

PART I

ON SOCIO-ECONOMIC SUSTAINABILITY AND ROBUSTNESS

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INTRODUCTION

Effects of globalisation can be seen simultaneously on several geographical scales, in numerous societal arenas and with a variety of consequences. The three articles of this issue (Part I) scrutinise and discuss some of these. Their themes were originally selected with the purpose of opening a multifaceted perspective to the mechanisms and processes present in the current transformation of the developed economies. The authors come from Finland, but the phenomena and processes are not confined to Northern Europe or any particular geographical area.

The issue is also an effort reflecting the inspiring intellectual cooperation with-in a European community of researchers called the Tampere Group. The name refers to the venue of the Group's first meeting a decade ago. Since then the Tampere Group has organised conferences and workshops, mainly in different university locations in Finland and Italy and typically inviting external specialists to broaden the scope of discussions. We firmly believe that multidisciplinary communities based on long-term and inclusive relationships may contribute to a deeper, more innovative and creative understanding of complex phenomena – such as globalisation.

Multidisciplinary approach is a lead idea in the work of Tampere Group. The Group operates as a network of researchers from various disciplines and from several countries. Methodological approaches of different disciplines, including anthropology, sociology, statistics, economics, political science, history, law, regional studies, human and social geography, and environmental policy have been widely scrutinized in the Group's conferences and workshops as well as in the published works of its members.

On the basis of the papers presented and debated in these meetings the network produced its first book, *Globalisation, Challenges to Research and Governance* (J. Kultalahti, I. Karppi, O. Kultalahti and E. Todisco, eds., 2009, Helsinki: East-West Books), and is currently working on the second volume. The 2009 volume of the Tampere Group was deliberately focused on aspects of globalisation not

typically emphasised in the gradually emerged tradition that tends to put its economic and even business drivers and due implications to the foreground. This issue of the ESRP, in turn, shifts the perspective to the more traditional economic impacts of globalisation, starting with the challenges faced by taxation and continuing with papers that focus on impacts met on other geographical levels, by different actors and through different mechanisms of governance.

The first paper *Tax Competition as a Challenge to the Governance of Global Economy* (by Seppo Penttilä and Jukka Kultalahti) concentrates on analysing the role of taxation in global economy. The main focus is on national, regional and global tax systems. The authors emphasise that the power to tax is one feature of an independent state and the borders of a state have an important role in taxation. On the other hand, in global economy, the flows of goods, services, persons and capital are extensively crossing the borders. How do tax systems respond to this challenge? Is the answer in tax competition or in tax harmonisation? The paper approaches the questions from the perspective of the governance of globalisation. The authors analyse the actors, goals, and mechanisms of governance. They emphasise that both hard law mechanisms (legally binding rules, e.g. national laws and international treaties) and soft law mechanisms (legally non-binding means, e.g. international standards and models) have been used in governance by taxation. So are also both tax competition and tax harmonisation. Attempts to govern the processes of global economy on national level may easily lead to tax competition. On the other hand, at least at the supranational level, i.e. at regional or global level, the goals and mechanisms of governance seem to emphasise harmonisation. Global and regional actors, such as the OECD and the EU, have developed international cooperation in taxation in order to prevent and reduce harmful tax competition and tax avoidance. Soft law mechanisms, developed by e.g. the OECD, have then been converted into hard law mechanisms on national level. At the regional level (EU) the governance activities have been based on both soft law and hard law mechanisms.

The second paper *Developments in Education and International Migrations in New Member States of the EU* (by Olli Kultalahti) deals with globalisation on the European level emphasising national aspects. Estonia is the example of the countries in the Baltic Sea Region, and the Czech Republic and Slovakia represent the countries of Central Europe. All these countries were in a dynamic phase of development in the 1990s and the 2000s proceeding towards market economy under the challenges of spreading and deepening globalisation. The three new Member States of the EU offer an exceptional and almost experimental opportunity for this type of approach. The countries have experienced and undergone changes and developments which took several decades if not a century in the old Member States. The paper focuses on various elements in the developments of education systems making people capable to cope with in global labour markets. The outcomes of these developments largely regulate the supply of labour and consequently its

international demand. Some statistics on international migration and integration of migrants in global labour markets are presented. The aim of this paper is to raise questions about relevant issues to be paid attention to in studies focusing on education and international migrations rather than to try to give any straightforward solutions. For example, gender differences, i.e. men's weaker participation in education in all EU countries, and their potential role in international migrations and over-qualification both among the native and foreign-born populations are among the questions emerged in the paper.

In his paper *Open Innovations and Living Labs: Promises or Challenges to Regional Renewal*, Ilari Karppi moves the focus to an intra-organisational scale. The paper highlights processes and practices whose transformations reflect the impacts of globalisation. It introduces two real-life case processes that seek to utilise two popular approaches for making the boundaries between organisations and their environment more permeable: open innovation and living lab. The venues studied in the paper are unique. One of them is located in one of the oldest still remaining factory buildings in the innermost core of the city of Tampere. The processes housed by this venue may well contribute to the renewal of entire mindsets associated with work in knowledge-intensive industries. The other process has taken over an abandoned log house and turned it into an exceptionally ambitious venue for an innovative urban renewal working group. It seeks to bridge the gap between conflicting interests in urban planning, using a wide array of tools ranging from high-tech solutions to nurturing of the spirit of the community to serve this goal. As it is emphasised in the paper, the processes and developments introduced here need still to stand the test of time. They are not (yet) regular administrative or market-led practices but innovative and open-minded processes for broadening the existing practices and approaches. By doing so they may add new experience-based insights on what may be the forthcoming evolutionary directions in our established ways of thinking about work or entrepreneurship, or urban planning or other processes imbued with public interest.

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