

[MUSIC PLAYING]

"Sustainability Unwrapped," a conversational podcast about responsibility, ethics, inequalities, climate change, and other challenges of our times. Where science meets practise to think about the world and how to make our society more sustainable one podcast at a time.

Hello, dear listener, and welcome to this podcast from the Hanken series, "Sustainability Unwrapped." My name is Martin Fougere. I'm an associate professor in Management and Politics at Hanken, and I will host this podcast on the topic of "Political Polarizations of Sustainability."

I will discuss these issues, which I believe are very important and often not so discussed, with two expert guests-- Hanna Lempinen, who is a post-doctoral researcher in the Department of Forest Sciences at the University of Helsinki, but is calling us today from the Arctic Centre at University of Lapland, Rovaniemi where she's a visiting research Fellow. Welcome, Hanna.

Thank you.

And the second guest will be Heikki Sirvio, who is a post-doctoral researcher in Geography at the University of Helsinki, and who is with us in the studio here. Welcome, Heikki.

Thank you.

A couple of observations to introduce this podcast-- the first observation is that we are witnessing what I would call an increasingly geographical division of politics in many of the rich countries of Europe and North America, especially, between, on the one hand, the so-called liberal metropolitan centres. And then on the other, the supposedly increasingly illiberal, as it's often called, rural peripheries. So we can see this, to take an example, in the recent US elections, both between states-- between more rural states and urban states-- and also within states.

So for example, in Georgia, Michigan, Pennsylvania, and Wisconsin, we could see that the large urban centres of those states voted disproportionately for Biden and the Democrats. And conversely, the more rural areas in those same states voted disproportionately for Trump. But we can also, of course, see this with the recent success of various populist movements in [AUDIO OUT] countries, although these populist movements took different phases in different countries. It is, of course, a trend that has been noted. And very often, the large urban centres vote disproportionately more for liberal candidates than for populist candidates.

A second observation, following from the first one, is that part of this dividing line in these polarizations has to do with sustainability policies, with the way that sustainability policies are largely supported by the liberal populations of the urban centres, and on the other hand, largely resisted by many people in more rural areas. So one example here could be the *gilets jaunes* movement in France, or the yellow vest movement, which started initially as a reaction against the carbon tax-- so against raising taxes on petrol and diesel, leading to a more costly lifestyle for those people who have to rely a lot on car for their mobility and sometimes for their livelihood. If we go to the Finnish context, which we will focus on more in this podcast, we can note that for example, the Green Party gets very good scores in the larger cities but not so good scores in rural areas, typically.

And another thing we could note about more recent trends is also that the Populist Party, *Perussuomalaiset*-- in English, True Finns-- has come to define itself as some sort of [NON-ENGLISH SPEECH], meaning the sort of antithesis of the Greens-- a sort of absolute opposite of the Greens. So it would seem that the liberal versus illiberal polarisation mentioned in the first observation might also be, to some extent, a Green versus Un-Green polarisation. But perhaps it is also more complicated than this, and perhaps we might have different shades of Green or different ways of caring for sustainability in different places.

Well, I believe the two guests we have today have a lot to say about this. And what is particularly interesting, I think, with both of them, beyond their academic expertise, is that they have affiliations both in the Metropolitan University of Helsinki, while at the same time, they both keep very strong connections to Northern Peripheries in Finland. So my first question to both of you is, what role do you think sustainability policies play in accentuating political division in Finland? So Hanna, would you like to start?

Yes. Thank you for the introduction to the topic, and thank you also for this question, which is kind of a big question to start with. And I think it's very difficult to give an answer that would apply in terms of all the different contexts that relate to sustainability.

But if you try to sum the whole thing up, I would say that the sustainability policies do play a role. And the answer to the question of what kind of role they play-- I think it depends on the perspective and the geographical location. But also, on the time frame within which these questions are addressed. And for example, when we're looking at long-term sustainability policies or sustainability policies aim towards reaching certain kind of long-term goals, such as in the context of climate change.

Of course, the end result or the end result that we're aiming at is for the benefit of all of us. But the ways in which the impacts, both in terms of benefits and harms and losses-- how they're allocated now in the shorter term. I think that is what has the potential of accentuating these divisions.

Many thanks, Hanna. So yes, there is this clash between the end of the month and the end of the world, in a sense. That's what, for example, the *gilets jaunes* talked about, that they are concerned about finishing the months with their resources.

And at the same time, of course, there is concern with climate change, which is an existential concern for mankind and so on. Or for the planet, perhaps, even. Heikki, would you like to comment on this first question?

Yes, thank you. Well, I think the hard part of the question is the variety of different opinions regarding the sustainability policies in different contexts. But I think I can identify the political dynamic regarding these polarizations. So the sustainability policies have been politicised along with a wide range of other issues in the process of political polarisation taking place in democracies.

First of all, if we identify those political forces that have taken the initiative in environmental issues as Greens, they have successfully politicised the environment and made it an issue on the political agenda since at least the 1980s. This means that every political actor nowadays has to articulate some kind of environmental policy and be prepared to deal with environmental issues while doing politics. And what has been happening lately is that the so-called nationalist populist parties have found a way of mustering political support by challenging the sustainability policies as articulated by the Greens.

And during the last parliamentary election, the *Perussuomalaiset* successfully politicised the ambitious environmental policies as climate panic, thus setting the terms of the debate for other parties. And the consequence of this was also other parties took a step back from articulating ambitious climate measures. And this furthered the polarisation between political right of Centre and left of Centre. And the environmental issues got framed as part of the so-called Red-Green agenda.

So the reason why it is so easy to gain political support by criticising sustainability policies is, to my mind, at least twofold. First, I would say that the processes and prospects that make the sustainability policies necessary are horrifying. Yet, they are not acutely felt at the moment, because the majority of people in Finland and comparable contexts are rather well-sheltered by function and infrastructures.

Still, the prospects of climate change incite discomfort and fear. And given a choice, like in Democratic politics, between a policy that says we should radically alter our mundane practises at significant cost and a policy that states that we can hold onto what we know preserve our economic interests and do nothing, the chances are that the latter prevails. At least until the ensuing crisis makes it utterly implausible.

Thanks, Heikki, for this very interesting perspective that complements also Hanna's very interesting perspective on the question in the Finnish context. So there's this question of the opportunism of the party, the *Perussuomalaiset*, in this particular case, it is very important in Finland to perhaps accentuate this polarisation. But my next question, which relates to the question of peat energy politics, might also talk about a much older division within Finnish politics which might relate to other parties than the *Perussuomalaiset*.

So moving on to this question of peat energy that Hanna has studied more specifically and already for quite some time. So Hanna, why is the question of peat energy such an important political issue in Finland? And how does it relate to sustainability?

It relates to sustainability in many ways. And I think it's partly also highlights what Heikki was just saying about this. Because now up, until this point, we have implicitly been talking about sustainability as an issue of environment and climate during this podcast.

But if you go back in terms of the discussion that focuses on sustainability, sustainability is, of course, not only an environmental concern or a climate concern. It's a social concern, societal concern, and it's also an economic concern. And I think this is why peat energy, which I have been studying for quite a while, and my background is-- I approach this issue from the perspective of social scientific energy research, where we're looking at energy not solely as energy or as an energy source, but instead from the perspective of how energy relates to the broader society and societal functions.

And I think when we're looking at peat, it's a very good example of sustainability dilemmas in the sense that it's a question that looks very different from the perspective of different actors and from different levels, whether we're talking about the local scale or the national scale or the broader global scale. And it's also a question where different sustainability perspectives clash. Because when we're looking at the economic impacts, it's been traditionally considered as an important factor in our national economy.

When we're looking at the social or socioeconomic factors, it's traditionally been an important source of employment, especially in areas that are otherwise already plagued by high unemployment rates.

But then again, its environmental impacts are detrimental. We're looking at the local impacts on ecosystems and marshlands. We're looking at the impacts on waterways-- local water damages.

And then most recently, this whole question of climate change, which really has been introduced to the national peat debate only during the 21st century, since the beginning of 2000, where we're not looking at peat anymore from the perspective of a national special concern or a local environmental concern. But instead, as a part of this larger picture of combating climate change globally.

Yes, so it kind of shows the tensions between different ways of thinking about sustainability-- sustainable livelihoods, in a sense, versus-- and also, perhaps, energy independence or relative local energy production, versus these kinds of climate change concerns and other environmental concerns of the day, of course, which are really alarming processes to the environment-- I mean alarming impacts on the environment. Why is it such an important political issue, though, in Finland? So how does this translate into a political issue?

There are many answers to this question. One of them is kind of historical, in the sense that the peat marshlands and clearing peatlands and forests, for clearing peatlands for industrial use and taking them to industrial use played an important part in the process of modernization of Finland. It's also, this whole peat industry was a tool of national politics in the sense of national developmental politics, especially in the rural areas. And it's also an issue that, I think, contemporary politics has created dividing lines between different political parties.

And today-- well, historically it's been kind of a dear issue for the Centre Party of Finland. But I think in today's politics, the True Finns is the only party that absolutely supports continuing peat use for energy production. But it's a national-- if you think about why it's a political issue, so many different interests come into play in the context of peat.

We're talking about jobs-- creating jobs. We're talking about creating or making our own energy that we use. We're talking about producing it here in Finland instead of paying for it when we are importing energy. We are talking about, of course, energy independence-- reducing dependence on imported energy sources. We're talking about so many different aspects at once, that's unavoidably inevitably a political issue.

Yes, and highly multilayered one, as we're showing. Heikki, would you like to comment on this?

Yeah. I think there's a strong symbolism in marshlands. Marshlands translated to poverty in Finnish imagination during the time when people depended on agrarian livelihoods. Marshlands were poor

and cold. And somehow, during the modernization, the idea developed that they have to be put to use.

So I think this is one of the aspects that for some people it's very, very hard to let that go, so to say. In energy terms, my impression is that harvesting peat for energy production requires significant fossil energy outputs. And as such, you could make good arguments that it's not very productive or very beneficial, given all the problems associated with it. But one aspect is this strong symbolism. And actually, in my mind, it ties to the question of regional development and the decline of rural areas.

So in your introduction, Martin, you talked about this liberal/illiberal divide between urban centres and rural areas. And regarding the sustainability policies, I'm not sure if it's so much about being liberal or illiberal, but rather a demographic piece, too. The young and the educated dwell in cities, whereas rural areas are ageing as part of their decline. And this has a strong, strong influence on the attitudes of people who ask questions like this.

And also, the populist politics that question the need for ambitious sustainability policies gain support against the backdrop of [INAUDIBLE] and try to justify discontent in the rural areas. The relative rural decline that I mentioned is a result of a complex combination of economic dynamics and public policies. That, as a side note, needs to be studied and identified much more carefully.

The main driver of this decline of smaller urban agglomerations and rural areas in Finland have been the neoliberal policy reforms and austerity politics that are designed to serve the dynamism of knowledge intensive economy and concentrate the development efforts and investment in major cities. The industrial and rural communities in Finland are dependent on livelihoods that are less productive than the ruling sector of the economy, and they are dealing with problems of financing public services for ageing populations. When you introduce policy measures that challenge the livelihoods of the communities that already perceive themselves to be in a precarious situation, or increase the cost of living, it is bound to raise discontent.

And regarding the style of politics, if you do this in an arrogant tone and with disregard to the concerns of the people, it fuels anger, I would say. And this, I think, is the effective basis of the discontent which the populists have exploited it very successfully, even if they have been unable to come up with adequate explanation for this decline, and also without explaining why the sustainability policies would not be necessary.

Thanks, Heikki. So with some--

Can I just quickly--

Yes, please. Yeah.

--comment on what Heikki said. I'm sorry, because it's exactly-- it's a historical and symboli-- the meaning that Heikki referred to as the "symbolic" meaning of peat, and what I refer to as the historical role that peat has. That's the only way how to understand how it is such a big issue here-- because if we are looking at peat energy it employs directly only about a bit more than 1,000 people currently.

Peat contributes only to around 4% of our national energy consumption, and also, its production is already subsidised to keep the system going. And at the same time, peat combustion, that we're burning peat for energy-- it contributes to more than 10% of our annual greenhouse gas emissions. And it's a huge share of the greenhouse gas emissions that Finland could just wipe away by giving up peat production.

Of course, the question is not this simple, because then when we are giving up peat, we are introducing something instead of it. And of course, this will also have climate impacts as well. But still, we're talking about a bit more than 1,000 direct jobs-- about 2,500 altogether, if you count in the indirect jobs. And only 4% of energy consumption, and more than 10% of emissions. So against these numbers, it's really-- you have to understand the symbolic and historical meaning in order to understand why it is an issue here.

Exactly. So these symbolic meanings shouldn't be underestimated. And as Heikki showed, they can lead to anger when there's a perceived arrogance of the policies that come from the Centre-- the liberal Centre, so to speak, again. And I think, of course, this liberal versus illiberal way of framing things is itself, of course, a problem.

Because I fully agree with Heikki that being deemed illiberal itself could make people angry, just by itself. It's a way of disqualifying people. It's a way of saying they are morally wrong, as well. They are not part of this liberal society that values all kinds of good values of freedom and so on-- and nowadays, sustainability.

So I think that's a key part of the problem, this perceived arrogance of telling people they are simply wrong. And telling people who feel already marginalised in society for many reasons that they are not just wrong because of certain indicators, but also morally wrong. That makes it even worse, perhaps, and leads to that acute anger.

I mentioned earlier the notion that there might be different shades of Green. And I think Heikki, with his work on the Finnish approach to the bioeconomy, might have a lot to say about this. So are there different shades of Green in there? And how "sustainable--" and I put "sustainable" in quotes here. How sustainable is this bioeconomy?

Well, the hope in bioeconomy is that there would be different shades of Green. It would allow a different kind of development paths. And the bioeconomy holds a great potential, especially if we understand it as a transformative agenda and as a counterpart of fossil economy.

And to my mind, this potential has to do-- it could open up different development parts for industrial renewal and diverse rural economies, and perhaps enable more decentralised infrastructure. In Finland, this initiative, however, has been seized by the mighty forest industry. And I'm afraid it's grip is so strong that it's suffocating the bioeconomy.

The content of the bioeconomy in Finland has been the intensification of the use of biomass. The discussion on the bioeconomy has been narrowed down to the question of whether the forest resources should be utilised more or less, and to what consequences. And I think the background for this discussion and for this situation is the restructuring of the forest industry itself.

The paper production has been struggling now for almost two decades due to declining demand for paper, which used to be the most lucrative product for the industry. And this has been compensated by the increased demand for packing materials, which has reinvigorated the production of pulp. In this situation, the forest industry has been able to utilise its significant political influence for manipulating its operating conditions.

The demand for pulpwood has been high, yet its market price has remained relatively low. One factor contributing to this has been the active support by the state, especially through [INAUDIBLE], and the industry has been supplied with vast amounts of pulpwood, especially by intensive clearcutting of forest on government lands in Eastern and Northern territories. At the same time, there has been very strong efforts to concentrate, financialize, and professionalise the forest ownership, which has increased the value of forest land. And I would say that thus with the urbanisation, this highlights the role of real estate values in geographical production of economic growth in the current situation.

And in terms of its consequences, especially for regional development, this model of bioeconomy that has emerged in Finland is-- yeah, it is controversial. I think that's especially new businesses based on new forest products could have great local importance. And obviously, the continuing



operations and new investments by established actors are crucial for many regional economies.

At the same time, the intensification of timber harvesting diminishes the possibilities of other forest-based economies, let alone its consequences for forest nature. The discussion and knowledge claims on forest issues are politicised to a degree, but the forest industry has been rather successful in monopolising the vision on how the forest ought to be used, especially in rural areas, which in many ways are dependent on the current structures and practises. This, I think, holds back the development of bioeconomy, and especially forms of bioeconomy that could most benefit to regional development in rural areas.

All right. Thank you, Heikki. So here, we are seeing perhaps a more depoliticized bioeconomy. Would you say the economy is a device to somewhat depoliticize these issues?

Yeah, I would say it has been depoliticized in a way that there isn't very much discussion on that. It has been politicised in the sense that it is an agenda for forest industry, and those who do not approve dismiss the idea of bioeconomy altogether.

Yes.

So it is both politicised and depoliticized at the same time. It doesn't create discussion on what kind of content the bioeconomy could have.

Yeah, and perhaps the rift that you can see in party politics when it comes to peat energy, for example-- we don't see when it comes to the bioeconomy itself because the bioeconomy is such a broad signifier that the Greens might be happy with using it or might be happy with it being out there. And the Centre Party, for example, might also be happy about it.

Yeah, it has been very strongly associated with the Centre Party, and that has been a problem for the development of bioeconomy. Other actors haven't really taken up the idea, partly because its strong association with this particular political party and a particular fraction of capital-- the forest industry.

Many thanks, Heikki, for all these clarifications. Hanna, would you like to comment on the bioeconomy?

Yeah. Thanks, Heikki. That was interesting. And of course, I'm familiar with the topic to some extent. And it still amazes me how this whole concept of bioeconomy has been, like you described, hijacked by the forest industry in the sense that it kind of equals the use of forest biomass.

And it kind of also exemplifies how the different actors can-- kind of take the privilege to define what a certain field of industry means. And there is also this-- I think this whole term. When you're introducing "bio" to the economy, it's also quite diffi-- it's kind of rhetorically something that is quite difficult to disagree with in the sense that when something is introduced as "bio," is automatically good and environmentally-friendly.

And if you're looking more deeply into the practises of the forest industry under the umbrella of bioeconomy, then again, many sustainability concerns could be raised. And there is, of course, all this question of how we define the "bio," what we include as bioeconomy. And for example, the peat industry and lobbyists of the peat industry have been very fond of the idea of including peat under the headline of bioenergy, because they perceive it as renewable.

And even though the cycle of renewability would extend over thousands of years, but still, as long as you do this certain kind of discursive acrobatics to a certain extent, then you do reach this conclusion. But I kind of do agree that the dominance of the forest industry, it kind of prevents other actors from taking part and hinders the development of other products that would also be more environmentally sustainable than the products that are being created now.

Thanks, Hanna. I don't know if Heikki has further comments on this at this point, or--

Well, I could still say that concept of bioeconomy-- I, like Hanna, remarked-- is somewhat suspect in many ways. I think it was introduced as an answer to the limits of growth discussion. So the idea was that relying on something that you could call "bioeconomy" and the renewable resource basis, the economic growth could continue ad infinitum.

And this idea is problematic in many ways, although I think that the bioeconomy also has rhetorical potential, and it could be used also in beneficial ways. But so far, we have rather little evidence that this would have happened in Finland. Although I must say, it is a transnational policy idea, and it is given different kind of interpretations in different contexts around the world, so it is interesting to see what will happen with the bioeconomy in different contexts.

Yes. So there are different discursive uses. And to use Hanna's word, Hanna's excellent metaphor, "discursive acrobatics" going around this question of bioeconomy. And as you say, Heikki, there might be also some potential with these types of discursive interventions. That might be one way of breaking the deadlocks that we are witnessing.

If I were to summarise a little bit what we've been talking about in terms of deadlocks-- so I think, in a

way, there are two different deadlocks here. One is the deadlock of struggle over, for example, the peat energy question, where there is a feeling on both sides that both sides are in the right for different reasons and based on different understandings of sustainability. So there is that kind of deadlock, which is very difficult to break, because it is polarised along party lines-- along also geographical lines. So that's a very difficult deadlock to break.

Another deadlock we are seeing with the bioeconomy is the kind of capture of the discourse by the forest industry-- to some extent by the Centre Party. So that's slightly different. But in a way, it's also a deadlock.

So in order, now, to wrap up this podcast, I would ask you perhaps to think about what could be a way out of the deadlocks that you have been describing? So a way that would lead to potentially desirable sustainability outcomes, and perhaps to mitigating polarisation in society. So Hanna, what would you say?

Hmm. I would say that these kind of deadlocks or conflicts of interest between different actors and different levels, they will not be completely avoidable. They are an inevitable part of the process where so many different actors are involved. But so what then becomes important is explicitly acknowledging this, and also explicitly acknowledging the benefits and losses, especially in the short term. They will be distributed in sometimes surprising ways in different communities and between different actors, and that this should be fully acknowledged, and also that these losses should be compensated for.

And another thing relates to the time frame, that these transitions or these sustainability policies should be well-planned, and this planning should take place well in advance. And for example, in the case of peat, this has not happened. You only need to go about 10 years back when peat producers and peat harvesters were still encouraged to make investments, and some actors in the society are still lobbying the use of peat.

And I think there is a lost opportunity for a just transition and well-planned policies. And so that these kind of-- the impact-- if you plan well ahead, if you act proactively and-- that gives you time to kind of develop the mechanisms to alleviate these inequalities that these policies will inevitably produce, and it also gives you time to engage the ones that are the most affected in the planning of these policies. This will not lead to a situation where everybody would be happy and there would be no conflict or no tension, but it at least provides some ground to achieve an outcome that the different parties would be more happy with.

Thanks for all these excellent suggestions, Hanna. Yes, I think that one issue with the, perhaps, inability until now to plan these sustainability transitions very well might have to do with the party politics themselves and the strategic and opportunistic approaches from-- well, from many of the parties, actually. It's not only the so-called populist parties that have those strategies.

And so these political dynamics themselves might make it more difficult. But of course, in a country like Finland, where there is this [INAUDIBLE] culture and this way of working together, we can hope that it's possible to actually plan those transitions in a better way. The question of compensation that you mentioned, as well, I think is very important. It's one that, for example, in relation to-- carbon tax has been mentioned many times.

If you introduce a carbon tax without any compensation to those entrepreneurs who are suffering immediately from this, then of course you have-- well, in the French context you have an upheaval on your hands-- the *gilets jaunes*. So yes. Heikki, what takeaways would you have? What suggestions would you have?

I think these deadlocks are very political in nature, and they will be resolved in and through political struggle. And what would be needed now? I agree with Hanna-- well-planned agendas, which would help a lot. But you would also need to-- well, win the people on their side.

And I think to enhance the legitimacy of sustainability policies, one would need to speak and act in the affirmative more than we do now. The sustainability policies are too strongly associated with regulation and prohibitions-- taxes and so on. Especially in regions, towns, and rural areas that have been experiencing relative decline, the sustainability policies would need to be introduced with some kind of promise of development. And that would mean acting through development policies investment and infrastructural renewal.

And this would practically show that sustainable practices are not only necessary, but also attainable and beneficial. And well, if I may comment on the bioeconomy-- I don't know if the concept is inevitable as such, but working with bioeconomy would require that also other actors would engage with it and try to redefine it in a different way than the forest industry has been doing and the vested interests that go with that. So it could be a platform to discuss these things and to bring about change-- to bring about meaningful transformation and these development policies that I'm hoping for.

Yeah, so it is not a foregone conclusion that the bioeconomy has to be a tool for the status quo. It can be also a source for affirmative politics and a way to have development that would be sustainable

both in urban areas, but also in rural areas. And of course, that is at the core of the issue that we discussed today.

So thanks to both guest speakers. I learned a lot of things today, thanks to your expertise on these questions, Hanna and Heikki. I hope the listeners, as well, will learn a lot and understand these issues that again, I believe are extremely important. Thank you, Hanna and Heikki.

Yeah. Thank you. Thank you for the invitation.

Yeah, thank you both.

[MUSIC PLAYING]