



EXTREME GEOGRAPHIES

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Regional development processes and shifting power relations in the global economy (Päivi Oinas)

Friday 28.10. 09.00-10.30 Educa, E201

1. Nemeth: Social network capital mobilisation by a cultural mega-event
2. Gomez: Undercurrents in the global economy repositioning the other half of the world-system in global investment flows
3. Kettunen-Matilainen: Exploring Chinas sub-national trade barriers
4. Oinas: Transformations distinguished: Position-maintaining and position-upgrading transformation processes in core, intermediate, and peripheral clusters

1 Social network capital mobilisation by a cultural mega-event

Agnes Nemeth, University of Eastern Finland; Past, Space and Environment in Society Doctoral Programme

The paper – addressing the themes of local/regional development, relational governance – introduces the potentials of social (network) capital mobilisation of large-scale urban cultural events. Using the example of a research undertaken in Hungary (Pécs) and Finland (Turku), the investigation goes into the networks and relations between various participating actors in order to explore how the European Capital of Culture projects facilitate and change inter-organisational cooperation and networking among cultural and creative producers.

The approach combines the relational aspect with a longitudinal study of evolving collaborations between event-year programme participants, and therefore it assumes a phase-spatial framework for mega-event governance. The paper applies the basic methodology of social network analysis. Besides quantitatively measuring the expansion of network capital, the changing quality of cooperation patterns is investigated.

2 Undercurrents in the global economy repositioning the other half of the world-system in global investment flows

Lucía Gómez, University of Turku

While economic crisis has been hitting core countries in the world economy, a number of economies in the Global South have grown in importance in global investment networks. Using global FDI data, the paper traces patterns of FDI flows within the global South over the past 10 years. It examines the location factors influencing the decisions of MNEs to invest in countries of the Global South. The analysis differentiates between countries with the same and with different positions in the global economy, or countries belonging to core, semi-periphery, or periphery à la Wallerstein. The study contributes to our understanding of the changing investment trends in the Global South. It shows that, in addition to the conventional investments from core economies, now includes a growing number of investments from

Southern countries in similar economic circumstances or entering global investment networks. It also shows that the specific factors attracting FDIs to the peripheries and semi-peripheries in the South differ according to the development stage of both economies, originating and receiving, the investments. This facilitates either the creation of complementarities in resources and capabilities originating in countries that are in a more equal position in the global economy; or, the imitation of activities or joining the networks of dominant players in specific businesses allowing (and requiring) upgrade of countries resources and capabilities.

3 Exploring Chinas sub-national trade barriers

Erja Kettunen-Matilainen, Aalto University School of Business (on leave) Turku School of Economics, University of Turku

The paper analyzes the institutional environment for trade, focusing on trade policies and practices that foreign firms encounter in their cross-provincial transactions in China. Because of increased competition from other emerging economies and the rising cost levels of its coastal first tier cities, China actively promotes investments in its interior. The question of sub-national trade barriers has become topical as companies increasingly locate in Western and Central China, and have to transport their deliveries, exports and imports across the country. It is estimated that various restrictions and costs are involved at provincial borders because Chinese provinces protect local industries against national competition even more so with the debt problem that they currently face. However, a research gap can be found as to firm-level, interview-based research on sub-national trade barriers. Existing studies have been conducted mainly using quantitative methods, and in the absence of reliable statistical data on Chinas cross-provincial trade, indirect measures have been applied.

This ongoing study takes a qualitative approach, discussing formal and informal institutions and triangulating between multiple sources of data to analyze the institutional constraints that firms face. Primary data consists of interviews of Finnish firms located in Chinas interior (e.g. Chengdu) as well as support organizations, such as Finpro, Nordic Business Councils, and EU Chambers of Commerce. Secondary data includes reports on Chinas regulatory environment (e.g. World Banks Doing Business indicators, WTOs Trade policy reviews, Transparency Internationals Corruption perception indices), and other published material. The findings will uncover the types of protectionism that firms encounter, differences between manufacturing and service industries in this respect, and how firms perceive local vs. national policies affecting trade. By addressing the under-researched topic of cross-provincial trade, the study will contribute to our understanding of institutions affecting sub-national transactions in the Chinese context.

4 Transformations distinguished: Position-maintaining and position-upgrading transformation processes in core, intermediate, and peripheral clusters

Päivi Oinas, Maria Höyssä & Michaela Trippel

Spatial industrial clusters in cities and regions around the world vary markedly from each other and they are differently involved in global economic dynamics. Also their transformation takes different courses. The paper portrays three ideal type clusters dubbed core, intermediate and peripheral that are differently positioned in the global economy. The paper contributes to the study of processes of regional change by proposing distinctive cluster transformation processes in mechanistic terms. It proposes representative sequences of mechanisms in each type of cluster, resulting in position-maintaining and position-upgrading transformations. Identifying distinct mechanisms that generate transformation processes in the various cluster types enables building better theories of transformation, explaining fundamental drivers of development processes in differently positioned regions around the world, and as a result, designing more fitting policy instruments.