentrop pact (see Bazegski's & Laine's chapter in this book), it was not occupied. Finland could maintain the continuity of its constitution and the structure of the democratic institutions without an internal rupture.

In the conditions that prevailed after the war, however, the political and cultural atmosphere changed. Finnish society developed rapidly toward the model of the Nordic welfare state. Along with the increasing growth of the GDP (approximately 5 % a year during 1950-74), a structural change in the economy was demanded and justified as a necessary condition for the welfare democracy. International relations were diversified; however, the basis of the formal foreign relations was the bilateral political and economic exchange with Soviet Union. The Treaty of Friendship, Co-operation and Mutual Assistance (TFCMA) was the semantic basis for defining the political position of Finland; this treaty was influential in Finnish orientation toward the 'outside world'. State-centralism and regulation defined participation in international affairs in the name of national consensus. During the Cold War period Finland had a special position in maintaining a power balance between superpowers by means of its neutrality and joint operations with European partners. This aspect was especially emphasised in the official rhetoric in Kekkonen's time (1956-1981). Geopolitical nearness to the Soviet Union was a reality, the liturgy of trust was, as Väyrynen (1999, 27-28) states, an instrument for interest-based commitments. National economic advantages were achieved by means of this strategy by taking a specific variant of the non-alliance policy into careful consideration. The outcome was, however, that in the Western assessments Finland was labelled by a specific expression called *finlandisation* (or in its popular formula '*Finlandisierung*'); in other words, a situation in which, as Paasi (1996, 132) puts it, "the Soviet Union

was thought to have a major influence on Finnish internal political decisions". That meant, according to Väyrynen (1999, 27), a complex of realism, opportunism and ideological faith – in favour of a better future for Finland. From the outside, however, this situation is seen as an anomaly in the European geopolitical landscape.

Finland is surrounded by the gulfs of the Baltic sea. Defined strictly, Finland does not belong to Scandinavian peninsula. The specific character of the Finnish language connects the Finns with the Estonians. In spite of this, as long as the Baltic countries were subjugated under the Soviet system, everyday dealings with the Estonians as well as with Lithuanians and Latvians were not very lively. The basic fact is that both its geopolitical existence near the Soviet Union and its cultural membership among the Nordic countries have been realities for Finland in orienting its internal and international relations (see e.g. Alasuutari & Ruuska 1999, 79). During the Iron Curtain period, Finland, although identified by its watershed position between East and West, was an outsider or a political bystander without being too closely associated with any bloc. Nordic co-operation, based on a sense of common cultural heritage and the politically unifying welfare state model, were practised as a common guarantee for maintaining solidarity in larger circles and remaining together as a neutral bloc – in an effort to keep neutrality 'intact' (see Agius 1998, 162-164).

Inside the country the consolidation of the political coalitions strongly influenced how the social system was developed. The problem was, increasingly, how to relate political neutrality to the demands for economic integration with Western Europe and the bilateral exchange with Eastern bloc, both more and more necessary for Finnish trade and for facilitating foreign affairs in general. By also referring to some other commentators, Paasi (1996, 132-133) describes the ideological boundary between Finland and her 'huge neighbour' as an illustration constructed from unique elements like geopolitical isolation, limited defence potential, weak national identity, economic dependence and the internal influence of the communist movement. Although the significance of *finlandisation* seems to be exaggerated, at least in the most extreme arguments, the ideological impact of this borderline situation can be seen clearly, especially in retrospect.

The situation changed step by step during the 1980's. In 1985 Finland applied for full membership in the European Free Trade Association (EFTA), and in 1987 the government issued a statement according to which the policy of integration is not part of the policy of neutrality but a specific section within foreign policy. This statement has been interpreted as an opening towards a 'new, positive and realistic alternative' by means of openness (for foreign resources), participation (with foreign organisations) and deregula-

tion (from the political centralism towards market powers) (see Väyrynen 1999, 30). The period of *Perestroika* was a necessary but not yet sufficient precondition for the change in the international orientation of Finland, as Väyrynen (1999, 30) describes the situation. The effective changes in the international power balance during the 1990's had a strong impact on the Finnish situation. The decade began with the collapse of the Soviet Union as well as a period of recession and increasing unemployment in Finland. Political winds seemed to blow in accordance with libertarian values. Without effecting any radical change in Finnish parliamentary representation, the orientation towards marketing also had political impact. Globalisation with membership in the European Union led to Finnish economic affairs being orientated more to international forces than to national political values.

The concept of neutrality has become difficult to maintain as an ideological denominator for Finland. However, this aspect has remained, as is strategically emphasised in the fields of defence and security policies. According to the current 'liturgy', the independent defence of Finland is based on a policy of non-alignment in military affairs (see Väyrynen 1999, 31). Finland is still trying to find a balance between blocs, to revitalise successful economic exchange with Russia, and to intermediate in the deepening integration in an enlarged Europe. In this political rhetoric, economic growth is a necessary although not yet a sufficient condition for the 'sustainable democracy' (cf. Beetham 1999, 61). Democracy is a guarantee for the growth of flexible networks in globalising free markets. In the contents of democracy, both the social rights of the politically voiced majority and the liberal rights of individuals to free expression of opinions can be equally justified.

At least in Finland it was confirmed by means of a referendum that the political majority (56.9 %) supported the application for the EU-membership in 1994. Since becoming a member, the Finnish government has done its best to be among the 'best pupils' in the school of Europeanisation. Thinking pragmatically, in the sense that characterises the current political atmosphere in Finland, the public discussion on the reasoning that led to downgrading of the Austrian representatives in official EU-meetings may continue even although the discussion on whether the Finnish government should operate independently in this affair has not been lively. It is not plausible, however, that Finland would move towards unilateral withdrawal from the boycott, either alone or together with other minor partners. Afterwards, in view of her independent history, one can conclude that Finland has succeeded well in her borderline situation, in her operative relations with both the Soviet bloc and the Western coalitions. Now Finland is making a strong effort to earn good status in the Euro-class. Therefore we should not suspect that this political lesson on the boundary between 'us' and 'them' will be

utilised in a specifically Finnish way. The concept of 'the other' is not too familiar to the Finnish mentality, only just enough to be uncertain about how to deal with the representatives of extreme movements. One thing seems clear: in the globalising world of networks, Finland as a nation no longer wants to remain alone (see also Alasuutari & Ruuska 1999, 93-94). Ideological borders are constructed by keeping the image of the lonely hero of the Winter War in the memorial gallery of the Finnish identity.

Conclusions

Like state borders, ideological borders also contribute to the making of identity. Between 1945 and 1989 the welfare regime of the nation state and the confrontation with communism provided rather stable conditions for the political collective identity in Western Europe. Since 1989 the situation has obviously been changing. According to Samuel Huntington (1996), a 'clash of civilisations' has replaced the confrontation between Communism and Western democracy in the emergence of transnational entities like the European Union that are giving birth to new boundaries on many levels. In the administration, the concepts of 'internal' and 'external' borders has been created. The latter, dividing the poor from the rich, provokes the idea of *fortress Europe* or a *golden curtain*'. At the same time the *Schengen* scheme is replacing the distinct national borders of the past by a kind of security belt with flexible and unexpected control. The boycott of the Austrian centre-right government by its 14 EU partners indicates the arrival of a new kind of boundary formation. This type of boundary is ambiguous because it can be read in different ways. Depending on the observer, this kind of boundary separates a territory (Austria), an organisation (the Austrian government) or a configuration of ideas and values (ideology of the Freedom Party). On the other hand, it indicates dilemmas for consensus-based integrative democracy, for the openness of the opinion-formation and for the deliberative mechanism of political decision-making.

The present conflict between the Austrian government and its counterparts in the EU is an excellent example that can be used for studying the processes of boundary formation in the era of globalisation (or whatever we identify as the main characteristics of contemporary societies). Whenever established boundaries disappear or become more pervious, new boundaries will emerge. The European Union, to which national border regimes become subjected thus making the physical-administrative borders almost disappear, is not the forerunner of a borderless world. The decision of EU governments to boycott a member on ideological grounds has probably in-

troduced a new type of political border formation, forming a test for democracy. For the first time, the battle for hegemony as well as integration in this configuration of nation states has been moved beyond economic parameters. This raises a number of new questions in boundary studies. For example, can the government of an EU member state be isolated without considering the people it represents? Probably not, if the government still stands for a nation and not only one of many political organisations within a European society. If this society is already sufficiently developed, however, the boundary formation around the government will not affect the relations between the national sub-societies of the Union.

Another question is how ideological boundaries can be enforced if the distinct control at state borders has already been abandoned (in the form of Schengen agreement). The Austrian case makes it evident that the new ideological boundary has almost no territorial reference. It is first of all expressed by a situational semantic of exclusion, marking the denial of full social participation. So far the Austrian government has not accepted the downgrading of bilateral relations and other signs of symbolic exclusion. The new way of emphasising ideological borders has both intended and unintended side effects. It can, for example, serve the domestic interests of those who draw the boundary at the expense of the government encircled. On the other hand, it can provoke solidarity with the excluded and thus shift boundaries to other levels, like the formation of wider regional identities.

When ideological boundaries are used for comparing different national identities, a basic difficulty is included in the consensus-based political administration. Governments, representing the state power, are spoken of like human actors. Insight into this problem may be gained by following the idea of Tomlinson's (1999, 74) expression of 'reflexive ethnocentrism'. Tomlinson describes this syndrome as representing a 'reflexively ordered nation-state system' so that reflexive awareness is, as he says, increasingly built into political conceptualisations of borders, of sovereignty or even of 'incommensurability of cultures'. This awareness is forwarded, as Tomlinson (*ibid.*, 75) remarks, side by side with the universal idea of the higher unity of mankind. Therefore, the principle of cosmopolitan humanism is driven forward by compromising it with nationalism and ethnicism, in other words with consciousness of the existence of races. One nation or even a larger coalition can be identified as unanimous; if so, it is not necessary to take into consideration questions concerning the democratic rights of those who think differently.

New openings like the Northern Dimension in Europe, states around the Baltic sea, Middle-Europe or different Euroregions (or Euregios) have been developed in order to cross the earlier high borders. We can also see the idea of the 'higher unity of mankind' in a symbolic sense, defining political bor-

derlines between human and inhuman values, between acceptable attitudes and those ideologies which are only worthy of repulsion. Significantly, meanings in the service of power tend to be neutralised in deliberative practices which guarantee the social ideal of democracy. However, maintaining consensus-based democratic values is not enough for 'the end of ideology'. Democratic procedures are also demanded by emphasising the free expression of opinions as the core of liberal democracy. When discussing the ideological borderline as a division between those who support the EU boycott and the current Austrian government, we are faced with boundaries between socially and individually justified democracies.

Post scriptum

After receiving the report of the 'three wise men' (Ahtisaari, Frowein, and Oreja) on September 12, the current French Presidency – on behalf of the 14 EU governments originally behind the bilateral diplomatic boycott – announced the end of the sanctions because "the Austrian government has not violated European values". However, the activities of the Freedom Party will be 'watchfully observed'. The Finnish government announced its intention to respect the joint resolution of the EU partners. (See e.g. Helsingin Sanomat 13.9.2000.)

Questions

- Think about how the formation of transnational units like the EU will influence the importance of ideological boundaries? How do these communities meet the desire for symbolic boundaries without necessarily leading to geopolitical borders like that of the nation state or the former Iron Curtain. Can this process be considered to be in balance with or oppose the proposition of 'end of history' by Fukuyama?
- Consider the role of intellectuals in ideological debates. Could it be plausible, as seen in light of the conflict between the EU and Austria, that any revival of ideological controversy will increase or decrease the social weight of the intellectuals in the society? What about the thrust on the implementation of the information society without borders? Is it beneficial mainly for specific professions?
- Compare the policies of neutrality and the new openings for political border-crossings from the Austrian and Finnish perspectives. In these contexts, how do you understand the concepts of 'reflexive ethnocentrism' and the 'higher unity of mankind'?

Suggestions for further reading

- Eger, G. & Langer, J. (1996, eds.). *Border, Region and Ethnicity in Central Europe: Results of an International Comparative Research*. Klagenfurt: Norea Verlag.
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- Murray, P. & Holmes, L. (1998, eds.). *Europe: Rethinking the Boundaries*. Aldershot: Ashgate.
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URBAN LINKAGES ACROSS BOUNDARIES

Networking as a new type of transborder co-operation in the Baltic Sea region

Introduction

In this chapter we investigate the role of cities and urban regions in the process of changing the essence and meaning of borders in the Baltic Sea region (BSR). North-European integration, also referred to as the Northern Dimension, is particularly important from the Finnish point of view. As a part of this process, Finland has been actively promoting interaction between the BSR countries. Thus, in the 1990's and on into the year 2000, transborder co-operation in the BSR has emerged as a new element in political integration. In this co-operation the role of cities and functional urban regions (FURs) in social and spatial development is emphasised. As a result, FURs are now seen as collective and proactive actors in transnational co-operation and competition. This new role of the cities and FURs should not, however, be exaggerated. Although it is argued that nowadays cities increasingly perform in ways which are transnational, in practice, most of the cities in the Baltic Sea region continue to be politically, economically and culturally tied to national structures. Traditional national boundaries are still visible, but new forms of boundaries are also built; exclusive 'clubs' of cities are being constructed because the BSR is a highly competitive arena.

The focus of this chapter is the concept of urban networking. Urban networking is primarily a socio-economic and infrastructural as well as functional and strategic concept which includes both intra- and inter-city aspects. The objective of urban networking is to attain synergetic advantages by promoting joint co-operation and division of labour among the different urban actors. On the one hand, the aim of networking can be specialisation and complementing one another; and on the other hand, more cities with similar characteristics could join forces. However, networking encompasses tensions, which are a

result of the difficulty of balancing co-operation and competition, specialisation and integration as well as regional individualism and inter-regionalism.

The territorial reference in this chapter is the Baltic Sea region. The functional core of this region is based on the links between the main cities around the BSR, an area with a centuries-old tradition of trade and co-operation, utilising the ‘Hanseatic League’ as its impetus. Initiatives towards a more integrated BSR by the EU (e.g. Interreg IIC/IIIB, Northern Dimension) and by the ministers of planning of the Baltic Sea states (Vision and Strategies around the Baltic Sea, VASAB 2010) have intensified the conceptualisation of the BSR as a functional transnational region. Although the whole region’s economic integration is relatively indistinct, within the region new networks of economic integration area clearly developing. The mobility of people, ideas and partly also goods and capital between urban regions in the BSR have increased considerably as the obstacles to mobility between economic transition countries and market economy countries have decreased and the Baltic countries have become new independent actors.

The Baltic Sea region

Today, the Baltic Sea region exists strongly as a political and cultural vision based on historical inheritance. Today’s view of the region’s functional unity is based, on the one hand, on ecology (i.e. a common catchment area) and on functional connections (i.e. sea as a traffic route), and on the other hand, on political co-operation.

The ecological aspect began to rise to the fore along with the recognition of environmental problems even prior to the disintegration of the Soviet Union, and this aspect has also been the primary stimulus for political unity. Concrete co-operation in the BSR started with environmental issues in the 1970’s. Although the maritime aspect has remained at the core of environmental co-operation, nuclear safety came into the limelight after the Chernobyl disaster.

In the functional demarcation of the BSR a vital issue is to what extent the BSR countries – Finland, Russia, Estonia, Latvia, Lithuania, Poland, Germany, Denmark and Sweden – or more precisely, their urban regions – are interested in Baltic Sea region co-operation, or whether they are rather oriented toward central Europe. For example, for the Baltic Sea region’s urban network the metropolises of the southern Baltic area, Berlin, Hamburg and Warsaw, are only springboards to Central Europe. Therefore, in Germany and Poland only the coastal cities are clearly Baltic cities which form a clear counterbalance to their core areas.

It must be recognised that lags in development exist between the Nor-

dic countries and Germany on the one hand and the transition countries on the other. Simultaneously, logistical activities are increasing the tension between co-operation and competition, leading to the exclusionary gateway strategies rather than to open multilateral networks. Nevertheless, as it is multi-centric and only a relatively loosely integrated partial system in the wider global and European regional system, the Baltic Sea region cannot be regarded as a strongly integrated economic or cultural region.

The demarcation of the BSR presented in Figure 1 is based on the demarcation used in Nordic research project 'Urban networking as a Learning Process in the Baltic Sea' (Vartiainen 1998). This demarcation differs slightly from the demarcation used in the co-operation projects on regional planning. Norway and Byelorussia have been participants – and the Russian region considerably larger – in the VASAB 2010 process. In Interreg II C/III B program the internal regionalisation process of various countries has progressed further so that in the VASAB 2010 process only Nordic Countries and the Baltic countries are now included as full national entities. Figure 1 presents the population figures of the Baltic Sea region's cities (administrative cities) of over 100 000 inhabitants.¹

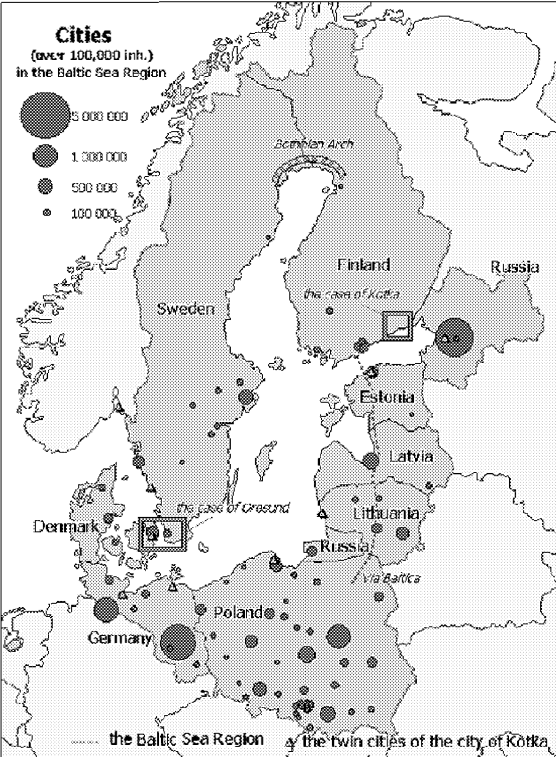


Figure 1. Largest cities (over 100,000 inhabitants) and demarcation of the Baltic Sea Region in the mid-1990's.

Politico-administratively, the cities of the Baltic Sea region are still related primarily to the administrative system of each country. Even though state intervention is weakening, the importance of the capital city should not be underestimated. On the other hand, the economic performance of some of the region's cities may be considerably stronger than their administrative standing might indicate. Conversely, a large population does not necessarily mean that a city has a strong position in the urban system.

No city is the centre of the BSR. Nor is it probable that in the future any one city would develop into centre for the whole region. Some cities have, nevertheless, certain single functions for which they can be centres even outside their national sphere of influence. At the same time we can discern signs of new regional urban systems or twin cities which are breaking through the boundaries of nation-states. The most notable of these is the Øresund region, which is introduced later in this chapter. In the Øresund region we can detect certain ambitions to be a centre, at least for the western parts of the BSR. On the other hand, the recent development of Stockholm and Helsinki has raised these urban regions to become 'hot spots' of the information society. These 'northern laboratories of the information society' might possibly determine the relative position of such regions in global urban networks in the future.

Urban networking in the transborder context

In the context of the Baltic Sea region, transborder co-operation is affected, inter-connectedly, by policies in four different spatial scales: (1) EU-level policy, which includes transnational regional policy, (2) state policies, (3) regional policies and (4) local policies. On the one hand, the European level and international connections – i.e. globalisation – are emphasised along with the nation-states, and on the other hand, regions within countries and across borders and localities. For internationalising businesses it is also important to have not only local but also national environments in which to operate. This developmental path could be called *glocalisation* (Vartiainen 1996).

In terms of EU policies, the new ESDP (European Spatial Planning Perspective) document is a step from vision to action in transnational and interregional planning. At the operational level transborder co-operation in the Baltic Sea region is implemented through community initiative Interreg II C/III B and supported by PHARE and Tacis programs and by innovative measures under article 10 (Pacte, Recite, ECOS/Ouverture). In a traditional sense, the state level has been important also in terms of transborder co-

operation, but its importance has decreased in the 1990's. However, the state has not become obsolete. States still have an affluence as political entities and military powers as well as national economies; they are still responsible e.g. for foreign and trade policies. In addition, states are responsible actors in many transborder co-operation initiatives, such as VASAB 2010 and various transborder projects (such as TWINNING-projects between Finland and Russia/Baltic States). Furthermore, state-level actors have become important links between EU-level policies and regional level actors. Much of the co-ordination, monitoring and reporting of EU-programs takes place in state institutions.

In a certain way, however, power has shifted towards the regional level, which, for example in the case of Finland has become the most important level in terms of transborder co-operation. In some cases, region may still be too broad a concept since the actual functional focus is on the local level. Nowadays functional urban regions are considered to be the locomotives of economic development in Europe. Cities create their own internationalisation and networking strategies. Consequently, they are understood as the main collective actors in the new spatial development, not only as physical nodes of an urban system.

Simultaneously, cities increasingly perform in ways that are transnational; since the 1980's there has been an increasing tendency for cities to break out of their national identities (Lever 1993, 947). More precisely, it is the actors in urban regions that join together over boundaries. It is generally believed that regional and local transborder co-operation projects bring about a bottom-up based understanding of local operational environments and conditions as well as enabling more efficient transfer of know-how and information. The flexible interregional fabric has become the basis for most transborder co-operation in the Baltic Sea region (BSSSC 1999).

In this chapter, networking is understood as a certain theoretical way of comprehending transborder co-operation (from a general socio-theoretical point of view, see Castells 1996). It refers to those mutually-supportive actions or coalitions which are related neither through markets nor by administrative hierarchies (cf. Cooke & Morgan 1993). In the spatial development context, urban networking refers to the local and inter-regional co-operation between public and private organisations concerning infrastructure, business services, innovation, technology transfer, training, communications, tourism, culture, etc.

In a transnational context, urban networking may refer both to the cooperative cross-border arrangements in adjacent areas and between nodes of a polycentric region or, to non-adjacent alliances of cities with similar functions and problems. According to the definition of Kunzmann (1995), func-

tional networks refer to a system of interrelated cities of different sizes in one functional area, and strategic networks refer to cities which for some reason (exchange of information, city marketing, policy influence, etc.) form a strategic cross-border alliance. Physical networks, like transportation routes, are used, of course, as an infrastructure for urban networking of this specific kind.

So at least three dimensions should be taken into account in analysing transborder urban links:

- the socio-economic and physical (infrastructural) dimension ,
- functional and strategic co-operation, and
- inter-city connections and intra-city linkage base.

The first two dimensions are shown in Figure 2. The apparently extreme forms of this setting will be analysed later by using two cases, Kotka (above left) and Øresund (bottom right).

	Socio-economic dimension	Infrastructural dimension
Strategic co-operation	Socio-cultural co-operation paving the way for economic co-operation; twin city connections; see the case of Kotka; Public-private partnerships; borders transparent , but actually enrich co-operation by bringing in exotic flavor	State level planning and spatial development; hierarchical levels between network layers; transport- and technology-push; increasing accessibility; e.g. VASAB 2010, INTERREG IIC; borders visible in practise
Functional co-operation	Horizontal near-peer networking, cities with similar socio-economic structure and functional specialisation formulate networks; often result of existing infrastructure between cities; maximising synergy and innovativeness; on the one hand borders fade , but cultural, political and legal restriction to be taken into account; on the other hand new 'borders' are forming between cities of different sizes (city class); leagues of networks	Cities connected with communication and transport infrastructure; transport- and technology-pull; benefits of agglomeration; corridor cities and polycentric urban configurations; see the case of Oresund region; borders fade and finally disappear

Figure 2. Dimensions of urban transborder links.

The third dimension is the intra- and intercity dimension. Even though in the case of transborder co-operation we are basically interested in inter-regional (inter-urban) co-operation, successful inter-regional networking calls for the co-operation of various actors also in the local context. A functional urban region (FUR) can be considered to be the primary territorial reference point for the local level from which the actors in transborder co-operation

can be identified. The governance competence in an urban centre is a key element of the mobilisation of resources, as Allen (1999, 216) notes:

“As such city-ness of power is best understood as the outcome of the connections mobilised by groups within cities, whether they be based on cultural, political or economic networks of relations. Moreover, if connections and disconnection are the stuff of the networks, then an ability to settle the resources which flow through them is a prerequisite of power and influence.”

Furthermore, governance competence (or organising capacity according to van den Berg et al. 1997) is linked to the city's ability to be a learning organisation. In fact, governance competence is a result of successful learning experiences – more efficient learning of new strategies leads to more efficient administrative activities and procedures; and vice versa, governance competence determines the ability to transform learning experiences into concrete projects. The principal objective of cities ought to be recognising, identifying and evaluating the resources and strengths available from both internal and external networks. It should be kept in mind that city administration itself is no longer solely responsible for connections, and thus urban management is not just a matter of formal public administration, but all actors are involved in transborder co-operation.

Why are urban links built?

Paradoxically, to network and to co-operate is to raise competitiveness; in other words, cities co-operate in order to be competitive. One of the key conventions of the new neo-liberal practices is that cities, although they must compete individually, can also compete better if they join together in networks, in strategic alliances which act both as ways for cities to learn about each other's successes and failures and as ways to mount new initiatives (Thrift 1999, 288). Links between urban regions are developed in order to boost economic growth. However, a simple economic relationship between partners in an urban network can lead to an unbalanced situation if some partners have control of critical information, or if certain partners are able to create and take advantage of dependencies in the larger urban system/network. In these situations, one segment of the network holds power over the rest. Networks developed upon more than economic relationships have an advantage; for instance, relationships built on shared ideology may prove more effective due to their greater ability to generate co-operation and trust. Competition, however, is not usually targeted to the area where the most

active network partners are located. More accurately, the principle is that networks are competing with each other. Co-operation deals with the Four Freedoms – goods, services, capital and labour – but also with the ‘soft’ values such as environmental and security issues. These ‘soft’ issues represent phenomena which actors do not necessarily seek to benefit from, but which still require co-operation. Transborder co-operation is especially important in the case of environmental protection.

Competitiveness of the BSR regions and cities on a global scale is dependent, in addition to their own efforts, on efforts made by the European Union. On a global scale the crucial issue is how attractive the BSR is for global investments. As mentioned, urban linkages are formed in order to ensure the city’s competitive position in tightening competition between urban networks. Competitiveness is gained by integrating an urban network as a comprehensive system. Co-operation is then, in relation to competitiveness, also closely connected to global economic development and trade. It is essential to realise that international trade is not based on counties or cities, but on business (Okko et. al. 1998, 13).

Reality bit(e)s

Empirical part of this chapter consist of two themes. First, we take a look at the initial results of the Nordic research project Urban networking as a learning process in the Baltic Sea region (Vartiainen 1998, 1999). This project stresses on the relations between the Nordic (‘Western’) and the transition-economy (‘Eastern’) cities in the BSR. It should be noted that, from a purely physico-geographical viewpoint, a Finnish border-town of Joensuu, for example, is more ‘Eastern’ than most of its counterparts in the transition economy countries. Second, we will look at the socio-economic strategic co-operation vis-à-vis infrastructure-led functional urban networking through two examples. The case of Kotka is presented as an example of local actor-based strategic co-operation. This case illuminates how, within the same strategic co-operation schema, different views of BSR have developed depending on the viewpoint of the actors. The case of the Øresund region is an example of a functional and infrastructural link between two adjacent urban regions.

The are of course many other examples of transborder regions in which urban links are striving towards functional transborder co-operation. In the case of Finland the strongest links are in the Bothnian Arch: functional co-operation is most active in the twin city of Tornio-Haparanda, but in a broader context Oulu in Finland and Luleå in Sweden are considered to be ‘locomotives’ for this region (see Figure 1).

Networking between the 'Eastern' and 'Western' cities in the BSR

Characteristics of the urban links in the BSR, concerning power relations between and within 'Western' and 'Eastern' urban regions, scope of development projects and geographical orientation, can be summarised into three points. First, most of the obstacles encountered in European transborder networking are present in the BSR. Instead of truly interactive and horizontal co-operation, actual partnerships between local authorities still seem to be very much tied in with the hierarchical structures of state administration and to consist of one-way communication and unilateral resource transformation. In that way, the BSR co-operation is still today based on a relationship between unequal partners, and this fact must be taken seriously before any oversimplified Western model is applied in this region. So there is still a long way to go before inter-institutional interaction and synergy, collective representation by many bodies, a common industrial purpose and shared cultural norms and values are achieved.

In addition, the international activities, apart from the traditional twin-city relations, are very new even for the rather 'internationalised' and proactive Nordic cities. In Finland in the 1990's, however, many changes have taken place in internationalisation and networking conditions, especially in terms of EU membership in 1995 and transfer of duties and tasks from state to municipalities. In the transition countries, in turn, local administration is still in the founding phase. In the last few years, in the Baltic Sea region in particular, there has been growing interest in twin-city relations. These are still mostly in the phase of becoming acquainted with each other but, as emphasised here, these 'soft' relationships may lead to actions that will, in turn, lead to long-term development.

Second, up to now, for the most part, two extremes of development projects in terms of scale and scope can be found in the BSR. On the one hand, there are many small projects between Nordic and transition cities that focus mainly on training or environmental management. On the other hand, there are visionary megaprojects which stress the transnational axes of transport and communication like the Helsinki-Tallinn-Riga-Kaunas zone ('Via Baltica', see Figure 1). What are almost lacking are innovation-based local economic development projects. To be sure, the Baltic Sea region lacks the intermediary organisations that are decisive in technology transfer and innovation networks.

Third, the spatial reach of urban networking is still very restricted and reflects the actual partitioning of the Baltic Sea region into different sub-

regions. The Finnish cities, for example, are basically oriented to Estonian cities and St. Petersburg, on the one hand, and to Germany, on the other hand. In fact, in Germany the Baltic coastal area is only a minor target area in comparison with the southern parts of the country.

Nevertheless, transborder co-operation in the BSR is making some progress on different scales. Referring to our conceptual framework above, we may distinguish two basic spatial forms of urban networking in the BSR:

- strategic networking of cities in the BSR which may lead to establishment of organised or semi-organised Baltic city networks, and
- cross-border co-operation of adjacent cities and city regions (building a functional transborder region).

In both of these meanings we may comprehend the BSR as a network of districts or as a region of networks that has no definite territorial boundaries.

The case of Kotka

Kotka is a medium-sized (pop. 90 000) urban region, a port based on a paper industry, bordering Russia in south-eastern Finland. The City of Kotka is an ideal example of a city that has strategically networked in the Baltic Sea region (see Antikainen 1997). The City of Kotka's internationalisation and networking strategy is based on twin-city connections and memberships in certain organised city networks (for example the Union of Baltic Sea Cities). Through these, Kotka has specialised in contacts with the coastal cities in the Baltic Sea region, i.e. strategic contacts are made to cities with a similar function. (The twin cities of the City of Kotka are identified in Figure 1.) However, there are actors, such as the local paper industry and the ports of Kotka and Hamina, whose primary interests lie outside the Baltic Sea region.

The role of the Baltic Sea varies depending upon one's point of view. Most business-oriented actors in the Kotka urban region – the paper industry, the ports of Kotka and Hamina, the Chambers of Commerce and even the tourism – give the Baltic Sea the status of a highly competitive arena, seeing it as a 'Gateway of opportunities': Via the Baltic Sea transport routes, products are delivered to the world and success is returned to Kotka. Of the many Gateway actors, tourism differs from the others in the sense that tourism is actually efficiently networked in the BSR. Overall, these actors form a group of 'explicit gatewayers'. Transborder linkages are formed mainly to the cities in Northern Germany, which are in a functional sense counterparts in transport co-operation.

The proximity of St. Petersburg is exploited by many of the actors in the Kotka urban region. The Baltic Sea is often used as a metaphor: the eastern reaches of the Gulf of Finland form the 'exotic' end of the 'Western world' with the Kotka urban region offering the 'final stable conditions and place of know-how' from which to conduct business in the Russian markets. This symbol modifies the Gateway strategy. The primary goal of the development strategy for the Kotka urban region is to ensure that Kotka is more than just a simple transit corridor through which goods and products pass without providing any benefits for the region. Furthermore, in achieving this goal Kotka wishes to utilise both its own resources and know-how in concert with the resources and know-how gained from networking. The actors adopting this 'Gateway enricher' role are ones such as most of the SMEs, the Regional Development Company, the Corporate Service Company, the Kotka-St. Petersburg Co-operation Project, the Kotka-St. Petersburg Society and the Vocational Education Export Group. For this group, urban links to St. Petersburg are manifold, but there are relatively few urban links to other cities in the Baltic Sea region.

These semi-public and private actors are supported by the public actors of the Kotka urban region. The public actors function as co-ordinators and facilitators of local, regional and international networks, with emphasis on the Baltic Sea region. In the Kotka urban region, the main public actors are the City of Kotka, the Kotka Urban Region Council and the Regional Council of Kymenlaakso, which form a group of 'Gateway and network facilitators'. These actors are taking care of background factors; they enable both a gateway strategy in the functional sense but are simultaneously looking for a stronger basis for more balanced urban networking in the Baltic Sea region.

Apart from the economic spectrum of actors, there are the 'true Balticseans' who subscribe to co-operation in the Baltic Sea region. They adopt soft values as a basis for their networking activities. In the Kotka urban region, these actors can be found in the fields of environment and culture, such as environmental organisations and friendship societies. The forming of urban links to all twin cities is most active in this group. Thus they are already building up connections to cities in the Baltic Sea region, which is actually the implementation of public actors' strategic networking; and as a result, 'true Balticseans' are paving the way for functional co-operation in future.

In terms of learning, the transition countries provide Kotka-based actors with an arena in which to transform theoretical knowledge into practice in different circumstances. In general, the international projects and programs are viewed with great interest. Through international projects the operational rules, protocols, special conditions and requirements of international networks are practised. Learning includes the realisation of one's own potential and

existing relations. The new role of twinning connections demonstrates the point that in this competitive era it is vital to belong to a recognised network: it works as your business card.

The case of the Øresund region

The best example of functional transborder co-operation in the Baltic Sea region might be the Øresund (Sound) region (for one of the most recent studies on the Øresund regionalisation, see Lyck & Berg 1997; see also Wieslander 1999). This evolving region consists of *Skåne* (Scania) in Sweden and *Sjælland* (Sealand) in Denmark. The region with its approximately 3 million inhabitants is a transnational region within the EU and its 'locomotives' are Copenhagen and Malmö functional urban regions. Contacts across the Øresund are growing in step with the construction of the fixed link, a bridge that opened for public transport in summer 2000, and substantial investment in communications. The EU has designated the region as a model region for greater employment; the political basis for initiating the project was the signing of The Territorial Employment Pact. Collaboration is being supported financially by the EU Interreg programs. The governments of Sweden and Denmark have given first priority to the project, and within recent years a large variety of activities have been initiated – and financially supported – to speed up the integration at all levels. (Øresund Committee 2000; Øresund Region 2000) Most of the initiatives are undertaken by The Øresund Committee, which is a platform for the joint development of the Øresund region.

Nowadays, various networks are more and more on a functional basis linking together education and research, trade and industry, labour and housing markets as well as the cultural life on both sides of Øresund. The Øresund University is a voluntary collaboration between eleven universities and university colleges on both sides of Øresund, providing places for more than 7 000 researchers and 120 000 students. One central task is collaborating with trade and industry and with public institutions in order to increase the knowledge base of the Øresund region in the fields of medicine, biochemistry, biotechnology, information technology, telecommunications, environmental technology and food technology. (Øresundsuniversitet 2000)

Economically, the Øresund region is a strong region. A fifth of the combined gross domestic product (GDP) of Denmark and Sweden is produced here. Using GDP as a yardstick, the region is one of the top 10 regions in Europe. (Øresundsbron© 2000) The fixed link unites the entire region in one transport and communications network. The integrated regional system

of public transport will enable commuters to travel between Sweden and Denmark, which will create the prerequisites for joint housing and labour markets.

One would assume that there would not be major obstacles to functional co-operation on a daily basis in the Øresund region. In formal terms, there have been no hindrances for the free movement of the workforce within the EU or between the Nordic countries since the early 1950's. However, a number of legislative, social, language and cultural barriers still exist between Sweden and Denmark, despite the fact that these two countries are socio-economically, culturally and linguistically close to each other and that the regions are geographically proximate. According to Ahmt et al. (1996), border barriers are largest for the service sector (legislative, cultural and other barriers) and for the food-product sector (market links) and smallest for manufactured goods, where the market barriers, including technical trade barriers, must be considered to be negligible. For individuals, the differences in legislation with regard to education, social insurance, labour law, taxes, etc. make many people uncertain about moving across the border. However, a number of economic and legislative factors have a prevalent effect in that there are clear economic advantages to living in Sweden and working in Denmark (Bacher et al. 1995).

Although the Øresund region is used as an example of region-level, actor-based functional co-operation across a border, the national structures are still strongly present. The research of Ahmt et al. (1996) on international trade patterns show that international trade between Danish and Swedish regions in the Øresund region to a great extent depends on the national barriers and national institutional structures. Through the years Denmark and Sweden's *national* trade alliances have had a great impact on trade between the two countries, and thus also for trade in the Øresund region.

Conclusions

Urban links across boundaries are a new type of transborder co-operation in the Baltic Sea region. In this process the territorial borders are fading, but national political, economic and cultural structures are slowly converging. Simultaneously, new borders are arising. These are the result of the differing capacities of cities for co-operation and also due to differences in their socio-cultural, legislative, and economic structure and background. Links between cities in the BSR have long and prosperous roots, but only the first steps have been taken towards actual functional socio-economic co-operation. It will take decades before the BSR will functionally gain the status of, say, mid-

European transborder regions. Networking is an essential element in the process of building a functional Baltic Sea region, raising the transition countries to the level of the Nordic countries and Germany in terms of development.

At the moment there are numerous actors and networks in the BSR. The urban networking process in the Baltic Sea region is still in the orientation phase; but the network structures between Germany, the Nordic countries and the transition countries are being built simultaneously with their respective national systems. 'Western actors' in the Baltic Sea region should be careful that they do not commit the 'empty vessels fallacy' by assuming that 'Eastern actors' are blank slates who lack a background and relevant experience with which to associate the benefits of networking and transborder co-operation.

For at least two reasons, however, transborder issues in the BSR will have their own flavour. Firstly, the thousand-year-old ties to Europe will be rebuilt. In this process long traditions are helpful, but the world has changed. The BSR will form some kind of identity of its own and this will be used to create a unified region. Secondly, there will still be the richness of various socio-cultural attributes such as languages and traditions within the Baltic Sea region. (Klinge 1994, 173) In the 1990's, expectations for political and economic reforms in the eastern BSR have been greater than the real outcome. The learning process is still vivid. In terms of regional development in the 21st century, an important issue is how attractive the BSR is for high technology investments. The Nordic countries have reached relatively competitive positions in this competition, but how this network will expand to the 'Eastern' side is dependent on the circumstances and conditions that the countries of the BSR and EU are creating and offering. In terms of balanced urban development, it is an advantage that there is not one dominating city in the BSR, but rather several strong 'Baltic Cities'.

In this chapter, urban links were approached from three dimensions, namely the socio-economic/infrastructural dimension, functional and strategic co-operation, and inter-city links in relation to the intra-city basis for transborder co-operation. The organising capacity of the public actors is at the core of mobilising resources; that is how the strategic vision is diffused to key actors and how this vision is implemented in action. The cases presented in this chapter demonstrate the challenges and the continuous nature of transborder urban linking. In the case of Kotka, the strategic vision of the public actors still disperse into various functional links. In the case of the Øresund, the functional link (infrastructure) does not remove all socio-economic barriers to co-operation; thus much of the strategic co-operation remains to be done before the border disappears.

Questions

- How have the roles of cities and states in the transborder co-operation changed in the past decade?
- What kind of differences are there in the urban links between the two cases presented? What are the main benefits of networking? What obstacles are encountered?
- In your opinion, how strong is the organising capacity of the Kotka urban region? Why?
- Think of adjacent cities / city regions that are functionally connected across borders. What European examples can you mention? What characterises these links?
- What are the main characteristics of urban links between 'Western' and 'Eastern' cities?

Suggestions for further reading

- Allen J., Massey, D. & Pryke, M. (1999, eds.). *Unsettling Cities*. London: Routledge.
- van den Berg, L., Braun, E. & van den Meer, J. (1997). *Metropolitan Organising Capacity. Experience with Organising Major Projects in European Cities*. Aldershot: Ashgate.
- Castells, M. (1996). *The Rise of the Network Society*. Oxford: Blackwell.
- Manniche, J. (1998, ed.). *Searching and Researching the Baltic Sea region*. Report, no. 17. Bornholm: Research Centre of Bornholm.

Note

¹ The population of functional urban regions (according to the demarcation of the travel-to-work areas) could be mapped only for the Nordic countries. In larger cities, for instance in Copenhagen, the difference in population figures between the administrative city and the functional urban region is rather large. The multilevel local administrative systems of some countries make comparison of the sizes of their cities difficult. Here the population figure always refers to the administrative core cities. Therefore, e.g. St. Petersburg's population does not include, as often appears to be the case, the so-called suburbs.

Tarja Cronberg

EUREGIOS IN THE MAKING

The case of Euregio Karelia

In front of me I have the map of Euregio Elbe-Labe (see Figure 1). It looks strange. I have difficulty locating it on my mental map of Europe. There is a chain of mountains running across the map from the top down. Horizontally a river takes a central place. The Cities of Dresden, Pirna and Usti are in

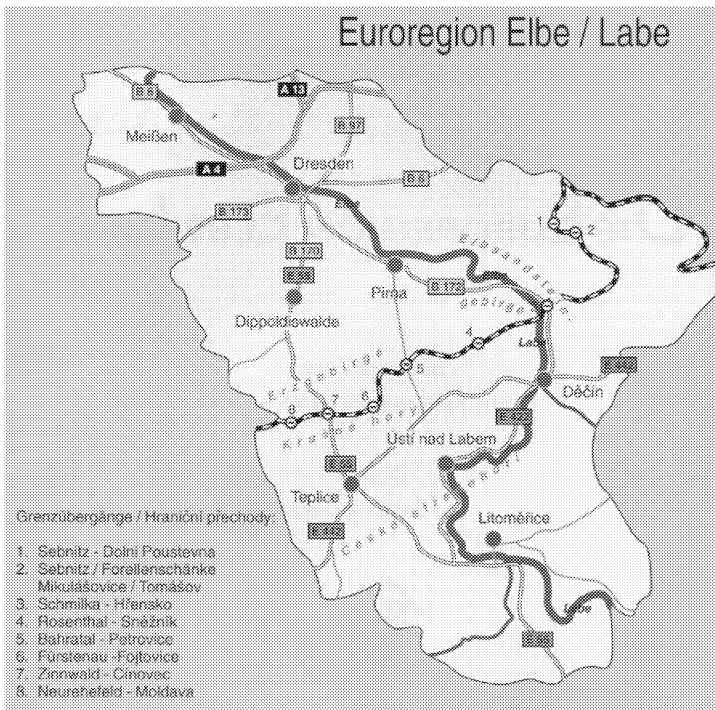


Figure 1. Euregio Elbe-Labe.

focus. The external borders are those of Oberes Elbtal on the German side and the Klub Euroregionu Labe on the Czech side. The river is called the Elbe on the German side and the Labe on the Czech side. In the middle of the map hidden by the chain of mountains is the Czech-German border which looks like a railroad, the stations of which turn out to be border-crossings.

New borders are being drafted. New maps of Europe are drawn, maps which not only define the borders of the new states but also create new regional borders both in and between states.

A 180° view of the world

About 25 years ago the first Euregio was formed. Located on the Dutch-German border, it represented a new co-operative arrangement between former enemies. At the same time the Association of European Border Regions was created. According to the association, border regions have common interests. They have always been peripheral to the centre of the state; they were often deprived of benefits within the state and furthermore they were burdened by past hostilities towards neighbours. In many cases, like on the Finnish-Russian border, the people who lived close to the border pretended that the border did not exist. It was a 180° view of the world.

Before the World War II there was a number of cultural and religious bridges between border regions. After the World War II, new state borders were drawn which drove people from their homes and moved whole populations, as was the case on the German-Polish border. As border regions were often the concrete theatres of wars, the changes were more violent and the pain more intense than in other regions.

A Euregio, regional co-operation across borders, is based only on the good will of the inhabitants of the region. The goal on both sides of a state border is to co-operate and to work together to improve living conditions. A Euregio is not something which is approved by states or other official organisations, such as the Commission of the European Union. Rather it is an organisational arrangement agreed upon the partners themselves. It is a grassroots institution that may become political if the members of the common decision-making bodies are politically elected. Usually it is a structure where officials on both sides of the border actively promote co-operation, for example, by making border crossing easier. It is also a person-to-person institution for getting to know those who live nearby but are separated by the state border. It is a question of changing attitudes and new neighbours.

Borders as bridges

The Association of European Border Regions has actively promoted the creation of Euregios on European borders. The organisation has provided practical guidance on how to work together in common financial and organisational structures. It has provided information on the successes and failures and, through annual meetings, transferred information from one border region to another. There are today Euregios located not only on the internal borders of the European Union but increasingly also on the external borders. This is especially true for the borders of countries expected to become members of the EU such as Poland, the Czech Republic and Slovenia.

The European Commission and Parliament have seen the Euregios and cross-border co-operation as a potential for increased cohesion in Europe. For an organisation that has the task of promoting co-operation among nation states, border regions provide concrete cases and may create the necessary bridges. They are spaces where the signs of animosities are clearest (even today), while at the same time the common foundations for local practices exist. A common cultural background and language create a special potential for coexistence and formation of a new neighbourhood. Cross-border co-operation is therefore, not surprisingly, one of the priorities of the European Commission.

The European Commission's General Directorate Regio finances regional cross-border co-operation through its Interreg programme. On the internal borders of the EU, i.e. borders between member states, the preconditions for this are fairly simple. The Interreg programme is comprised of regions on both sides of the borders, and common projects may be funded. The common decision-making arrangements vary from common structures to separate decision-making bodies (see below). The objective of the programme is to benefit the regions on both sides, first and foremost by developing new business structures, but also through cultural co-operation and social activities.

On the external borders of the EU the situation is more complicated. In East and Central Europe, cross-border projects in the member states are financed by the Interreg programme. For example, a bridge to be built over the River Oder on the German-Polish border may be financed only on the German side by Interreg funds. On the Polish side, the funds have to be found through the PHARE, a special EU programme for funding for Eastern and Central European countries. Co-ordination is more complicated, as political priorities also enter into the picture. Funds are distributed, for example, through a central committee in Warsaw or Prague where the border regions are not necessarily a priority.

Cross-border co-operation becomes even more complicated in cases where the country on the 'other' side is not expected to become a future member of the European Union, as on the Finnish–Russian border. Here Interreg (for example, the Interreg Karelia programme) finances the costs of a project on the Finnish side. If there are partners on the other side, they have to find money through the Tacis, a special programme of the EU for the NIS area (i.e. New Independent States of the former Soviet Union) like Russia. The rules for Tacis funding are more complicated, as most decisions are made in Brussels and most Tacis cross-border projects have to go through Moscow (Figure 2).

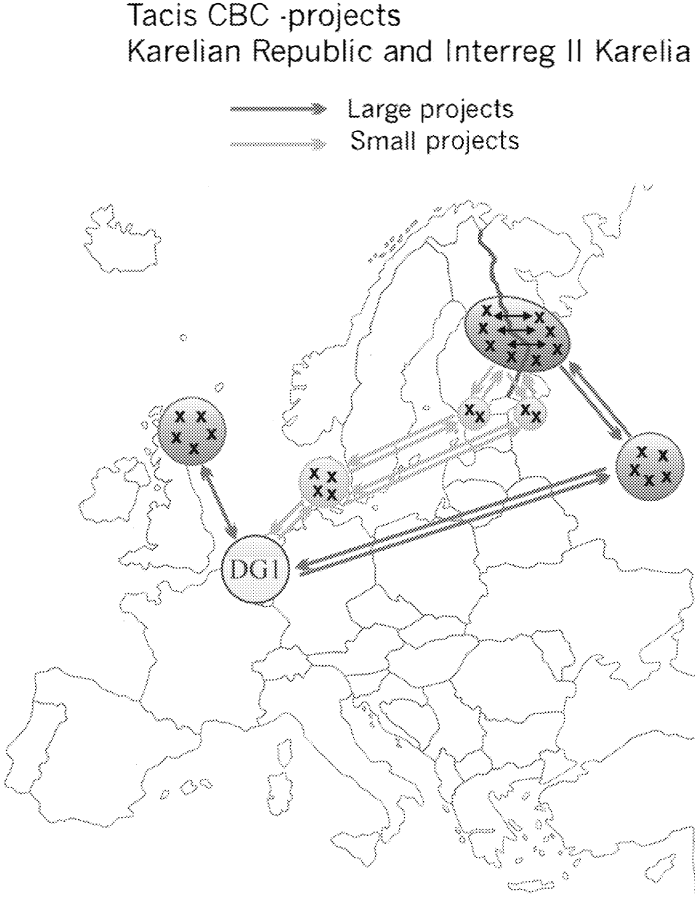


Figure 2. Tacis CBC projects and their handling procedure.

Producing otherness

Identities are constructed. National identity, a fairly new construction, is created by language, geography, ethnicity and historical traditions. A passport is the basic document confirming this identity. An individual's identity is a more personal construction. Here sex, age, profession, family, physical appearance and belonging to a community, among other things, define what distinguishes 'me' from the 'other'. Recent sociological studies have taken up the question of identity, challenging the idea of pure identities. Identities are seen as complex and changing over time.

Not only sociologists have addressed the question of new, more hybrid identities. Scholars of security studies also argue that foreign policy is shifting from relations between states, where borders are taken for granted, to a situation where establishment of boundaries is seen as a political practice, which makes a certain set of actors 'foreign' (Campbell 1992). According to this view, the international system should be approached as "an arena of practice, in which some subjects emerge with the status of actors, who are sustained by a variety of practices, that establish the foundations of legitimate meaning and naturalise a particular order" (Campbell 1992, 45). Foreign policy is, thus, seen as a boundary-producing practice.

An Euregio challenges the established boundary-producing practices. Here the main actors are regions and regional administrations which traditionally have not crossed state borders as independent actors. Departments of Foreign Affairs have been critical of this foreign policy of regions, because foreign policy is considered to be the monopoly of a state. Of course, municipalities and cities have had friendship municipalities in other states, but this has not had political implications, such as common decision-making bodies or common sources of funding. So far, these processes have never aimed at common institutions or shared consciousness. With Interreg programmes at the internal and external borders of the EU, the regions have acquired a new independent-actor status and are creating their own boundary-producing practices.

In short, the creation of Euregios is a new dimension, where foreign and domestic policies flow together, causing considerable confusion in the state administration. In Finland this has culminated in the question of whether this development is a matter for the Ministry for Foreign Affairs or for the Ministry of the Interior (Cronberg 1999). These new cross-border activities have also led to a discourse on regional foreign policy. Can we from this conclude that there exists not only practices of boundary reconstruction but also of identity construction? Are there already regional, cross-border identities? If not, are they in the process of being constructed?

Regional identities

Anssi Paasi has studied the construction of regional identities empirically on the basis of four Finnish regions (Paasi 1986). Institutionalisation is one of the basic foundations for a regional identity. This is a process during which a space is accepted as a stable unit in the society's spatial structure and social consciousness. The creation of a region is established by four factors: (1) territory, (2) conceptual definition, (3) institutional/organisational structures and (4) stability. The territorial formation implies a process by which regional borders are created which distinguish a space from its surroundings. The conceptual or symbolic definition is based on a name, which identifies the region. The institutional process is a social process during which a region creates its organisations and institutions. Stabilisation is the phase in which a region receives its regional identity in the 'structure of regions'. The meaning of a region, its identity, is then reproduced continuously over time.

According to Paasi, this process of institutionalisation of a territory (region) is combined with the emergence of a regional consciousness, which is based on the idea of community, and its place in the hierarchy of regional consciousness (image, classifications). Its building blocks are the institutions created by the social, historical and economic background, as well as the system of symbols, values and norms. Furthermore, the collective consciousness of a region may also have special 'expectation structures', reflected in the internal as well as the external image (Paasi 1986, 38). Given this understanding of what constitutes regional identity, is there a special border-region identity? And, if so, how are these border-region identities constructed?

Institutional arenas

The creation of the Association of European Border Regions (AEBR) was one sign of emerging border-region consciousness. On the other hand, as the organisation itself is based on membership, it has an active interest in the promotion of a border-region consciousness. The elements used to construct this cross-border identity are peripheral location, wars, history and social deprivation on the one hand and economic, social and cultural ties across the border on the other. The association stresses the common 'close-to-the-border' experience and consciousness, the grassroots level of activities and physical proximity.

The association promotes institutional processes that create common decision-making and financial arrangements. It has classified the cross-border institutional structures as follows:

- *information and consultative forums*, (types of structures representing an unofficial partnership where ad hoc exchange of information is organised by regional or local authorities and organisations)
- *common co-operative structures*, (official organisations that combine regional actors on both sides of the border, sometimes including representatives of states, often having a common secretariat, whose basic idea is to co-ordinate the activities, whether building bridges across border rivers or creating person-to-person exchanges between neighbours)
- *integrative structures*, (structures representing a greater degree of integration, often consisting of a secretariat with a management authority and common decision-making institutions, even with common funding, may exist although they have no political significance)
- *and long-term integrative structures*. (These structures are represented by local and regional authorities and organisations consisting of a secretariat and management authority on different levels, including the political level, such as a common politically elected Euregio council and board.)

Most of the Euregios on the internal borders of the EU have common co-operative or integrative structures. On the external borders, integrative structures are rare but are emerging. Now let us look at the potential for a regional cross-border identity on the Finnish-Russian border.

From a land without borders to a divided territory

Changing borders have always affected the people living Karelian borderlands (see chapter by Bazegski & Laine in this book). Consequently, the term Karelia has got many meanings in the course of history (see Figure 3 on the following page). Now in Finland there are administrative regions (or provinces) of Northern and Southern Karelia (or North- and South-Karelia) and in Russia there is the Republic of Karelia. In addition there is an area which in Finland is often referred to as the ceded Karelia (area which was annexed to the Soviet Union in 1944), which consists of sub-areas called Karelian Isthmus and Border Karelia; administratively it belongs partly to the Leningrad region and partly to the Karelian Republic of Russia. (See Oksa 1999.)

In practice, however, the border did not exist until the late 1700's as the relationships in trade, family and culture were so strong (see Bazegski 1999). People, for instance, crossed the border in search of a job or a spouse with the same religion. Hence, according to Paasi (1996,196), the border was functionally located in the 'wrong place'. The border was not a barrier to local everyday life, and people crossed this border almost without noticing it.

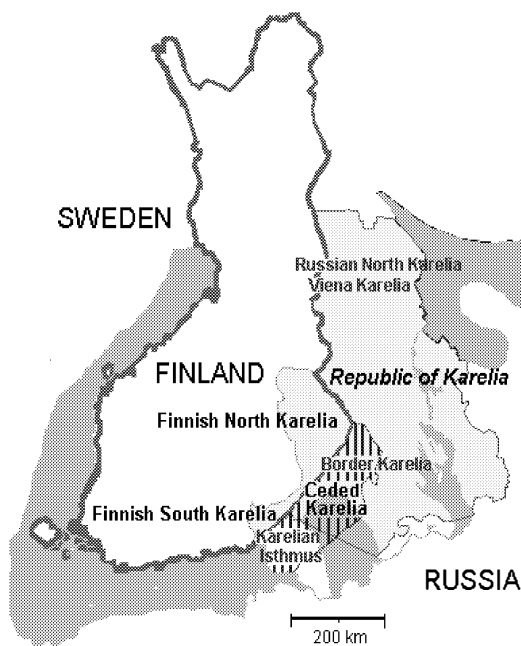


Figure 3. Many meanings of Karelia (source: Oksa 1999, 288).

When Finland became a Grand Duchy attached to Russia in 1809, co-operation across the border became even more important. Bazegski (1999,7) refers to this as the time when Karelian-Finnish relations flourished. After the Russian revolution, however, the border was closed and cultural and economical exchange came almost to an end. Not only the creation of the So-

viet Union but also the newly formed Finnish State had to secure its borders and state authorities had to be established. Border regions played an important role in the construction of a new nation. In Finland a special border policy was created in the 1920's. For example, at Christmas 1934 loyalty to the state was strengthened by the delivery of a candle together with a Finnish flag to each family in the border area (Paasi 1996,175).

Yet – as Bazegski and Laine already stated in this book – the border was not totally impermeable. Karelian emigrants on the Finnish side supported trade to their old villages and until the beginning of the 1930's people moved from the Karelian Soviet Republic to the West. On the other hand the Autonomous Socialist Republic of Karelia became a haven for Finnish 'red rebels' and later for economic and political emigrants. In the 1930 thousands of Finns from North America moved to Soviet Karelia to build a workers' society. During the depression and times of high unemployment many workers fled to Russian Karelia to find work (Oksa 1999, 289).

The World War II meant that part of Finnish Karelia was ceded to the Soviet Union; 420 000 Finns were repatriated in the remaining Finnish territory, and the lost territory was resettled by citizens from other parts of the Soviet Union. Villages were divided, for example, in the municipality of Wärtsilä. The inhabitants who moved to Finland could look from the hills of the Finnish side to their former homes and villages (Paasi 1996, 252). The

dreams of the pre-war movement for a greater Finland had been crushed. Politically, the newly formed political movement, the Karelian Society, channelled the interests of the evacuees and became a spokesman for the ‘get Karelia back’ discourse, which is still alive today on the Finnish political scene. (For a more detailed discussion of the Finnish–Russian border, both before and after the World War II, see Anssi Paasi’s chapter in this book.)

Between 1960 and 1990, as Finnish firms participated in large scale projects in north-eastern Russia, a new phase in border trade was instituted. The building of *Kostamuksha* (*Kostamus*), a mining town, was a notable demonstration of Finnish Karelian co-operation in spite of different economic systems. Since the collapse of the Soviet Union, the relations between the two countries have again changed. New border crossings have been opened (see Figure 4). The border has been perforated by international and temporary border crossings.

Grass-roots co-operation has been initiated, for example, through the ‘*Itä-Suomen ja Karjalan Tasavallan Neuvottelukunta*’ (‘Council of East-Finland and Karelian Republic’) co-operation that preceded the establishment of Euregio Karelia. Great hopes were attached to economic development in the border regions in the 1990’s. Yet, due to the Russian economic situation, however, these hopes have not materialised (see also the chapters by Alanen & Eskelinen and Tykkyläinen in this book).

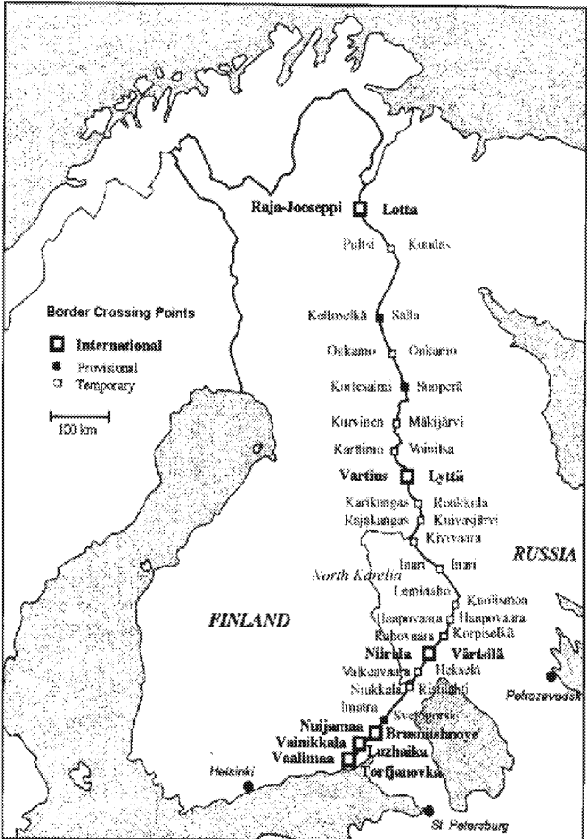


Figure 4. Border crossings at the Finnish-Russian border (source Cronberg 1999, 321).

Euregio Karelia

Euregio Karelia, which was established on 24 of February 2000, covers the area of the Karelian Republic of Russia and the three Finnish Regions: Northern Ostrobothnia, Kainuu and Northern Karelia (Figure 5). The Russian Karelia of the Leningrad region as well as Southern Karelia in Finland are outside its borders. Like other Euregios, juridically it is an international community where Russian laws applies in the Karelian Republic and Finnish law prevails on the Finnish side. As the objective is to improve the living conditions of people on both sides of the border, Euregio Karelia should be seen as a process. This process is based on the historical background of a Karelia without borders, while creating a future-oriented structure for a new Europe.

A common management committee has been created where representatives of the three regions and the Karelian Republic meet on equal terms to discuss matters of common interest and recommend common projects. Both sides have agreed to design a common 'regional development programme for

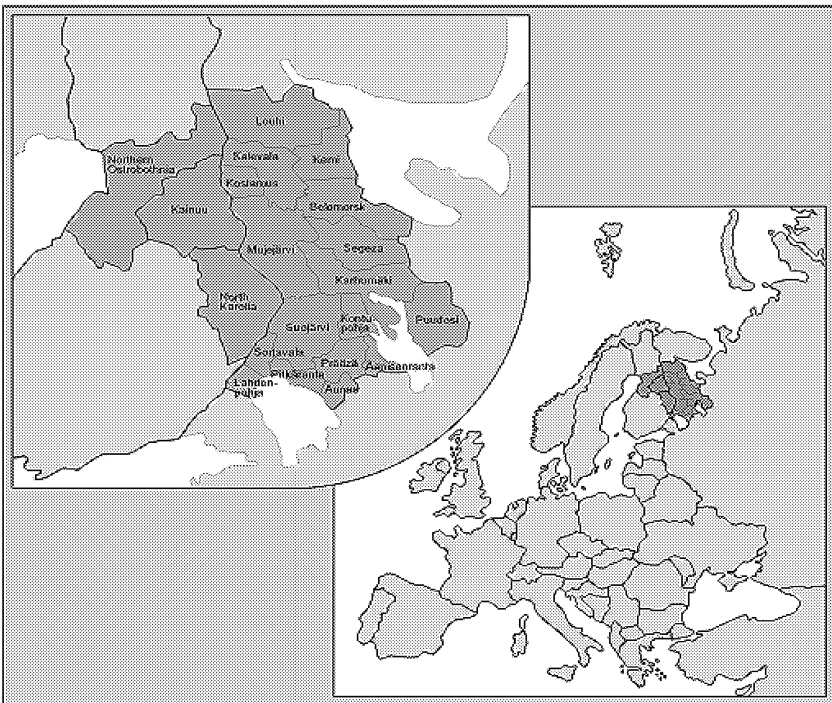


Figure 5. Euregio Karelia.

the border area'. To channel funding a Euregio Karelia Fund has been established. The short-term goal is to improve the efficiency of existing financial flows, in particular those from the European Commission.

In the middle term, the goal is to create a common space for visions and strategies. Currently the Interreg Karelia III programme is being prepared. Initiated by the Euregio Karelia, similar programme activities have been funded in the Karelian Republic. The ongoing discussions deal with: what we want to do together and how we can find more funds, whether through the Tacis cross-border co-operation (Tacis CBC) programme, 'Adjacent area co-operation funding' of the Finnish ministry for foreign affairs, or other national and international sources. The Euregio Fund is the first common source of funding, and collection of funds has started on both sides.

In the long-term, the tasks of Euregio Karelia are not confined to the promotion of financial flows or the creation of regional development programmes and projects. On the policy level, the intention is to counteract the negative phenomena related to the borders, such as criminality, drug trade and prostitution. The level of health care in the border areas and the possible health risks related to bad economic conditions are to be taken into account. Like the Euregio on the Dutch-German border where agreements on common labour policies have been signed, a cross-border co-operation is important to prevent the economic differences on the border from becoming a risk factor for the labour force on either side.

Tacis CBC and Interreg

Euregio Karelia in the short run is not based on Russian economic development. Its goal is to achieve more results – on both sides of the border – with the funds that already flow to this borderland, mainly from the European Commission. A case in point is the co-ordination of development projects through the Interreg and Tacis CBC, both EU border programmes.

Interreg Karelia is an Interreg programme which covers the three regions of Northern Ostrobothnia, Kainuu and Northern Karelia. About 200 development projects have been financed in 1995 – 1999 with a total budget of 186 million FIM, and a new programme period is being prepared for 2000- 2006. On the Russian side, development projects are financed by the Tacis CBC (see Figure 2). Let us take a concrete example.

A project – let us say a border tourism project on a border river – is initiated. On the Finnish side the project proposal is prepared and sent to one of the Interreg Karelia regions. National funding (50 %) is negotiated by the Interreg secretariat with the appropriate ministries, municipalities or private

sources and the project is presented for funding by the Interreg Management Committee. The Committee makes a decision and work is able start. At the most, 3-6 months have passed.

On the Russian side a Tacis CBC project proposal is prepared for the same border river, sent to the Tacis bureau in Petrozavodsk (i.e. capital of the Karelian Republic) and to the Ministry of Foreign Affairs of the Karelian Republic, Russia. If the project is a so-called small project (with budget less than 200 000 euros) it goes further to the Association of Local Authorities of Finland and later to a Danish consultant group for a decision. The latter manages the so called Tacis small-projects facility. If, however, the project exceeds the 200 000 euros, it goes first to the Tacis office in Moscow, which prepares a list of priorities for Tacis CBC -projects. Then the project proposal goes to Brussels where the final decisions are made. If the project receives funding, it is subject to international bidding, carried out by the EU Commission; it may take several months before rules and requirements are established. The whole process may take several years. By this time the Interreg project on the Finnish side has almost certainly been already completed.

Due to this incompatibility, Euregio Karelia is lobbying for a programme-based, multiannual funding procedure for Tacis CBC, compatible with the Interreg procedures. As the money for both of these programmes comes from the same source, this should be possible. This year both (1999-2000) directives have been under revision. But also here we see the contradiction between domestic and foreign policy, now on the EU level. Interreg is EU domestic policy for regional development; Tacis is foreign policy and a policy for transfer of European know-how to a third country.

Euregio – a transitory spatial flow?

A Euregio is a new kind of space in a globalising world. It may be seen as globalisation from the bottom-up, where new institutional structures are being built on historical foundations. Old neighbours become new neighbours. Euregios are spaces where the global meets the local on the very line that constructs the border. In this sense I agree with Anssi Paasi, who in this volume argues for territorialities rather than state territoriality. Euregio is a new kind of cross-border regional territoriality making state borders 'softer'. It redefines the divide between foreign and domestic policy. Thus also regions, not only states, may have a 'foreign' policy.

Today many kinds of new regional spaces are being constructed: regions within states, transnational co-operation between states, regional co-operation between regions in different countries, etc. In this process of regional

reconstruction, border-regions take a special space due to historical and physical closeness. They form a kind of 'borderland', a transitional flow over both space and time. Projects for the common good are the first sign of a new spatial flow. Borderlands are concrete spaces for the postmodern concept of hybrid identities, where interests combine and where 'we' gradually becomes 'them', even though these flows are still controlled at border-crossings.

New institutions, new maps and new names provide for the cross-border a regional identity in the making, more strongly on the EU internal borders and only being tested on the external borders. The formation of Euregios represent both fragmentation and integration (see Jukarainen 1999). Fragmentation occurs in the sense that a number of Euregios are being created, often several on the same border, and fragmentation also in the sense that new lines cross former states borders and challenge – like so many other things in the globalising world – the boundary producing practices of the nation states (for the discourses, see Paasi in this book).

Euregios represent integration in the sense that a 360° view of the world is created for the citizens and that common histories and cultures are allowed to form spatial structures. It is integration also in the sense that Euregios are a concrete expression of cohesion in a formerly divided Europe and they represent new transitional spaces in the Europe of Regions. How the concept of Euregio will develop will depend on the degree of common institutional structures and financing in the future. There are good examples of high degrees of integration. On the other hand, in practise, the Schengen Agreement may make the practical implementation of a Euregio at the external borders cumbersome. Other negative consequences such as illegal immigration, drug trade and prostitution may also counteract the ease of crossing a border. The particular fate of Euregio Karelia will depend on Russian policies towards its own border regions and its relation to the West.

The Euregios of today represent first and foremost an opportunity in geography. We know from history that trade flourished when the border was open. Closed borders, on the other hand, have little potential. Maybe the best indication of the degree of common identity and integration is the length of the no mans land at the border. When it vanishes altogether, and the customs officials and the frontier guards share the same building, this can perhaps be seen as a sign. However, this is not yet the case on the Finnish-Russian border.

Questions

- How is the purposefulness of Euregios seen in this chapter? Think about the meanings given to this organisational arrangement by partners in decision-making bodies. Think also about how the inhabitants in border-regions can benefit from Euregios as sites of their joint activities. How do Euregios contribute to the construction of regional identity?
- What is the role of the AEBR (Association of Border Regions) in the regional development in Europe?
- What makes Euregio Karelia a special regional case?

Suggestions for further reading

- Eskelinen H., Oksa J. & Austin D. (1994, eds.). *Russian Karelia in Search of a New Role*. Joensuu: Karelian Institute, University of Joensuu.
- Eskelinen H., Liikanen, I. & Oksa, J. (1999, eds.). *Curtains of Iron and Gold: Reconstructing Borders and Scales of Interaction*. Aldershot: Ashgate.
- Kirkinen H. & Westman L. (1996, eds.). *On the Border of the European Union from the Gulf of Finland to the Arctic Ocean*. Joensuu: Joensuu University Press.
- Practical Guide to Cross-Border Cooperation* (1997). 2nd edition. Gronau: European Commission, European Union and AEBR.
- Varis, E. & Porter, S. (1996). *Karelia and St. Petersburg. From Lakeland Interior to European Metropolis*. Joensuu: Joensuu University Press.

Riitta Kosonen

BORDERTOWN VYBORG

A local socio-economic system facing the new millennium

The history of the town of Vyborg, in north-western Russia, near to the Finnish border, is a story of the rise and decline of a regional core and of an attempt to rise again. The town's location on the East/West frontier has been crucial to its development. Before the World War II, within the Western politico-economic system, Vyborg was able to cultivate the potential of its location and was one of Finland's growth centres. After the war, the population of Vyborg was evacuated; upon conclusion of the armistice the town was ceded to the Soviet Union. Vyborg became part of the East European politico-economic system separated from the West by the Iron Curtain. Within the Comecon division of labour, Vyborg's potential was ineffectively developed and the town started to decline. Today, political and economic reforms in Russia, together with the collapse of the Iron Curtain, have once again made Vyborg's locational potential available for development. So far, however, attempts to restart development have been plagued by post-socialist uncertainty and socio-economic turmoil.

This chapter depicts the socio-economic foundations of Vyborg's pre-war progress, post-war stagnation, and contemporary attempts to recover. The chapter is based on written sources and interviews with twenty-one enterprise directors, ten officials and five business journalists in Vyborg between 1995 and 1998. The analytical focus is on organisation of the *social relations of economy*; i.e. on relations among enterprises, between enterprises and the state, and between enterprises and labour. In each of Vyborg's historical periods, these relations were characterised by specific *institutions* (established practices, values, norms) and organisational *networks* of interaction. The first section of this chapter shows that progress in pre-war Vyborg was based on enterprises that were closely integrated with the socio-economic entity. Social relations in Vyborg's economy were organised in a manner that strength-

ened Vyborg as a local economy and provided it with the capacity to resist change. Analysis of pre-war Vyborg also points to a range of analytical tools to be used when Vyborg's current transformation from socialism to a market economy is evaluated. In the second section of this chapter these tools are explained. The third section elaborates how enterprises in socialist Vyborg adapted their social relations to the prevailing macro-environment, irrespective of its implications for regional development. In the fourth section, Vyborg's present attempts to recover are evaluated against the backdrop provided by its socialist heritage. Here it is shown that economic and political reforms were a shock to local enterprises and evoked various reactions: some old institutions were abandoned, new elements were adopted and old and new thinking was combined in many ways. Consequently, a kind of typology of adaptation at the enterprise level is provided here. It is shown that current attempts to recover are undermined by that fact that Vyborg's post-socialist economy is a broken and fragmented entity, where institutions representing different logic and various historical periods mix.

Pre-war Vyborg: Enterprises as the backbone of a progressive 'Vyborg vision'

Tyrgils Knudsson, who began to build Vyborg Castle in 1293, seems to have had good grounds for deciding where to put his castle; archaeological excavations in its courtyard have revealed indisputable signs of an old trading site. Indeed, before the World War II Vyborg was a regional centre that efficiently utilised the 'border market effect', (Ajo 1945-46, 27) created by East/West traffic and trade. The surrounding coniferous forests supplied a resource that enabled Vyborg to develop as a 'staple economy' (Innis 1929) based on fur, tar and timber exports (Kosonen 1996, 44-47; cf. Katajamäki 1988, 12; Kuisma 1993).

In the Middle Ages, the lords of Vyborg Castle made the town a bustling black market centre for the Hanseatic League (Riimala 1991, 19), in the 17th century the town was northern Europe's most important exporter of tar, and in the early 20th century Vyborg grew to become the second largest town in Finland and the largest port in Europe exporting saw mill products. Over the centuries, Vyborg evolved from a periphery providing Europe's growth centres with raw materials into a semi-periphery (Grotewold 1979), a regional node with a well-developed process industry, trade and services. In domestic

trade, Vyborg's hinterland with respect to certain products extended as far as Lapland (Markkanen 1976, 85).

Over the centuries, progress in Vyborg was based on foreign traders who decided to settle down in the town, start families, and slowly integrate with the surrounding society. The threat of colonialism was avoided through the generation of diverse multiplier effects around trade. Enterprises invested in training and transportation, improved the financing sector and founded industrial associations, thereby building up an economic infrastructure in Vyborg. Enterprises were also active in social and cultural spheres, where they built and maintained orphanages, a deaconess institute and housing as well as funded theatres and libraries. Vyborg's entrepreneurs were also politically active. In addition to being elected to the town administration, entrepreneurs established joint interest groups in the form of local politico-economic organisations and participated in national party politics. Enterprises in Vyborg adapted to the general macro-environment and built up their networks in society accordingly. Furthermore, enterprises used their economic, social and political networks to reinforce and promote their business and, when necessary, to resist adverse regulations and legislation imposed on them by the public authorities, such as Tsar Paul's ban on cutting timber and unfavourable customs regulations. (Kosonen 1995; 1997)

The enterprises operating in Vyborg had extensive contacts with the state, the workforce and other enterprises. Therefore, the economy was heavily 'embedded' both socially (Granovetter 1985), culturally and politically (cf. Oinas 1998). With time, *social relations* among the economic actors manifested themselves as established, institutionalised interaction (e.g. established practices, values and conventions) and as networks of formal and informal organisations channelling this interaction.

The town of Vyborg developed because a strong sense of locality, based on a diverse and tightly integrated network, emerged in the town's economy. This allowed enterprises to see beyond their specific interests or those of their sector of industry and concentrate on developing Vyborg using the locational potential as the starting point (Kosonen 1997, 237-240). In addition, enterprises converted the institutions of their social relations into a comprehensive 'Vyborg vision' that took into account the socio-economic needs of the local economy. Moreover, this strengthened Vyborg itself and gave it the capacity to resist external impulses of change. The town's pre-war development is in line with Amin and Thrift's (1993) idea of local economies as 'agents' of their own development trajectory, capable of 'pinning down' global potential and transforming it into indigenous growth.

Lessons of history: Tools for the analysis of post-socialist change

The background processes of Vyborg's pre-war development – the logic of the social relations established in the local economy – provide tools for assessing also the development of modern Vyborg. It is plausible that the social relations of enterprises became also established in socialist Vyborg. Therefore, contemporary post-socialist confusion and its characteristic features could be explained by the strong social embeddedness of the business sector and the resulting resistance to change.

Such resistance slows down post-socialist transition, turning it into open-ended path-dependent transformation (e.g. Hausner et al. 1995; Grabher & Stark 1997; Pickles & Smith 1998; Smith 1998; Pavlínek 1997; Clarke 1993; Burawoy & Krotov 1993; Altvater 1993) rather than a uni-linear transition from one politico-economic system to another (Fukuyama 1992). In transformation, changes take place in the previously stable socio-economic structure that has underlaid and supported state socialist accumulation. On the local level, transformation affects the institutionalised practices and networks of interaction that built up relations among enterprises, between enterprises and state and between enterprises and labour. In short, the transformation alters the institutional logic that supported local socio-economic systems during socialism. This logic contains established interaction among economic actors, well-known tendencies toward *internal conflict* and institutionalised ways of *resolving conflict* (cf. Aglietta 1979; Lipietz 1988). Any attempt to understand the current post-socialist turmoil in Vyborg must therefore begin by sorting out the institutional mechanisms that backed the organisation of social relations among economic actors in socialist Vyborg.

Socialist Vyborg: Enterprises as problem-solvers of an 'all-union vision'

After the World War II, progress in Vyborg stopped. The Finnish population and enterprises were evacuated as the Red Army advanced. The vacated town was ceded to the Soviet Union in summer 1944. The town was resettled mainly by people from the Leningrad region, the areas around Leningrad, the Ukraine and Byelorussia (Vasilev & Zakatilov 1975, 91; Kotikov 1982; Hämäläinen-Forslund & Forslund 1989, 21). After the war, Vyborg was separated from its natural spatial division of labour. The town was connected to

the all-union division encompassing the Comecon countries and cut off from the West by the Iron Curtain.

This division was inefficient in exploiting local and regional demand and the potential offered by location (Kosonen 1996, 55-57). Vyborg's main employers were the shipyard and the instrument factory that served the military industry. The food industry was almost the only pre-war industry to continue, and even that was considerably reduced. The Saimaa Canal was reopened only in 1968 and the town's outer harbour in 1983 (Veretennikov 1983). Vyborg was transformed into a 'patient', subordinated to external decision-making and incapable of utilising local potential¹.

In socialist Vyborg the relations among enterprises, between enterprises and the state and between enterprises and labour were established according to the principles of a socialist planned economy. Let us look at the relations one at a time (for a more thorough account of the constitution and transformation of social relations in Vyborg's economy, see Kosonen 1999).

Vyborg's enterprises fulfilled plans drawn up by state organisations

Vyborg's enterprises received and were obliged to follow detailed production plans from the relevant ministries in Moscow. Enterprises were set up and located according to these plans. Most of socialist Vyborg's enterprises were founded by the end of the 1950's. The plans devised in Moscow determined the number, quality and price of the goods manufactured. Changes in production were made accordingly. For example, the Vyborg shipyard began by manufacturing non-motorised timber rafts and in the 1970's started to serve the Soviet Union's new oil drilling regions.

In addition to their main line of products, factories were required to produce certain general-purpose goods; the shipyard manufactured bedposts, iron gates, shoeboxes and souvenirs. Enterprises were also required to take responsibility for the social infrastructure in their locality. The largest unit in Vyborg, the shipyard, was responsible for roughly one-third of the town's social infrastructure. This covered housing, kindergartens, heating plants, a sports stadium, a cultural centre, a holiday resort and pioneer camps.

In addition to industrial ministries, enterprises were also controlled by party organisations which appointed – and discharged as they saw fit – factory managers and assigned to the enterprises social duties, such as assisting in harvests. The main duty of a factory's management was to meet production plans and obey orders from party officials. Social pressure for this was augmented by the local newspaper *Vyborgski Kommunist*, which published regular articles on the fulfilment of plans and on heroes of socialist work, whose pictures were also posted along streets.

Enterprises had no formal contacts with each other

The end-users of products and the resources used in production were also predetermined in plans. For instance, under the all-union division of labour among 132 candy factories, the Vyborg bakery was required to manufacture candy for Archangel, Murmansk and Kazakhstan. The fish-net factory made nets for the Baltic coastal areas, northern sea areas and inland waters. In general, a factory had no contact with the end-user; for years, the instrument factory in Vyborg was not aware that its goods were exported to Finland. Production inputs were allocated under the all-union and Comecon division of labour. For example, the factory manufacturing machines and equipment for the fishing industry obtained motorised parts from Belo-Russia, the candy factory sugar from Cuba and the brewery raw materials from Czechoslovakia.

Moreover, co-operation between enterprises was also based on regulations issued by the authorities. Partners were usually appointed from out of town; the two manufacturing units in Vyborg (the shipyard and the smaller ship building unit 'Pirs') that were supervised by the Ministry of Shipbuilding did not co-operate with each other. Clearly, formal inter-enterprise contacts were largely lacking in Vyborg, and even informal interaction was modest. However, while there was no direct contact, the managers were brought together formally as elected members of the town committee.

Workers were tied to enterprises through the social infrastructure

The number of workers was also allocated centrally. New graduates were generally assigned their first job; losing it was, in practice, highly improbable because Soviet society valued full employment. The workforce was integrated with the enterprise through a tight social network. Employment typically began with paid on-the-job training, factories provided their workers with almost their entire social infrastructure and the factory shops often sold items the ordinary shops lacked. Even the workers' families were tied to enterprises through various sports and other cultural events. Workers were motivated by emphasising the importance of socialist industry and selecting some workers to be heroes of socialist work. Political liturgy was used to uphold the party's ideological power and to improve morale. Enterprises not only satisfied their workers' basic needs but also had an unofficial instrumental value for a worker's '*blat*' network; '*blat*' refers to the unofficial horizontal system of exchanging social benefits that evolved to supplement the socialist shortage economy (Ledeneva 1998).

Enterprises in Vyborg learned to solve the resource problems

From Vyborg's standpoint the cleft between economic plans and the industries trying to implement them was the main defect of socialist economy. This manifested itself as a quantitative and qualitative shortage of resources needed to guarantee smooth accumulation. Excluding the strategically vital shipyard, the production inputs allocated to Vyborg's enterprises were usually inadequate to meet the production goals. The manager of the instrument factory explained the problem as being due to Vyborg's remote location and low status in the socialist division of labor. Insufficiency was evident in all the social relations of Vyborgian enterprises. For example, state organisations delegated production tasks that enterprises were not equipped to perform; the shipyard was assigned new duties before the pier they required was even near completion. Shortcomings in inter-enterprise relations were common; raw materials allocated to the candy factory covered only one-third of the volume needed. Moreover, enterprises suffered either from an overall labour shortage in general, or from qualitative problems, such as absenteeism or excessive drinking on the job.

This shortage of resources became tendency toward internal crisis that plagued all social relations in Vyborg's economy. However, enterprises adapted to the socialist system to the degree that they even developed means to alleviate the inherent resource problem. Due to the hierarchical power relations in socialist industry, problem solving at the enterprise level was largely informal. The problem was mitigated in all social relations in Vyborg's economy. Firstly, in relations with the state, enterprises (managers) sought to influence production plans by exaggerating their resource needs, trying to reduce production goals and lobbying local authorities to solve practical problems. Secondly, the resource problem was also alleviated by unofficial brokers (*tolkach*) (Berliner 1957; Ledeneva 1998) who dealt in the factories' excess resources. For example, the candy factory acquired two-thirds of its sugar supplies from the Baltic countries through the broker system. Thirdly, in general enterprises had little opportunity to solve problems related to labour. However, workers were tied to factories by the social infrastructure, which was provided for the entire family. In addition, the politicisation and ideologisation of work (heroes of socialist work) were also a source of motivation for some workers. Labour was motivated by the opportunity to use factory output for personal '*blat*' network. Enterprise managers generally ignored – and thereby approved – the use of enterprise production for informal personal purposes.

The social relations of enterprises adapted to the all-union 'Vyborg vision'

During the roughly forty years from the World War II to the beginning of *Perestroika*, Vyborg developed into a stable local socio-economic system that had adapted to the socialist macro-environment. The problems of the system were known and ways of solving them had been devised. Socialist Vyborg was an *institutionally mature* system where the expectations of enterprise management, workers and economic bureaucrats had adapted to the opportunities offered by the macro-economy and where the roles of the economic actors and the hierarchy between them had become established.

From the standpoint of regional development, institutional maturity in socialist Vyborg entailed a paradox due to the internal power relations of the system. The aims and expectations were such that neither managers, workers nor economic bureaucrats had any interest in building Vyborg's economy on the basis of the potential offered by its location. 'All-unionism' was a sufficient and generally accepted 'Vyborg vision'. Within this vision, the aim of the bureaucrats was to draw up production plans that catered to the needs of a specific branch or sector. Managers sought to fulfil plans because their careers depended on the bureaucrats and workers were tied to the factories by every aspect of their personal lives. Formally, no direct contacts existed between enterprises so that it was impossible to set joint targets. Moreover, any inter-enterprise transaction carried out by unofficial brokers (*tolkach*) usually involved a partner outside Vyborg.

The established socialist practices in Vyborg, together with a lack of understanding of the basic building blocks underlying self-sustained local development, provided a poor seedbed for local implementation of the market reform. Against this backdrop, it is not surprising that in Vyborg an economic reform emphasising initiative and economic independence was mainly considered problematic.

Post-socialist Vyborg: Uncertainty, fragmented enterprise adaptation and the lack of a 'Vyborg vision'

After forty years of socialism, Vyborg was, through *Perestroika*, given an opportunity to rebuild its economy on the basis of the opportunities afforded by its location. The end of the Cold War meant that, in addition to local and regional demand, post-socialist Vyborg could now benefit from the 'border market effect' (brought about by the proximity of the Finnish border), from Baltic co-operation and from the EU's Northern Dimension. In the framework of the global division of labour, Vyborg's prospects are related to its

maritime location at the gateway to St. Petersburg. For the time being, efforts to exploit these new opportunities have largely faltered.

Vyborg's post-socialist transition has resulted in unprecedented sectoral rationalisation where small-scale trade has expanded, but at the cost of production ('involution', Burawoy 1996). The legal economic reforms, such as the liberalisation of trade and new laws on ownership, have stimulated the service sector; the number of retail shops, for example, has doubled in five years. Old enterprises were forced to restructure only after the dissolution of the Soviet Union in 1991 when resource and customer links within Comecon were broken. Attempts to maintain old market areas have been undermined by the increasing cost of rail transport. Cuts in the arms industry and elsewhere in the public sector, as well as opening Russia to foreign competition, have also hurt Vyborg's enterprises. As a result of these diverse pressures, the second largest enterprise in Vyborg went bankrupt. In almost all production plants, transition has entailed varying degrees of layoffs or complete termination of production. In addition, rationalisation has moulded the structure of the town's economy; factories have sold their premises to new enterprises, operating for example in food products or in other more profitable sectors. Foreign investors have shown only a modest interest in Vyborg. Moreover, the impact of foreign direct investments on Vyborg has been controversial. In some cases, these green-field and brown-field investments have upgraded technology, modernised production and increased employment. In other cases, such as the shipyard, integration with the new Western parent company ended in product simplification and massive layoffs.

The official rate of unemployment in Vyborg is 3.4% (*Vyborgskie Vedomosti* 1999, 6), but the true figure is probably higher. Statistics are embellished by those jobless who have entered the 'grey economy' to engage in some sort of business. Problematic post-socialist restructuring in Vyborg is expressed concretely in the migration statistics, which in 1992 showed a decline for the first time since the World War II.

Behind the faltering transition is the painful restructuring of social relations among the economic actors in Vyborg. The resource problem typical of socialist Vyborg has been replaced with general uncertainty, which in various ways violates relations among enterprises, between enterprises and the state, and between enterprises and labour. The reactions of enterprises to uncertainty vary. Three types of processes are evident (cf. Smith & Swain 1998, 40-43): the dissolution of the old institutions and networks of interaction, the emergence of new elements in enterprise behaviour and diverse recombining of old institutions and new thinking as enterprises adapt to the prevailing uncertainties. These re-combinations are hybrids that resemble neither socialism nor a market economy.

Enterprises consider state organisations inconsistent

The power structure composed of ministries and party officials has collapsed and been replaced by rapidly changing laws and decrees and a contradictory administrative machinery. For example, the bankruptcy of the Vyborg instrument factory happened due to the combined effect of failure of the government to pay for deliveries made to it and the government's inflexible attitude toward the unpaid taxes of the indigent company. Administrative uncertainty has been increased by the power struggle between the regional administration and the elected, business-oriented municipal council.

Enterprises react in different ways to the uncertainty caused by state organisations. Some enterprises cling to the old practices such as state orders, even though these practices are no longer reliable. Others consciously neglect all their public commitments, including payment of taxes. Between these extremes are enterprises that regularly pay public duties and sometimes invest in relationships with officialdom thereby seeking to improve their operating environment. Some of these investments, such as financing the town's unemployment centre, contributing to the upkeep of the militia, sports clubs and cultural events, are made as gestures of good will. Some investments are motivated by mutual benefit. In return for tax relief, one company provided the town with coal for heating throughout an exceptionally hard winter.

Building relationships between enterprises from scratch

Since the breakdown of the customer/supplier relationships of the Soviet time, co-operation and competition between enterprises has gradually begun to take shape on a new basis. Co-operation is needed, above all, to acquire high-quality resources, to upgrade production facilities and to penetrate new markets. Finding new reliable partners has proved difficult. Moreover, the privatisation process and competition for ownership have generated a new kind of power struggle, characterised to some extent by vandalism and violence.

Some enterprises have remained alone with their problems, while others have banded together to adapt at least part of their production to the new markets. The success of such alliances has varied. The fishing-net factory has found raw materials and a new market in Finland, while the alliance between the shipyard and the Norwegian company Kvaerner has resulted in a drop in production and a return to dependence on outside decision-making. In spring 1999, Kvaerner's announcement of the sale of its shipbuilding business spurred local officials to seek a Russian owner for the shipyard.

Barter agreements form the best example of mixing old and new thinking in the reorganisation of relations between enterprises. Here, relying on barter transactions rather than on money is reminiscent of the old socialist way of solving problems through unofficial brokers (*tolkach*). In Vyborg, an entire cluster of enterprises managed by a single owner has evolved on the basis of barter trading. The cluster comprises a mining industry factory, a wholesale vegetable business, a dairy, an electronics plant and a transport company. Products are circulated within the cluster on a barter basis until they can be sold to a customer. In addition to partnerships formed on economic rationale, the political power struggle in Vyborg is also apparent in the grouping of enterprises.

The status of employees has changed profoundly

The role of labour has changed profoundly. First, through voucher privatisation, the holders of reliable jobs during the socialist era became the owners of the production plants. Later, when problems in enterprises took the form of wage arrears, most workers sold their shares to outsiders. Since then, in order to improve the cost-efficiency of companies, labour has been shed on a larger scale. Despite mass unemployment, enterprises complain of a shortage of professional, production-oriented labour. Young people in particular belittle the importance of vocational training and instead enthusiastically enter the trade sector. Some of the enterprises have reacted to the uncertainty by clinging to the practices of the socialist era; they still offer employees a social infrastructure and seek to preserve jobs even at the expense of profitability. The most conservative enterprises still observe the labour decree of the Khrushchev era and remember retired employees with donations of money. Others mix old traditions with new demands for efficiency. These companies insist on providing housing for their employees, but also lay off staff to improve profitability. In addition, attitudes towards pilfering, drinking or other disruptive behaviour that erode efficiency have become stricter. At the other extreme are the enterprises that provide opportunities for 'moonlighting'; they grab loose money on a short-term basis and terminate operations as soon as problems begin to pile up. The reaction of employees to the new situation varies. In some enterprises, the labour force has gone on strike, while in others they have gathered around the idle machinery to plan how to save the factory. Labour unions are rare and usually reluctant to accept communist ideology.

Legacies and novelties in the typology of enterprise adaptation in Vyborg

Enterprises in Vyborg can be classified according to how they combine old practices from the socialist era with new, market-economy ideas as they adjust to uncertainty (Kosonen 1999). This typology organises enterprises according to their institutional characteristics and classifies their institutional legacies, novelties and re-combinations on a certain continuum. It should be noted that all categories in the typology contain a heterogeneous combination of both indigenous and foreign-owned enterprises.

The first category in the typology, the *reactionaries*, is characterised by persistent clinging to old practices dating from the socialist era, particularly in relation to the public sector and labour force. Old practices (such as clinging to state orders) do not, however, work in the new circumstances and have eventually either bankrupted the enterprise or led to take-over by new owners. The reactionaries include all Vyborg's bankrupt enterprises and also those foreign-owned companies that have failed due to conflicts with the labour force or the local administration.

The second type of enterprises, *strugglers*, continue the personal survival tradition developed during the socialist era. This category comprises small private or family-run businesses, which often operate off-the-record. Most strugglers are unemployed town-dwellers who try to earn a living despite the inability of local government to provide minimum social security. State organisations generally ignore strugglers, thereby implicitly approving of this category. The number of strugglers is impossible to estimate, although the phenomenon is important part of the Vyborg street scene.

The third group, *constructors*, combine innovatively new thinking with the old. The old traditions are apparent in their social projects, which may exceed the needs of their own employees. In their relations to the state, the constructors are conservative. They seek to maintain good relations and many attempt to mould their operating environment by entering local politics. Constructors have rapidly adopted the novel idea of inter-enterprise interaction. Co-operation among enterprises is apparent in co-production, in barter groupings, and in politico-economic alliances. Some of the constructors may slip into illegalities in their efforts to cope with the tension between close social links and new ideas. The constructors include both Russian enterprises (particularly those engaging in barter trade) and joint ventures formed with Western countries to achieve long-term ends.

The fourth group operating in Vyborg, *neutrals*, represent Western business thinking in its purest form. Neutrals pay taxes but do not negotiate any extra commitments with the state. The number of employees is determined by market rules according to demand and profitability. The social infrastruc-

ture is non-existent, but wages are paid on time. The neutrals operate either alone or are an obviously stronger party in an alliance. The neutrals include both Russian and Western enterprises and operate in the service sector or in low-risk industries.

Finally, the *opportunists* are both Russian and foreign; they are short-term 'cream-skimmers' driven by Western profit motives. Opportunists minimise their commitments in all social relations. Although the phenomenon is new, Russian opportunism may also owe to the 'wheeling and dealing' style developed during the socialist era.

Conclusion: The conditions necessary for a new 'Vyborg vision' are lacking

The post-socialist transformation has thoroughly shuffled the cards in Vyborg as it has confused roles, expectations and hierarchy in the economy. Institutional maturity has been replaced by *institutional fermentation*, where institutions representing diverse logic and historical periods mix and create different outcomes at the enterprise level. On the basis of Vyborg's enterprise typology, however, it would seem that Vyborg follows the logic of local economies, in which enterprises attempt to stabilise their operating environment by means of their social relations. The special features of the market economy evolving in Vyborg are a result of this process.

The current turmoil forms a poor platform for attempts to create consensus about local development. Officials appear to retain their traditional authority, although their prospects for influencing the course of events have been reduced by conflicting regulations. Moreover, joint efforts on the part of officials and enterprises to develop the town have so far failed due to power politics and to an abundance of competing proposals. Co-operation between local enterprises is gradually emerging and at present concentrates primarily on promoting the interests of individual or, at most, groups of enterprises. In addition, there also seems to be a network of mutual suspicion emerging alongside that of dependence and mutual trust. The hierarchy between employees and management has been overturned and a new balance will not be struck until a viable core of enterprises has finally established itself. Until that happens, Vyborg will remain a 'patient' incapable of achieving 'agency', the capacity to determine its developmental path within global processes. It is unlikely that a progressive 'Vyborg vision' that would cover the whole complex socio-economic entity will emerge as long as the expectations, roles and hierarchy of the actors are unstable.

Questions

How to construct a 'Vyborg vision' for the future? The development of Vyborg raises a number of questions about the operations of enterprises and means for pursuing regional policy:

- Which factors apparent in the enterprise typology of Vyborg might serve as the pillars of an emerging market economy?
- Are western indicators of efficiency adequate for evaluating the operations of Vyborg's enterprises from the standpoint of post-socialist local development? To what extent should factors other than pure efficiency be considered when the impact of local enterprises on socio-economic coherence is evaluated?
- Which types of enterprise in the Vyborg typology are efficient and/or socially stabilising?
- Do conditions in Vyborg allow the application of policies developed and applied in the West (such as plans for a special economic zone)?
- Which factors characteristic of post-socialist transformation in Vyborg might distort the goals of such regional policy?

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Note

- ¹ The idea of 'agents' and 'patients' was first put forth by Oinas (1995) to categorise relations between enterprises and localities.

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