Arctic geographies in the making: understanding political economy, institutional strategic selectivity, and agency in tourism pathway development

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Department of Geography
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Dissertation for PhD

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Dorothee Bohn
Rovaniemi, March 2024
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I Introduction

There are — you may say ‘Thank God’ — regions in Europe which are not yet discovered, or remain nearly unknown, but ones which could be ideal sites for vacations. Sometimes the campers find such a place; but the hotel business still is to come. To tell the truth, I hesitate to mention such places for thereby I participate in the guilt of making these known and help induce the passage of such regions along the same path of former islands or forgotten places to developed resorts where “you ought to have been.”

With caution, then, let me note the immense wideness of Lapland, the sheltered Norwegian fjords, the silent and soft coasts of western Ireland, the primitive regions of the Hebrides [sic] and of Iceland, the hot Algarve in southern Portugal, the aromatic woods of the Gargano in Italy, the savage high land of Montenegro and many of the Greek bays or the bright islands of the Aegean Sea, and, last but not least, at the periphery of our continent, lie Africa’s Sahara, and Israel’s Negev desert. All these are landscapes far away from agglomerated and industrial regions, and provide vigorous contrast to our confinement in towns.

(Christaller, 1963, p. 105)

Six decades have passed since the geographer Walter Christaller wrote about the lure of peripheral regions as places of ‘vigorous contrast’ worthwhile travelling upon. Ever since, touristification has become an established policy tool, aiming to economically diversify sparsely populated areas (Carson & Carson, 2017; Hall & Boyd, 2005; Kauppila, 2011; Koster & Carson, 2019; Müller & Jansson, 2007; Saarinen, 2020; Sharpley & Telfer, 2023). National governments and the European Union invest in tourism, most notably through EU Regional Development Funding programmes, because the sector promises not only export-led growth and employment but also ecological conservation, cross-border integration, and cultural preservation, and hence sustainable development (Estol & Font, 2016; Prokkola, 2011; Shepherd & Ioannides, 2020; Stoffelen & Vanneste, 2017). This transformation of places into destinations has been of longstanding interest for tourism geographers (Butler, 1980; Brouder et al., 2017; Ioannides & Debbage, 1998; Kauppila, 2011; Koster & Carson, 2019; Lundmark & Müller, 2010; Saarinen, 2001; Wall-Reinius et al., 2019; Wilson, 2012). Arguably, studying how and why tourism develops, succeeds, or fails in certain locations continues to be highly relevant in the aftermath of the COVID-19 pandemic, which severely disrupted the tourism sector globally (Ioannides & Gyimóthy, 2020). In addition, to prompt more socio-culturally and ecologically sustainable tourism pathways (Ioannides & Stoffelen, 2023; Kauppila et al., 2009; Saarinen,
2020), it is important to understand how the structural shortcomings of tourism play out locally – for example, seasonal concentration, labour shortages, overtourism, lock-ins in carbon emission intensive business models, and polarised development if left to market forces (Bianchi, 2009; Bohn & de Bernardi, 2020; Gössling et al., 2024; Hof & Blázquez-Salom, 2015; Jóhannesson et al., 2022; Lundmark et al., 2020).

Nevertheless, commonly identified problems in tourism research concern not only the spatially blind and ahistorical treatment of the travel and hospitality sector, but also the heavy and somewhat lopsided supply-side focus on businesses and entrepreneurial agency, neglecting multi-scalar political, institutional, and relational forces which constitute the operational field for firm behaviour and tourism stakeholders (Bianchi, 2009; Britton, 1991; Brouder et al., 2017; Carson & Carson, 2017; Halkier & Therkelsen, 2013; Saarinen et al., 2017). The public sector, political intervention, and institutional leadership are particularly important for tourism development in structurally weak sparsely populated areas where the number and density of firms is low, and stakeholders possess limited industry-specific knowledge and investment capacity (Müller & Jansson, 2007). These political and institutional interventions in tourism are themselves inevitably influenced by wider historical politico-economic trajectories, institutional legacies, and metagovernance arrangements (Amore & Hall, 2016).

Recent research combining insights from evolutionary economic geography and geographical political economy along with a strategic relational approach to structure and agency has set out to address these issues by studying the evolution of tourism and paying attention to the influence of institutional environments as well as wider politico-economic shifts on industry pathways (Anton Clavé & Wilson, 2017; Belay & Adu-Ampong, 2023; Brouder et al., 2017; Brouder, 2019; Halkier & Therkelsen, 2013; Jessop, 2005; Ma & Hassink, 2014; Sanz-Ibáñez & Anton Clavé, 2014). This thesis expands the burgeoning work in tourism research on approaching the question of how and why destinations transform over time from the vantage point of agency, as the driving force of change, in relation to institutional and political aspects and structures.

Specifically, this thesis examines the emergence of Arctic tourism as a distinct industry pathway in sparsely populated Finnish Lapland and Norrbotten in northern Sweden. Arctic-themed tourism in northernmost Europe has garnered significant research attention during the past decade as it differs markedly from other forms of tourism practiced in the region (Lee et al., 2017; Lund et al., 2018; Lundmark et al., 2020; Marjavaara et al., 2022; Rantala et al., 2018; 2019; Saarinen & Varnajot, 2019; Varnajot & Saarinen, 2022; White et al., 2019). Characteristic of Arctic tourism is the production of highly commodified, soft nature-based winter activities for export markets, including aurora borealis
viewing, dogsledding, reindeer farm visits, snowmobile tours, and upmarket accommodation in private lodges or glass igloos (Rantala et al., 2018). Tourism enterprises as well as local and regional destination management organisations foster the spatial association of Lapland and Norrbotten with the Arctic, commonly through place marketing that presents the region as a snowy, pristine, and uninhabited wilderness (Marjavaara et al., 2022; Saarinen & Varnajot, 2019).

Müller and Viken (2017, p. 288) coined the term ‘Arctification’ to refer to this geographical reimagining of northernmost Europe as part of the Arctic, which rests upon ‘new social, economic and political relations’. The touristic Arctic is therefore not merely defined by the Arctic Circle line (66°34’N), different vegetation zones, or by the region’s various political delineations. Instead, the Arctic in tourism can be actively produced by the vacation sector, government agencies, or destination management organisations, even in places below the Arctic Circle, by mobilising popular culture representations and turning them into globally recognisable attractions or sites (Saarinen & Varnajot, 2019). Examples of similar touristic placemaking elsewhere are palm-lined Caribbean beaches, the African savannah, or the vernacular sceneries of the European Alps (Löfgren, 1999). Moreover, the Arctic in tourism can also be an existential and subjective human experience (Saarinen & Varnajot, 2019). For tourists, an authentic Arctic adventure may not be determined by historical facts or biophysical reality, but by their individual interpretations and expectations shaped by previous knowledge and media representations of a place (Conti, 2023).

The extant literature discusses Arctic tourism and Arctification predominantly on the industry level as a specific form of firm and destination specialisation in nature-based winter experiences for international markets (Lee et al., 2017; Lundmark et al., 2020; Marjavaara et al., 2022). It has also been examined as a distinct touristic experience (Saarinen & Varnajot, 2019; Varnajot & Saarinen, 2022) and as a result of the capitalist spatial homogenisation–differentiation dialectic (Lundén, 2022). So far, little attention has been paid to the complex and multi-scalar factors and processes facilitating the emergence of this pathway, relating global market demand for Arctic winter products (White et al., 2019) and local entrepreneurial agency and innovation (Stihl, 2022) to broader political economy trajectories, the institutional legacies of Lapland and Norrbotten, political priorities influencing strategic institutional development choices (referred to as ‘strategic selectivity’), and tourism governance arrangements. Arctic tourism receives development support from public authorities in Lapland and Norrbotten and is mentioned in regional development strategies as a viable growth sector, but the reasons influencing institutional strategic selectivity, and decisions about what type of development to support and where, are not well understood. Similarly, there is limited knowledge about how firms perceive such
policy interventions and regional development tools and thus how they affect entrepreneurial decision-making.

Moreover, current research on Arctic tourism largely omits the link to the wider role of the Arctic within regional governance in Lapland and Norrbotten, which is significant with respect to European Union development funding or intra-regional cooperation networks (Dubois & Carson, 2016). Together, these aspects form the regional opportunity spaces for actors to initiate or expand tourism pathways (e.g. Grillitsch & Sotarauta, 2020), but there has been limited work to date on what such regional opportunity spaces look like in the Arctic, and how tourism actors perceive and respond to them.

This thesis seeks to address these gaps by adopting a theoretical lens that combines perspectives drawn from evolutionary economic geography, geographical political economy, and the strategic relational approach to structure and agency. The experiences of the two neighbouring regions of Lapland and Norrbotten offer an interesting empirical case because despite very similar natural resource endowments, both regions have witnessed markedly different tourism pathways over the past several decades. In northernmost Sweden (including the regions Norrbotten and Västerbotten), tourism has remained mostly small-scale and focused on the production of nature-based tourism for domestic travellers. Despite major efforts by the state to enlarge the sector, there are still only a few locations where tourism has become a significant employment generating industry (Byström & Müller, 2014; Lundmark, 2005; Müller & Jansson, 2007). In Finnish Lapland, the travel and hospitality sector has concentrated on high volumes on international markets and has evolved into a major pillar of the region’s economy; yet economic benefits traditionally remained localised in a number of designated urban or resort environments (Kauppila, 2011; Kulusjärvi, 2019; Saarinen, 2001). The two contrasting cases help us understand the importance of historical and political context in tourism and regional development. This examination of Arctic tourism builds upon these preconditions outlined here and studies their impact on this seemingly new and innovative tourism pathway in regard to whether Arctic tourism may lead to the socio-economic rejuvenation of sparsely populated areas (e.g. Brouder, 2012; Dubois & Carson, 2016) or whether it replicates and reinforces uneven development patterns and volatile growth cycles similar to those that have commonly been associated with traditional northern resource industries (Carson

\footnote{In this thesis, Lapland refers to Finland’s northernmost administrative region and Norrbotten to Sweden’s northernmost administrative region. For stylistic reasons, the terms regions and counties are used synonymously and indicate the level between national and municipal levels. Together with Västerbotten county (Sweden), Lapland and Norrbotten constitute the Arctic part of the European Union. Furthermore, the expression ‘northernmost Sweden and Finland’ is used throughout the text and refers in the context of this thesis to the regions Norrbotten and Västerbotten in Sweden and Lapland in Finland.}
A firm understanding of these dynamics and relations is particularly important when it comes to the rising stakeholder calls for policy relevant academic tourism research (Thomas & Ormerod, 2017). In order to generate useful insights for tourism that support policy, planning, and practice with respect to realistic expectations of the sector’s potential for socio-economic growth in sparsely populated areas, as well as regarding sustainability and people’s quality of life issues, a systemic approach is required (Ioannides & Stoffelen, 2023). This refers to analyses of the sector’s position within local as well as global economic and socio-political environments (e.g. Milano & Koens, 2022), as presented in this thesis.

Objectives and research questions

The overarching aim of this thesis is to develop a better understanding of tourism pathway dynamics in sparsely populated areas in the intersection of path-dependent regional legacies and policy, entrepreneurial agency, and new economic opportunities deriving from wider politico-economic trajectories and relations. This is done by examining the case of Arctic tourism in Finnish Lapland and Norrbotten, which has been widely pointed out as a new and transformative path in northernmost Sweden, Finland, Norway, but also in Iceland (Rantala et al., 2019; Saarinen & Varnajot, 2019). Taking these notions as a starting point, the thesis seeks to answer the following research questions:

- RQ1: How do wider politico-economic macro scale trajectories create the preconditions for local tourism pathways and how can these be studied?
- RQ2: How is tourism intertwined with broader regional efforts in upscaling processes towards a global Arctic?
- RQ3: How does institutional strategic selectivity shape opportunity spaces for tourism path development?
- RQ4: How can the consolidation of tourism pathways be explained from the viewpoint of entrepreneurial agency?

Research process

These research questions are answered in four individual papers. The explanatory endeavour of this thesis is guided by critical realism as a philosophico-paradigmatic framework. Critical realism is a philosophy of science rooted in the work of the British philosopher Roy Bhaskar (1944–2014). His ideas on transcendental realism and critical naturalism were fused into what today is referred to as critical realism (Bhaskar, 1987; 1989; 2008; 2015). The key tenets of critical realism are ontological realism, epistemological constructivism, and methodological pragmatism (Maxwell, 2012) (see Chapter V for a more thorough
The aim of critical realist enquiry is to understand what causes the occurrence of social phenomena (Sayer, 1992), and such studies commonly progress along the following sequence:

Once an empirical case has been identified, the researcher selects a theoretical lens through which the phenomenon can be examined and chooses appropriate research methods and data sources. Then ensues the phase of explanation, for which the concept of emergence is central. Emergence asserts that a whole ‘can have properties or capabilities that are not possessed by its parts’ (Elder-Vass, 2010, p. 4). For instance, how a destination system operates cannot be explained by solely looking at tourists visiting a place of interest. Instead, comprehending a destination requires multilevel analysis that takes into account the relations between its numerous constituents, such as tourism firms, different stakeholders, natural and cultural resources, transportation infrastructure, multi-scalar market relations, and local, regional, national, and international institutions. In critical realism, such multilevel analysis is called lamination (Danermark et al., 2019). The scale of lamination ranges from the biological level via individual, micro, meso, macro, and mega levels to the planetary level. The final phase of a critical realism study concerns the creation of a middle-range theory, which presents the research results (Gong & Hassink, 2020). The objective is to generate theoretical insights that can be compared across different empirical settings.

The research process of the thesis is illustrated in Figure 1. To understand how tourism pathways evolve, a tripartite theoretical framework comprised of evolutionary economic geography, geographical political economy, and the strategic relational approach to structure and agency was selected. Evolutionary approaches in economic geography seek to explain how the spatial organisation of economic landscapes progresses over time. Its pathway metaphor allows conceptualising tourism development as a continuously unfolding sequence of relationships between historical trajectories, the action and interaction of different tourism stakeholders, and institutional contexts (Benner, 2023; Sanz-Ibáñez & Anton Clavé, 2014). Yet, evolutionary economic geography has little to say about ‘the political context and determinants of economic change, and the normative dimensions of that change; in fact, [it is] almost deliberately apolitical’ (Martin & Sunley, 2022, p. 66). For this reason, geographical political economy was added as the second theoretical pillar to underscore the political nature of tourism development across space and time. The third cornerstone of the theoretical framework derives from Jessop’s (2001) strategic relational approach to agency and structure, which allows comprehending the mutual relationship between the two entities. This is important given that evolutionary economic geography ascribes a central role to human agency within path creation processes (Benner, 2023; Grillitsch & Sotarauta, 2020). Yet, critical realism holds that structure predates agency and that the latter cannot be examined without...
considering the structural embeddedness of individual agents (e.g. Sanz-Ibáñez & Anton Clavé, 2014). Through this theoretical lens, tourism development appears not only in terms of quantitative economic growth, but development also entails qualitative dimensions related to social and economic wellbeing, equity, ecological integrity, and justice (see Pike et al., 2017; Saarinen et al., 2017; Sharpley & Telfer, 2023). This thesis is mainly concerned with tourism development and its socio-economic relations.

Empirical materials consist of semi-structured expert interviews, historical and contemporary documents, and spatial data of regional development funding. The different research papers (see Table 1) build on each other and proceed from the macro to the micro level, reflecting the lamination strategy of critical realist enquiry.

Paper I takes a macro scale perspective and examines major shifts in the metagovernance of politico-economic and societal organisation and how these transformations influenced tourism development in Lapland and Norrbotten. The paper answers research question one.

Paper II explores the co-evolution of Arctification processes in tourism, regional branding, and higher education and research institutions. By answering the second research question, the paper unearths the current strategic value of the Arctic in a globalised economy and how tourism is intertwined in these upscaling processes. The macro/meso scale viewpoint corresponds to the link between the regional institutional-organisational level and globalisation.

Paper III adds to the understanding of institutional strategic selectivity in the context of regional development funding for tourism and visualises its spatial outcomes in Finnish Lapland and Norrbotten (along with Västerbotten for an intra-Sweden comparison). The paper responds to research question three and caters to a meso scale perspective.

Paper IV explains the emergence of the Arctic-themed resort enclave as a distinct, and increasingly common, tourism product in Lapland and Norrbotten. The paper addresses the micro scale, answers research question four, and explores the consolidation of this particular product path in the intersection of entrepreneurial agency and regional opportunity spaces.
Critical realism

Evolutionary economic geography underpinned by geographical political economy and the strategic relational approach to structure and agency

Macro perspective

- Historical analysis of wider macro scale trajectories and their influence on tourism development viewed through metagovernance and its spatial manifestations → explanation of the emergence of Arctic tourism

Macro/meso perspective

- Explains the role of the Arctic as a medium for upscaling the local to the global in regional development

Meso perspective

- Explains institutional strategic selectivity in regional development funding and why Arctic tourism is prioritised in certain contexts

Micro perspective

- Strategic calculation of actors/entrepreneurs in Arctic tourism opportunity spaces using the example of Arctic-themed resort enclaves

Figure 1. Research process illustrating how the different papers build upon each other.
Outline and contribution of the thesis

This thesis consists of four individual papers and a synopsis, which is divided into eight chapters. In the introductory Chapter I, the thesis’ thematic focus and research objectives are presented, along with an overview of the research process and the content of the individual papers (Table 1). Chapter II sets the scene and offers a brief historical overview of how Lapland and Norrbotten became Arctic. This section serves as a background to frame how ‘Arctification’ is understood in this thesis. Chapter III outlines the tripartite theoretical framework merging pathway concepts derived from evolutionary economic geography with geographical political economy and the strategic relational approach to structure and agency. Chapter IV provides an overview of the two neighbouring case study regions Finnish Lapland and Norrbotten and their respective tourism sectors. The objective of this chapter is to present the institutional context and the state of tourism in both regions. The case study methodology is described in Chapter V. Chapter VI summarises the individual papers. Chapter VII brings together the research findings and discusses Arctic tourism pathways from the perspective of global politico-economic transformations, institutional strategic selectivity, and entrepreneurial agency. The chapter ends with a discussion on the limits and opportunities of Arctic tourism in Norrbotten and Lapland. The final Chapter VIII concludes by highlighting the thesis’ theoretical and practical implications and suggests directions for future research.

This thesis contributes to evolutionary economic tourism geography (Brouder et al., 2017; Halkier & Therkelsen, 2013; James et al., 2023; Ma & Hassink, 2014; Sanz-Ibáñez & Anton Clavé, 2014) and the burgeoning research on Arctification and Arctic tourism in northernmost Sweden, Finland, Norway, and Iceland (Hild et al., 2023; Jóhannesson et al., 2022; Lundmark et al., 2020; Marjavaara et al., 2022; Müller et al., 2020; Rantala et al., 2019; Saarinen & Varnajot, 2019). While evolutionary economic geography-based studies in tourism predominantly address the evolution of entire destination systems (Brouder & Fullerton, 2015; Carson & Carson, 2017), this work adds to the literature by examining the emergence of Arctic tourism as a distinct pathway co-evolving with other sectors (Flood Chavez et al., 2023b; Frangenheim et al., 2020; Stihl, 2022) under broader regional development agendas, and (inter)national politico-economic processes within the two neighbouring regions of Finnish Lapland and Norrbotten in Sweden. This perspectival shift answers the calls for a greater attentiveness to macro scale trajectories in the analysis of pathway development within regions (Essletzbichler et al., 2023). The thesis also speaks to the growing field of agency-focused studies in evolutionary economic geography, which nonetheless emphasise the need to examine agency in relation to structural conditions and vice versa (Grillitsch et al., 2023; Grillitsch & Sotarauta, 2020; Kurikka et al., 2023). Furthermore, this work adds new theoretical and empirical insights to
Arctic tourism in northernmost Europe, augmenting current literature that chiefly focuses on how tourists experience (Varnajot, 2019; White et al., 2019) and firms produce (Marjavaara et al., 2022) northern circumpolar travel and hospitality services.
Table 1. Summary of the individual papers included in the thesis

<table>
<thead>
<tr>
<th>Paper I</th>
<th>Paper II</th>
<th>Paper III</th>
<th>Paper IV</th>
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<tbody>
<tr>
<td><strong>Title</strong></td>
<td>Unpacking the multispatial configurations of metagoverning tourism development: A longitudinal application of the TPSNE framework</td>
<td>A geopolitical outlook on Arctification in northern Europe: Insights from tourism, regional branding, and higher education institutions</td>
<td>Public funding and destination evolution in sparsely populated Arctic regions</td>
</tr>
<tr>
<td><strong>Authors</strong></td>
<td>Dorothee Bohn and E. Carina H. Keskitalo</td>
<td>Dorothee Bohn and Alix Varnajot</td>
<td>Dorothee Bohn, Doris A. Carson, O. Cenk Demiroglu, and Linda Lundmark</td>
</tr>
<tr>
<td><strong>Aim</strong></td>
<td>• To compare the changing metagovernance frameworks for tourism and their spatial manifestations. • To explain the emergence of Arctification and its differences to previous forms of tourism development in Lapland and Norrbotten.</td>
<td>• To illustrate rescaling processes of places in northern Finland and Sweden towards the global Arctic in tourism, higher education and research institutions, and regional branding.</td>
<td>• To examine the role of regional development funding for tourism development and touristic Arctification. • To discuss regional development funding as an outcome of institutional strategic selectivity.</td>
</tr>
<tr>
<td><strong>Research questions</strong></td>
<td>RQ1</td>
<td>RQ2</td>
<td>RQ3</td>
</tr>
<tr>
<td><strong>Theoretical framework</strong></td>
<td>Metagovernance examined through Jessop et al.’s (2008) territory (T), place (P), scale (S), network (N), and environment (E) framework</td>
<td>Critical geopolitics</td>
<td>Geographical political economy in combination with path plasticity, uneven development, and trigger moments</td>
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</tr>
<tr>
<td><strong>Research methods/data sources</strong></td>
<td>Document analysis and expert interviews</td>
<td>Conceptual</td>
<td>Spatial mapping, expert interviews, and documents</td>
</tr>
<tr>
<td><strong>Regional focus</strong></td>
<td>Finnish Lapland and Norrbotten</td>
<td>Northern Finland (including Lapland and North Ostrobothnia), northern Sweden (including Norrbotten and Västerbotten)</td>
<td>Finnish Lapland, Norrbotten, and Västerbotten</td>
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<td><strong>Status</strong></td>
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II The Arctification of Finnish Lapland and Norrbotten

Well over a decade ago, commentators around the world asserted that ‘the Arctic is hot’ (e.g. Roussel & Fossum, 2010, p. 799). ‘Hot’ in its literal sense refers to the threefold speed of climate change-induced global warming in the Arctic compared to other regions (IPCC, 2023). Figuratively speaking, the Arctic is ‘hot’ when it comes to the ample scientific interest in the circumpolar North, the vast economic possibilities to exploit resources and produce energy, and the steady and significant growth of touristic demand for vacations in the Arctic (Runge et al., 2020). Yet, the Arctic conceived as a ‘global region’ in terms of being a product of globalisation and an area of global significance is rather young (Heininen & Finger, 2018) and characterised by ‘fuzzy borders’ (Heininen, 2014).

The eight-state Arctic emerged in the aftermath of the Cold War as a means to ‘normalise East–West relations’ through peaceful diplomacy, environmental protection, and scientific cooperation (Keskitalo, 2007, p. 201). A speech of Soviet Union President Gorbachev delivered in 1987 provided a key stimulus for integrating Finland, Sweden, and Iceland together with Canada, the USA, Russia, Norway, and the Kingdom of Denmark into an Arctic network (Dodds & Hemmings, 2018). The first step towards circumpolar cooperation was taken in 1991 when the eight states signed the Arctic Environmental Protection Strategy (AEPS), a multilateral and non-binding agreement outlining joint procedures for ecological conservation and monitoring in the Arctic. This initiative was mainly driven by Finland because Gorbachev’s communication opened a window of opportunity for the country to develop its foreign policy relations with the West and to introduce a northern dimension into European Union politics. The environmental focus of the AEPS cooperation agreement was purposively chosen by Finland to avoid conflicts with the Soviet Union over ‘contentious security matters’ but to speak to a growing social concern (ecological degradation) that would garner substantial attention (Keskitalo, 2004, p. 61). Yet, the strategy was predominantly drafted by Canada and strongly based on the Canadian frontier understanding of the Arctic (Keskitalo, 2004). Eventually, in 1996, the AEPS collaboration was superseded by the Arctic Council, a high-level intergovernmental forum that includes not only the eight Arctic states but also six indigenous community organisations as permanent participants as well as numerous non-permanent observers (Nord, 2016). Keskitalo (2007) emphasises that Canada again was the major driver behind the extension of circumpolar cooperation to also address sustainable development matters in addition to environmental issues. For Canada, the Arctic Council was a way to deal with
domestic concerns pertaining to the country’s indigenous peoples and to extend alliances beyond the realm of the USA (Keskitalo, 2004).

The Arctic Council promoted the idea of the Arctic as a distinct region that became seen in international popular discourse as a borderless, exceptional zone of peace and cooperation inhabited by northerners who face similar challenges and conditions (Nicol, 2018). However, this view obscures rather than illuminates Arctic issues. First, there is no single definition of the Arctic, and even the Arctic Council working groups delineate the circumpolar North differently. The common definitions of the Arctic according to political boundaries, vegetation zones, solar radiation (the Arctic Circle), temperature isotherms, or the tree line are presented in Figure 2.

Secondly, scholars of international relations and security emphasise that Arctic exceptionalism, rooted in the idea of apolitical peaceful coexistence, has been crumbling for a long time. It erupted in March 2022, when the Arctic Council was temporarily suspended in the aftermath of the Russian attack on Ukraine (Koivurova & Shibata, 2023). In 2023, the Arctic Council resumed under Norwegian chairmanship. Thirdly, the idea of the Arctic as a homogeneous region is misleading because it largely draws upon historical frontier conceptions of the High Arctic of explorers and polar bears, and a fragile yet threatened wilderness inhabited by subsistence-based indigenous groups (Keskitalo, 2007). This depiction particularly misrepresents northern Sweden, Finland, Norway, and Iceland, which are climatically sub-arctic, industrialised, and possess ‘no such “Arctic” precedent for their internal areas’ (Keskitalo et al., 2019, p. 2).
Definitions of the Arctic

- Arctic Human Development Report (AHDR)
- Arctic Monitoring and Assessment Programme (AMAP)
- Conservation of Arctic Flora and Fauna (CAFF)
- Arctic circle
- +10 °C July isotherm
- Continuous permafrost
- Treeline

Figure 2. Different definitions of the Arctic. Source: Nordregio (Cartographer: Roto).
Thus, Keskitalo et al. (2019, p. 3) note that understanding ‘the Arctic’ is not so much about geophysical, climatological, or environmental conditions, ‘but rather about understanding social and institutional structures’. This strongly relates to the growing interest in how Lapland, Västerbotten, and Norrbotten, which had no particular social and cultural association with the Arctic, became ‘Arctified’ (Müller & Viken, 2017; Rantala et al., 2019). The origins of this process have been ascribed to globalisation processes from the beginning of the 2000s and onwards (Heininen & Finger, 2018). The increasing accessibility of Arctic natural resources, the possibility for new trade routes, and popular media representations revolving around climate change and the ecological fragility as well as the sublime beauty of polar environments sparked global interest in the circumpolar North. The eight Arctic states were no longer alone in claiming sovereignty in the region (Bennett & Iaquinto, 2021). This has been accompanied by a notable shift from an initial concern for environmental protection to economic motives in the national Arctic strategy documents, highlighting free trade, cleantech, the bioeconomy, and mining (Nilsson, 2018). The Arctic strategies of Finland and Sweden also point out tourism as a favourable sector for catalysing sustainable development in the region (Finnish Government, 2021; Government Offices of Sweden, n.d.; Müller, 2021). Some observers therefore state that the contemporary Arctic represents a space where a multitude of public, private, and third sector actors cooperate and compete in anticipation of the economic, political, and ecological future(s) that are projected into the region (Dodds, 2013; Väätänen & Zimmerbauer, 2020).

While the Arctic Council is exclusively limited to nation-state and indigenous groups as permanent members, sub-national bodies, including Lapland and Norrbotten, engage in other Arctic networks and cross-border cooperation, such as the Northern Sparsely Populated Area (NSPA) network, which includes regional authorities from northern Sweden, northern and eastern Finland, and northern Norway (e.g. Gjøersen, 2022; Lapin Kauppakamari et al., n.d.; Lapin Liitto, 2022; Region Norrbotten, 2019). These horizontal relations are amended by vertical links to the European Union (EU). So far, the EU has been described as a geopolitical actor with limited abilities in the Arctic, although the European Commission has crafted numerous policy documents based on a thematic trinity of security, responsibility, and dialogue (Raspotnik & Østhagen, 2021). The main impacts of the EU on the Arctic have therefore largely been concentrated on funding polar science and regional development, which has been particularly important for the Union’s Arctic territories Lapland, Norrbotten, and Västerbotten.
Another noticeable aspect of ‘Arctification’ on the sub-national level in Lapland and Norrbotten is the spatial association with the Arctic in the form of place branding (e.g. Lapin Liitto, 2022; Region Norrbotten, 2019). Particularly Lapland profiles itself as an Arctic region in strategic planning documents, and its regional centre Rovaniemi calls itself ‘capital of the Arctic’ (Bohn & Hall, 2022). Even scholars frame their studies in sub-Arctic Lapland and Norrbotten increasingly as ‘Arctic research’ instead of locating their work within traditional (sub-)national contexts (e.g. Strauss-Mazzullo & Tennberg, 2023). These aspects, along with their connection to tourism, are further illuminated in Paper II.

Nonetheless, tourism is perhaps the area where ‘Arctification’ has been the most prominent. As stated in the introduction, Arctic tourism in Lapland and Norrbotten differs from traditional Nordic summer nature-based travel and outdoor recreation. Arctic tourism predominantly targets international vacationers and offers highly commodified winter wonderland experiences (Rantala et al., 2019; Saarinen & Varnajot, 2019). Although this touristic production is ‘new’, its roots still lie in the ‘old’ tourism production system and all the challenges that have been associated with the sector’s development in sparsely populated areas (see Chapter IV). In line with the above cited quote from Keskitalo et al. (2019), a key to understanding how the Arctic came about lies in domestic institutions – how they spur local conditions and how these conditions transform over time within a global political economy. Thus, to apprehend tourism geographies ‘in the making’, it is vital to look not only at market demand and firm behaviour, but also at the ways institutions shape the preconditions for entrepreneurial agency and tourism development as well as the wider global trajectories in which tourism systems are embedded.
III Theoretical framework

This chapter expounds the theoretical lens through which evolving Arctic tourism pathways in Lapland and Norrbotten are examined. To understand the dynamics between the new growth paths of Arctic tourism, institutional settings, entrepreneurial agency, and global political economy trajectories, a tripartite theoretical frame was selected. The overarching frame derives from evolutionary economic geography and its pathway metaphor. Evolutionary economic geography focuses on the historical processes of change and continuity within regional economic landscapes (Pike et al., 2017). Through this lens, tourism development is conceived as a process in between path dependence and path creation. However, the path metaphor does not constitute a theory in its own right, but rather ‘an organizing concept which can be used to label a certain type of temporal process’ and thus requires further theorisation (Kay, 2005, p. 554). Geographical political economy is therefore added as a second theoretical pillar through which political issues surrounding spatial organisation, governance, and uneven development in Arctic tourism pathways can be examined. The third theory cornerstone is provided by the strategic relational approach, which explains how agency and structure are related and drive pathway dynamics.

Pathway evolution and tourism development in regions

During the past decade, evolutionary economic geography (EEG) has become a well-established conceptual vantage point for examining continuity and change in tourism destinations, complementing conventional lifecycle models (Brouder et al., 2017; James et al., 2023; Ma & Hassink, 2014; Sanz-Ibáñez & Anton Clavé, 2014). Among neo-Darwinism or generalised Darwinism and complexity theory, the pathway metaphor advanced to the most popular application of evolutionary economic geography in tourism research to study the progression of sectoral development (Brouder & Eriksson, 2013b). While there is a strong inclination within EEG to conceive economic change mainly as an outcome of the selection, retention, and adaptation behaviours of firms on the micro-level, this thesis draws upon relational economic geography perspectives that emphasise the mutually constitutive relations between economic development on the ground and macro scale social, political, and economic trajectories (e.g. Jessop et al., 2008). Central to this understanding is that regional economies, and by extension also tourism, evolve as a result of the interrelationships between private-sector actors, institutions, modes of governance, labour markets, accumulation regimes, consumer trends, and crises located on local, regional, national, and global scales (Bathelt & Glückler, 2003; Carson & Carson, 2017; MacKinnon et al., 2019).
The most common pathway metaphor is that of path dependence, which suggests that past conditions and economic decisions have a bearing upon future courses of development and actors’ or organisations’ responses to transforming environments (Ma & Hassink, 2014). This circumstance may lock in a stable and self-reproducing path that engenders strong interdependencies between economic, social, and organisational spheres over time. Hence, a common explanation as to why places fail to rejuvenate and adapt to global changes or crises lies in the overspecialisation in a particular market, technology, or sector coupled to cognitive, political, and functional lock-ins (Grabher, 1993; Hassink, 2010). An example of this in tourism was reported in the case of Central Australia (Carson & Carson, 2017). This sparsely populated area was a successful destination for mass tourism, but declined when demand for passive sightseeing tours dropped dramatically in the early 2000s and the global financial crisis between 2007 and 2009, coupled to a high Australian Dollar, curbed inbound travel. Instead of strategic re-orientation towards small-scale tourism led by local tourism actors and product innovations, regional governments adhered to the promotion of tourism of scale, including big infrastructure projects and lobbying for international charter flights and private investors (Carson & Carson, 2017). This lock-in must be seen as an outcome of the region’s history as a resource frontier, which resulted in a political economy dependent on large-scale industry projects, external export-oriented networking, and “cyclonic” boom-and-bust’ periods (Carson & Carson, 2017, p. 117).

However, path dependence does not inevitably lead to negative lock-ins, and a considerable body of literature instead emphasises the potential for the emergence of novel pathways based on Schumpeterian innovation or the gradual transformation of established paths (Benner, 2023; Brouder et al., 2017; Brouder & Fullerton, 2015; Gill & Williams, 2014; Rouche & George, 2023; Stihl, 2022). Path-as-process or path-plastic perspectives (Martin, 2010) conceive destination development as an incremental evolution including phases of path dependence, path creation, and path destruction. Gradual path development is driven by the multi-scalar interaction between destination stakeholders, policymakers, governance environments, and markets; nevertheless, it is recognised that sudden shocks and crises may trigger more swift pathway alterations (Anton Clavé & Wilson, 2017; Benner, 2023; Halkier & Therkelsen, 2013). The sub-categories of path plasticity are presented in Table 2. James et al. (2023) note that path extension in tourism refers to improvements of existing tourism services, path upgrading may include the adaptation of a destination to new markets, and path branching results in a diversification of tourism products. In addition to growth-focused path dynamics, pathways may also decline over time as demand for tourism in a region lessens or former mass destinations specialise in high yield–low volume business models (Hof & Blázquez-Salom, 2015). Large tour operators may also relocate to other destinations if local conditions are no longer
favourable for their operations or environments are depleted due to ecological
destruction and climate change.

Table 2. Different pathway dynamics. Based on Benner (2020, p. 2429) and Blažek et al. (2020, p. 1463).

<table>
<thead>
<tr>
<th>Pathway dynamics</th>
<th>Description</th>
</tr>
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<tbody>
<tr>
<td>Path dependence</td>
<td>History matters: past development influences actors’ or organisations’ response to transforming environments</td>
</tr>
<tr>
<td>Path lock-in</td>
<td>Stable and self-reproducing path characterised by interrelated configurations across economic, social, and organisational spheres</td>
</tr>
<tr>
<td>Path creation</td>
<td>Emergence of new pathways in a region/place/destination based on new technologies, scientific discoveries, new business models, social innovations, and interactions between entrepreneurs, firms, and organisations</td>
</tr>
<tr>
<td>Path plasticity</td>
<td>Incremental pathway evolution over time</td>
</tr>
<tr>
<td>• Path extension</td>
<td>Continuation of an existing industrial path based on incremental innovation</td>
</tr>
<tr>
<td>• Path upgrading</td>
<td>Major change of a regional industrial path related to the enhancement of one’s position within global production networks; moving up the value chain based on upgrading of skills and production capabilities, new markets</td>
</tr>
<tr>
<td>• Path modernisation</td>
<td>Major change of an industrial path into a new direction based on new technologies or organisational innovations</td>
</tr>
<tr>
<td>• Path branching</td>
<td>Development of a new industry based on competencies and knowledge of existing related industries (related variety) or diversification based on unrelated variety and knowledge</td>
</tr>
<tr>
<td>• Path downgrading</td>
<td>Firms adjust to changes in their markets by removing or reducing their R&amp;D activities in the region or shift to lower-cost production</td>
</tr>
<tr>
<td>• Path contraction</td>
<td>Loss of market leadership, key focus on business activities where a firm/region is competitive (low volume niche activity), narrowing the product/service portfolio</td>
</tr>
<tr>
<td>• Path delocalisation</td>
<td>Key economic activities in a region may relocate to more favourable locations, which may cause further disinvestments and brain drain processes</td>
</tr>
</tbody>
</table>
While most research addresses the evolution of destination systems (Brouder & Fullerton, 2015; Carson & Carson, 2017; Müller, 2019), it is also possible to trace a specific pathway (e.g. a specific product or market focus) within a region. For example, Taylor et al. (2019) studied the Otago Central Rail Trail, a long-distance network of bicycle trails that follow a discontinued rail line. This product has become a flagship attraction for the whole region and revitalised small and remote settlements along the trail. Following the evolution of an individual tourism path and the local dynamics that made it possible may also entail examining co-evolution. Gong and Hassink (2019, p. 1347) define co-evolution as ‘the presence of reciprocal, causal relationships between two or more distinguishable populations within multi-scalar contexts (regional, national, global scales)’. The notion of ‘populations’ refers to industries, firms, organisations, or institutions and how their actions at one scale influence, and are influenced by, the interactions of populations at other levels.

An example of co-evolutionary research is Flood Chavez et al.’s (2023b) study on the Margaret River region in Western Australia, which transformed from a destination famous for its caves into an internationally recognised wine-tourism hotspot. From the late 19th to the early 20th century, timber extraction dominated the region economically, but the growing tourism industry benefited from the well-established transportation infrastructure and steady inflow of business travellers. Similar patterns were observed in Sweden’s northern regions (Norrbotten, Västerbotten, and Jämtland), where tourism co-evolved with other industries such as mining (Byström, 2019). Yet, the landscape value in the Margaret River region decreased dramatically because of excessive tree-felling, which threatened the caves and surrounding native forests; hence, tourism and the timber industry began to compete for the same natural resources (Flood Chavez et al., 2023b). Eventually, nature reserves were established and the timber industry ceased to exist, but the government encouraged the development of dairy farming on the cleared lands (Flood Chavez et al., 2023b). Tourism and dairy farming co-existed for years until the demise of the milk industry. The leftover lands were transformed into vineyards, and the tourism sector and the wineries quickly began to cooperate and co-evolve (Flood Chavez et al., 2023b). Such interpath perspectives explicitly recognise that tourism does not evolve in isolation from other economic activities but is inevitably influenced by other industries in the region, which it in turn also has a considerable effect on. This is also a central aspect in Norrbotten, Västerbotten, and Lapland due to the regions’ past and present as resource peripheries where tourism both competes and shares synergies with traditional livelihoods such as reindeer herding and extractive industries, including mining, forestry, and energy production (Byström, 2019; Leu & Müller, 2016).
Recently the idea of ‘regional opportunity spaces’ emerged as a framework for examining the pathway evolution of industries within regions (Grillitsch & Sotarauta, 2020; Kurikka et al., 2023). A regional opportunity space denotes both a physical and a relational sphere that frames what is possible in terms of socio-economic development (Grillitsch & Sotarauta, 2020). Regional preconditions – including institutional environments, cultural and social capital, natural and built resources, and governance capacity (Hall & Williams, 2020) – are linked to exogenous industry networks, demand and consumer trends, global political economy, and also to the increasing pressures of socio-economic and ecological crises. Within these spheres, individual or collective agents make decisions and pursue different pathways. A regional opportunity space is therefore an open system that cannot be reduced to the sum of its individual components. Instead, the combination of different actors, resources, and institutions has emergent properties (Kurikka et al., 2023), rendering a region subject to historically contingent and continuously transforming social processes (Paasi, 2011). The relational idea immanent to regional opportunity spaces also surfaces in the emphasis on agents’ perceptions of opportunities for pathway creation. For instance, in the case of Eastern Lapland, Kurikka et al. (2023) note that regional actors have traditionally been seeking economic opportunities predominantly in the large-scale exploitation of natural resources (mining, logging, hydropower, and biorefinery) coupled to state support. In more recent times, however, agents increasingly also pursue alternative economic pathways, for instance in tourism services and specialised manufacturing.

Applying evolutionary approaches to tourism is useful for envisioning sectoral development as a dynamic and non-equilibrium pathway. However, as the aforementioned example of regional opportunity spaces has shown, a broader theoretical perspective is required to understand how a pathway unfolds within a specific spatiotemporal horizon, and what politico-economic, institutional, and uneven preconditions are entailed therein. Thus, the concepts of path-as-process and the opportunity spaces framework are taken forward in the empirical analysis and further fleshed out theoretically in the following section.

**Geographical political economy**

Geographical political economy is a multidisciplinary field dedicated to studying the interrelations between the economy and political processes in a society. A key premise is that ‘the spatialities of capitalism co-evolve with its economic processes and economic, political, cultural and biophysical processes are co-implicated with one another’ (Sheppard, 2011, p. 319). Analytical emphasis is therefore placed on how geographical features, such as location, natural resources, and proximity to markets, shape political and economic outcomes and how these translate into the uneven distribution of wealth, power, and
development within regions. This mutual relationship between geography, society, and economy forms a socio-spatial dialectic.

The most prominent strand of geographical political economy is Marxian historical materialism, popularised by David Harvey (1982), focusing on the systemic crisis tendencies of global capitalism and its neoliberal variant as a system of socio-political and economic organisation that benefits a minority at the expense of the many. Beyond this macro-level approach to political economy, Jones (2016) and Sheppard (2011) argue that the thinking of geographical political economy has been incorporated into many different dimensions of human geography, including besides critical realist scholarship also feminist, post-structural, and intersectional strands of research. In the context of the previously mentioned relational economic geography take on evolutionary economic geography, political economy is frequently highlighted as the ‘missing theoretical link’ to connect dynamics on the level of firms, industries, and innovations to wider macro-economic trajectories and extra-territorial processes in order to explain economic growth and decline in regions (Brouder, 2019; MacKinnon et al., 2019; Pike et al., 2009). Similarly, Essletzbichler et al. (2023) remark that examinations of paths-as-process are incomplete if the focus remains on the regional level and does not factor major global technological, institutional, and ideological regime shifts into evolutionary analysis because these aspects alter the key parameters under which companies operate. [...] During the current conjuncture regional evolution cannot be conceptualized primarily as a technological and industrial branching process building on intra-regional capabilities, but needs to be linked to global processes of value creation and (monopolistic and informational) rent extraction generating socio-spatial inequalities at multiple spatial scales. (Essletzbichler et al., 2023, p. 544)

A regime in this context is understood as a formation including institutions, actors, networks, and rules that structure production and consumption, actors’ decisions, and social reproduction. Regimens seek to achieve internal coherence and as a consequence, transformations proceed incrementally rather than abruptly (Essletzbichler, 2012).

Overall, geographical political economy serves as a scaffold to position pathway evolution in wider processes of uneven development and extra-regional socio-economic circumstances. MacKinnon et al. (2019, p. 113) therefore define path creation as a process in which ‘knowledgeable actors, operating within multiscalar institutional environments, create paths through the strategic coupling of regional and extra regional assets to mechanisms of path creation and
associated markets’. This way of thinking resonates with tourism research as well. Brouder (2019) states that blending geographical political economy and pathway examinations enables an understanding of the power configurations and political priorities that facilitate tourism development in regions alongside other development paths and local societies. At the same time, Ioannides and Brouder (2017) underscore that a global political economy view on local tourism trajectories is vital to fully grasp the sector’s socio-economic dynamics within contemporary capitalism.

The following sections provide more details on domains of geographical political economy that are relevant for the analysis of the pathway evolution of Arctic tourism in Lapland and Norrbotten and the opportunity spaces for tourism. In particular, uneven development, metagovernance, and the different spatial configurations of socio-economic and political organisation are outlined.

**Uneven development**

Uneven development defines the social condition of our times. It is omnipresent in the unequal distribution of resources, people, wealth, poverty, and waste across global, regional, national, and the various sub-national scales (Peck et al., 2023). While early geographers located the reasons for diverging development trajectories in different parts of the world within various strands of environmental determinism, Marxian thinkers in the 1970s explained socio-spatial unevenness as an inherent product of the capitalist economy (Crump, 2006). Smith (2008) theorises that uneven development results from the ‘seesaw’ tendencies of capitalism for equalisation and differentiation. Investments tend to concentrate in places that offer favourable geographical locations, efficient transport connections, a politically supportive environment, a skilled or cheap workforce, or abundantly available natural resources. Once the growth engine is set in motion, more investments and human resources follow to exploit new accumulation opportunities (Smith, 2008). At the same time, other regions experience disinvestments and devaluation of their capital base (Harvey, 2014). The result is an asymmetrical landscape of development and underdevelopment intrinsic to capitalism. Uneven development is therefore defined in this thesis as ‘the relationships between places that re(produce) inequalities in wealth, power and resources’ (Peck et al., 2023, p. 1393).

In tourism studies, uneven development is predominantly examined in the context of North–South tourism flows by drawing upon dependency theory and post-colonial frameworks (Devine & Ojeda, 2017; King & Dinkoksung, 2014; Saarinen, 2017; Torres & Momsen, 2005). Due to the legacies of colonial rule coupled to globalised capitalism, tourism development reinforces underdevelopment, weak political self-determination, and staples-based export
economies in peripheral regions of the Global South (Britton, 1982). Tourism development in deprived and remote areas follows a common pattern, namely that powerful international tourism corporations, often under the guise of pro-poor tourism with support from global actors, such as the World Bank, privatise scenic spots and beaches for resort enclaves. Instead of local economic integration, the major share of the tourism revenues generated is funneled out of the destination region. While local elites may profit from such tourism development, positive spillovers into local economies are usually limited; hence, regions remain trapped in a structural dependence on core areas and external actors (Britton, 1982).

Yet, uneven development comes in many guises. Regarding tourism in developed economies, unevenness embedded in core–periphery relations can be observed for instance in the conventional reliance of planners on investments in large-scale entertainment consumption infrastructure in major urban hubs. The underlying assumption is that these growth centres will have a positive spillover effect on the tourism sector of the hinterlands. Carson et al. (2020) note that many sparsely populated remote destinations may experience quite the opposite, namely a ‘crowding out’, because the urban centre provides all major attractions and activities so that there are no incentives for tourists to travel further to more distant places. Additional aspects of uneven development concern stakeholder power and cooperation. Kulusjärvi (2019) reports in the case of Ylläs, one of Lapland’s largest destinations, that the well-established firms located in the resort’s centre form exclusive networks that are quite impermeable for industry newcomers or businesses offering alternative tourism products further away from the main tourist area. As a result, the public-sector approach of concentrating major investments in the core resort was predominantly of avail for the centrally located tourism businesses and their network partners, while broader economic distribution beyond the main hotspot was limited (Kulusjärvi, 2019). Hence, public support for tourism as a regional development strategy may (perhaps unintentionally) follow or even exacerbate uneven development in sparsely populated areas. This issue is examined in Paper III with respect to the spatial effects of regional development funding. This aspect also connects to the governance of the political economy, which is introduced in the following section.

(Meta)governance

Geographical political economy emphasises that the state and its regulatory apparatus occupy a central position within capitalist societies, given the inability of capitalism and the market to self-regulate. More specifically, states and markets are ‘co-implicated’, and ‘state regulation of the economy is a constant struggle between conflicting objectives, with different resolutions of the relationship between the state and the capitalist economy emerging in different
contexts’ (Sheppard, 2011, p. 326). These relations between society, the state, and the economy within a political context come together in the notion of governance. Although governance has become one of the most used terms in the social sciences, there is no commonly accepted definition (Earl & Hall, 2021). The ‘governance revolution’ (Klijn & Koppenjan, 2020) in developed nations originated in new public management reforms of the administration, which were triggered by advancing globalisation, financial crises, rising institutional fragmentation, and accelerating societal complexity. From the early 1970s onwards, a call for a leaner state and more interactive forms of government emerged within political as well as academic circles (Ansell & Torfing, 2016). These processes were also accompanied by debates on the role of the state in coordinating socio-economic systems and its relations to public, private, and third sector bodies (Earl & Hall, 2021).

As a result, a decentralisation of state responsibilities across developed nations took place and the state expanded upwards (the international level), downwards (sub-national level), and sideways (markets and civil society) (Jessop, 2016). Another common way to conceptualise governance configurations and approaches to policy making and implementation is the four archetypes model (e.g. Earl & Hall, 2021):

- hierarchies (democratic state government and public administration govern based on hierarchical top-down decision-making);
- networks (public and private actors negotiate and coordinate policy areas in more or less independent networks);
- markets (efficient resource allocation through markets and bargaining between citizen consumers and producers);
- communities (bottom-up and collectively empowered self-governance of autonomous communities with minimal state involvement).

Regarding the governance of tourism, most research in particular tends to focus on networks and the steering capacity of destination management organisations or on community and bottom-up governance, leaving out the central role of the state (Amore & Hall, 2016). Indeed, Scott and Marzano (2015) argue that decisive for sectoral development and its coordination are border and aviation regulations, the maintenance of transport infrastructure, the provision of public funding for industry development, and labour laws – traditional state functions. Especially in sparsely populated areas, where destination and firm structures are characteristically dispersed, public sector governance and leadership are central for pathway development (Müller & Jansson, 2007). Amore and Hall (2016) add that the ways in which (and to what ends) tourism is governed and what kind of instruments and indicators are used to achieve policy goals is also a matter of
political and socio-cultural values. Metagovernance represents a useful approach to consider issues of values and power constellations implicit in how governance is structured and applied to generate the conditions for tourism development within socio-economic systems. The term is generally defined as ‘the governance of governance’ and denotes how political authorities and public institutions set time- and space-specific ‘rules of the game’ to coordinate and delimit decentralised networks, communities, hierarchies, or markets to economically stabilise and socially legitimise certain pathways (Jessop, 2016). Amore and Hall (2016) illustrate the value underpinnings of metagovernance with the example of neoliberal policies driving the re-construction of Christchurch in New Zealand after the earthquakes in 2010 and 2011. The national government overrode previous public consultations, city planning, and resource management legislation and initiated the construction of large-scale tourism and leisure infrastructure in order to boost foreign direct investments under the guise of socio-economic resilience. This case also hints at the crucial role of spatial organisation implicit in the metagovernance of tourism development pathways.

**Spatialities**

The umbrella term spatialities encompasses the socially constructed spatial dimensions along which the political economy is governed and society is organised (Jessop, 2016). In geographical political economy, it is common to conceive these socio-spatial relations in terms of territory, place, scale, and network. Jessop et al. (2008) combined these four entities into one framework – the territory (T), place (P), scale (S), and networks (N) matrix – which is utilised in Paper I to analyse tourism metagovernance. In the following, the individual dimensions are outlined.

**Place** is perhaps the most prominent concept, denoting both an absolute location on the map and a relational locale associated with everyday life, containing social relations and subjective meanings. In economic geography, place is usually understood in terms of its relational assets, such as natural resources, reduced transaction costs, and social, cultural, and political conditions (Sheppard, 2016). For instance, the discovery and exploitation of place-based assets is central in the EU’s smart specialisation strategies (S3) programme, which fosters regional development as a bottom-up process of entrepreneurial discovery (see also Chapter IV). Public–private stakeholders identify regional innovation potential for socio-economic development and establish collaboration networks between firms, research institutions, public authorities, civil society, and global markets. Tourism is prioritised in many European regions’ smart specialisation strategies as a means to diversify regional economies and to interlink tourism with other nature-based or cultural sectors to generate added value (Biagi et al., 2021). In the context of sparsely populated areas and tourism development, the relative
location of a place in relation to major markets is crucial in respect to distance decay. The concept implies that demand declines the further away a destination is located from generating markets, yet places that possess unique attractions may overcome the friction of distance (McKercher & Lew, 2003).

Relational ideas of place are essential when it comes to place branding and destination marketing (Haugland et al., 2011). Due to the capitalist dialectic between geographical differentiation and equalisation (Saarinen, 2001; Smith, 2008), destination brands are idealised reflections of a place seeking to appeal to a desired target market. Certain unique but internationally recognisable aspects of a place are emphasised to gain a competitive edge in a globalised tourist economy where destinations around the world compete for travellers. Creating and disseminating desired destination representations is intimately linked to wider placemaking initiatives, which refer to spatial and strategic planning by governments or tourism authorities (Lew, 2017). These activities are inherently political (Hultman & Hall, 2012), given the strategic selectivity of tourism development. It is well documented how powerful interests may legitimise only certain forms of tourism or land uses and marginalise social groups whose ways of life do not fit into a desired destination image (Devine & Ojeda, 2017). However, places are also represented and made bottom-up, and local tourism actors may not always be deprived of the power to control how a destination is presented to travellers. Keskitalo and Schilar (2017) explain how the local tourism sector in Jukkasjärvi/Kiruna (Sweden) constructs an image of the destination as a remote and fairy tale-like wilderness rather than emphasising the cultural, urban, resource-extractive, and industrial heritage of the area in order to appeal to a global market. Placemaking (and place branding) from above can also be directed inwards to foster certain citizen subjectivities, behaviour, or economic rationalities. For instance, marketing campaigns may seek to promote hospitality and friendliness towards travellers among local populations, or governmental interventions may seek to foster people’s economic and social conduct, motivations, and skills. Moisio (2018) illustrates these aspects on the example of Finland’s attempts to engender an entrepreneurial population that is fit for global competition.

A link to territory also persists here, which signifies a bounded space claimed by a certain group and controlled by a sovereign political authority in respect to internal and external affairs (Elden, 2010). Territory is simultaneously ‘social because people inhabit it collectively’, it is political because territorial space is constantly contested, ‘it is cultural since it enfolds collective memories, […] and it is cognitive because it has a capacity to subjectify cultural, political and social borders and place itself at the core of both public and private identity projects’ (Paasi, 2009, p. 216). Territorialisation denotes the corresponding process whereby frontiers and borders are set to contain territory-internal social relations.
and mediate them to the outside (Jessop, 2019). This act is usually covered by the traditional idea of geopolitics and the military control of state space. However, Moisio (2018) notes that contemporary geopolitics are also economically articulated and linked to states’ ability to compete internationally whereby capital accumulation is secured through the creation of extra-territorial spatial formations, infrastructural connections, and economic networks. An example is Finland’s Arctic strategy in which a global competitive edge is sought not in monopolising the region’s natural resources, but in the country presenting itself as a key provider of technological solutions and expertise for economic activities in the Arctic as well as a secure and reliable territorial node for communication, export goods, tourists, and capital investments centrally positioned within the Arctic region (Väätäinen, 2021).

**Scale**, originally a cartographic concept measuring the relative size of a spatial unit, refers most prominently to the spatial levels of political power and economic organisation. Scale denotes hierarchical and vertical relations between global, national, and local levels, complementing Wallerstein’s (1974 [2011]) horizontal world systems theory where social space is divided into core, periphery, and semi-periphery regions. With respect to tourism development, scale has mostly been discussed when it comes to issues of globalisation and localisation. Tourism is often seen as the ultimate driver of globalisation, absorbing even the most remote places and communities on earth into the web of economic, social, cultural, and environmental relationships (Mowforth & Munt, 2009). Economically, tourism firmly integrates places into global capitalism and exchange. Cultural globalisation driven by tourism is mostly framed as the spread of globally uniform consumerism and phenomena such as Disneyfication (the commercial transformation of environments into simplified and safe products) and McDonaldisation (the standardisation of organisational social processes) (e.g. Ritzer, 2020). Politically, tourism development on the local level may be driven by global economic priorities set by international organisations, such as the World Bank or the International Monetary Fund (Mowforth & Munt, 2009), while global climate change affects every destination around the world, albeit to varying degrees (Demiroglu et al., 2020). The worldwide downturn of tourism in the wake of international travel restrictions to curb the COVID-19 pandemic is perhaps the most illustrative case of the sector’s globalised nature.

Yet, relational thinking in geography underscores that globalisation is not just happening ‘somewhere far away’ but actively (re)produced within local levels (e.g. Massey, 2004). Swyngedouw (2004) termed this process in which universalising globalisation and particularising localisation occur at the same time ‘glocalisation’. Examples of glocalisation processes are found in northernmost Sweden where pockets of creative and knowledge-intensive industries with extra-regional and global ties catalyse local-level development and revitalise social
capital (Dubois & Carson, 2016). Another dimension of glocalisation concerns tourism firms’ daily operations; for instance, entrepreneurs are usually well aware of how local cultural features are appreciated by a particular international market and adapt accordingly (Soulard & Salazar, 2021).

A key aspect within glocalisation are networks, understood as nodal exchange and consensus-oriented cooperative relations. Networks secure the flow of goods, services, people, and capital and may involve a multitude of state, corporate, civil, and third-sector actors (Jessop, 2019). Sheppard (2016) writes that local networks are essential for economic path creation because spatial and cognitive proximity facilitates knowledge spillovers, learning, and innovation, and may lead to business spin-offs. Networks are also crucial within destination clusters regarding cost sharing and joint investments in infrastructure, marketing, or industry lobbying (Hall & Williams, 2020). A specific form of network is agglomeration, which denotes the geographically close location of firms producing similar or complementary products and services. Firms benefit from spatial proximity to each other due to reduced transportation costs, knowledge spillovers, the availability of skilled labour, and the formation of supportive institutional and political environments. For tourism development, agglomeration is argued to be important regarding labour market pooling, knowledge sharing, and attracting economically viable flows of travellers (Hall & Williams, 2020). In turn, the lack of agglomeration and the formation of critical mass have been pointed out as major constraints for tourism development in sparsely populated areas (Koster & Carson, 2019).

The strategic relational approach to structure and agency
The two previous theoretical pillars introduced the overall view on tourism development as (a) a dynamic process in between path creation and path dependence that is (b) embedded in regional preconditions and political economy. This third theoretical cornerstone adds an understanding of how development dynamics in between structure and agency unfold. Martin and Sunley (2015, p. 721) write that such insights are crucial for evolutionary economics studies because

- economic activities are not happening in a vacuum, but are embedded in specific socio-economic contexts, which require an analysis both ‘downwards’ (the role of agency and purposive behaviour) as well as ‘upwards’ and ‘outwards’ (the influence of socio-institutional structures and regulatory conditions impinging on the system under study).

A framework that allows for such integrative analysis is Jessop’s (2001) strategic relational approach. Unlike other structure–agency conceptualisations, such as
for instance Anthony Giddens’ structuration theory or new materialism, the strategic relational approach conceives agency and structure as two distinct yet interrelated aspects where structure predates agency. This is rooted in critical realist ontology, which holds that there are real social structures, but they depend on individuals’ actions to be actualised. The analytical aim therefore becomes to ‘examine structure in relation to action [and] action in relation to structure’, without bracketing one of them off (Jessop, 2001, p. 48). Structures are seen as strategically selective because certain actors, actions, spatial configurations, and temporal horizons are privileged over others. The strategic aspect stems from the path-dependent nature of structures aiming for coherence and reproduction across specific social relations located in space and time. Hence, ‘strategic’ denotes in this context that actions in a structural context are not random and follow coherent but not static patterns.

Actors strategically calculate their scope of action within these structural constraints. Jessop (2001) underscores that actors are not in a constant state of self-reflexive reasoning à la homo economicus. Instead, ‘strategic calculation’ indicates that individual and collective actors not only reproduce structures but may also actively transform them because structures are only tendential. Nonetheless, actors’ capacities to act depends on their standing within a structure and the resources that are at their disposal. Mahato et al. (2023) problematise this issue on the example of tourism social entrepreneurship, which is commonly framed in terms of personal vision, risk taking, leadership skills, and ambition, while social privileges related to economic class that facilitate the development of entrepreneurialism are neglected. Actors may also face opposition from other actors to realise their aims within a specific spatiotemporal context. Figure 3 displays the emergent and multilayered relationships and strategically selective processes between both entities. A key aspect within this theorisation is the simultaneity of top-down structural influence on agency and the bottom-up influence of agency on structure. For the subsequent analysis, however, only the basic premises, namely the mutual dependence of and the relationship between structure and agency, are taken forward. The specific processes of each stage in structure-agency dynamics, as illustrated in Figure 3, are not specifically analysed.
Figure 3. The strategic relational approach to structure and agency. Based on Jessop (2001, p. 50).

Structure refers in the context of this thesis not to social structures, such as gender or class, but to institutional environments. Institutional environments encompass formal and informal social rules, laws, regulations, values, practices, and conventions that provide incentives and constraints to human behaviour (Moulaert et al., 2016). They are mediated by institutional arrangements or organisational formations such as the state and its administration, firms, the monetary system, markets, interest groups, and educational bodies (North, 1990). Regarding this thesis, the strategic selectivity of regional development organisations, public financiers, and destination management organisations is of central interest. The influence of these strategic preferences on Arctic tourism development in Lapland and Norrbotten materialise in the specific goals of
strategy plans and tourism policies, the foci within regional and local tourism marketing initiatives, the aims of public–private tourism projects, or the rules for development funding for tourism firms.

Recent evolutionary economic geography studies emphasise that a particular advantage of the strategic relational approach to structure and agency is that it renders institutions less abstract because it examines institutional strategic selectivity in relation to agency and action (Grillitsch et al., 2022; Kurikka et al., 2023; MacKinnon et al., 2019). Agency is defined as ‘intentional, purposive and meaningful actions, and the intended and unintended consequences of such actions’ (Grillitsch & Sotarauta, 2020, p. 707). Drawing upon the work of Garud and Karnoe (2001) on ‘mindful deviation’ from established paths, a growing stream of scholars of evolutionary economic geography has begun to pay greater attention to human agency (instead of firm behaviour) as a ‘central driving force for change’ in regional development processes (Grillitsch et al., 2022, p. 2). This perspective has also resonated with tourism studies, given the predominance of owner-operator run small and micro-sized firms in the travel and hospitality sector and the need to address development from this micro-perspective in conjunction with institutional environments (Bækkelund, 2021; Benner, 2020; 2023; Benner & Shilo, 2023; Stihl, 2022; Taylor et al., 2019). Dubois and Carson (2016, p. 796) argue that more agency-centric research approaches are particularly useful with respect to sparsely populated areas to correct the conventional view of these regions ‘as inherently dependent on external agents who control economic activity and markets for resource commodities’. Stihl (2022) exemplifies such local-level agency that connects to global markets on the case of the Icehotel in Jukkasjärvi/Kiruna, which was established on the initiative of a single entrepreneur without initial support by local tourism authorities.

This strand of contemporary evolutionary economic geography literature also identified different types of agency. A first distinction can be made between agency on the system or institutional entrepreneurship level and individual-level agency. The former denotes collective efforts on the level of organisations, such as state agencies or higher education institutions, to transform institutional structures, which enables regional economic change (Grillitsch et al., 2022). In turn, individual-level agency refers to interventions made by individuals in firms or organisations to alter industry pathways or institutional conduct within companies, industry clusters, or regions. A further distinction can be made regarding the mode of agency and its effects on pathways (Table 3). Grillitsch and Sotarauta (2020) discern three types of change agency that create new paths. However, novelty requires consolidation, and reproductive agency stabilises emerging pathways by replication, gradual modification to cope with changing circumstances, and the preservation of existing networks that carry a pathway.
### Table 3. Differences between change agency and reproductive agency. Based on Bækkelund (2021), Grillitsch and Sotarauta (2020).

<table>
<thead>
<tr>
<th>Types of agency</th>
<th>Characteristics</th>
</tr>
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<tbody>
<tr>
<td><strong>Change agency</strong></td>
<td>Path creation → novel combinations of knowledge and resources that generate change in regional socio-economic systems</td>
</tr>
<tr>
<td>- Schumpeterian</td>
<td>Trigger for innovations, new industrial specialisations, and the transformation of places</td>
</tr>
<tr>
<td>innovative entrepreneurship</td>
<td></td>
</tr>
<tr>
<td>- Institutional</td>
<td>Facilitates (or constrains) innovative entrepreneurship and the creation or transformation of new institutions by shaping processes of change or actively working towards desired outcomes</td>
</tr>
<tr>
<td>entrepreneurship</td>
<td></td>
</tr>
<tr>
<td>- Place-based leadership</td>
<td>A form of metagovernance seeking to coordinate the actions, competencies, powers, and resources of different actors to support individual actors’ goal achievement as well as to create benefits for the socio-economic system</td>
</tr>
<tr>
<td><strong>Reproductive agency</strong></td>
<td>Path extension, path plasticity, or path dependency → stabilisation of pathways through incremental change or active deferral of change</td>
</tr>
<tr>
<td>- Replicative entrepreneurship</td>
<td>Gradual alterations instead of radical innovations, copying other firms’ products and services</td>
</tr>
<tr>
<td>- Institutional work</td>
<td>Maintenance of existing institutions and institutional practices</td>
</tr>
<tr>
<td>- Maintenance leadership</td>
<td>Metagovernance for stability and maintenance of networks and collective goal achievement</td>
</tr>
</tbody>
</table>

Empirical studies suggest that change agency and reproductive agency exist on a continuum and shift over time from one form to the other as sectoral pathways mature. Even Schumpeterian entrepreneurship, which is said to introduce novel economic pathways triggered by an event that opens new opportunities, usually rests on pre-established networks or regional conditions and requires consolidative buy-ins from other firms and/or the public sector (Bækkelund, 2021). In the case of a tourist attraction in Norway established by an innovative entrepreneur, Bækkelund (2021) states that the product took off when they began
to cooperate with regional destination management organisations, which created international demand for the nature-based site. Reproductive agency may also materialise as ‘mindful continuation’, for example when major economic crises threaten a sustainable tourism development path but agents decide to deliberately pursue their chosen business model instead of altering it (Wilkinson et al., 2022).

**Summary of key concepts**

Summing up, the theoretical framework of this thesis comprises the following key concepts drawn from evolutionary economic geography, geographical political economy, and the strategic relational approach to structure and agency, which are then applied in the analyses of the case studies. Arctic tourism is theorised in terms of a distinct tourism path that evolves in an incremental and processual manner within path-dependent regional opportunity spaces. These opportunity spaces are influenced by the political and socio-economic legacies of past uneven development and are embedded in wider politico-economic trajectories that are metagoverned by states through different socio-spatial configurations (including territories, places, scales, and networks) that transform over time. In between the global political economy and regional opportunity spaces are strategically selective institutions, which constrain and facilitate certain types of agency and actors, who couple regional and extra-regional assets in path creation or consolidation processes. Actors may also alter regional opportunity spaces from within. These key concepts will be applied in the four papers of this thesis to illustrate how Arctic tourism pathways are shaped by the complex relations between agency at the micro scale (Paper IV), selective institutional organisations at the meso scale (Paper II and Paper III), and the wider past and present influences from a macro politico-economic system (Paper I).
IV Regional development and tourism in Finnish Lapland and Norrbotten

This chapter introduces the two case study regions, Finnish Lapland and Swedish Norrbotten. Starting with a general overview of the counties’ differences and similarities regarding the economy, population dynamics, and regional governance, it aims to contextualise the setting in which tourism pathways in Lapland and Norrbotten have been unfolding. Then follows a review of the state of tourism in both regions, paying attention to geographical patterns, the progression of registered overnight stays, seasonality, and the specific challenges immanent to tourism development in Lapland and Norrbotten. The aim of this section is to showcase the contrast to Arctic-themed tourism in both regions. This chapter does not provide a long durée overview of the sector’s evolution in the case study regions, because Paper I offers such a historical perspective. Instead, the objective of Chapter IV is to present the current regional circumstances in which Arctic tourism pathways are situated and discuss how Arctic tourism in Lapland and Norrbotten has been studied to point out the gaps that warrant further research.

Regional development in Lapland and Norrbotten

The neighbouring counties of Finnish Lapland and Swedish Norrbotten (Figure 4) together with Västerbotten, constitute the Arctic part of the European Union. The landscape of northernmost Sweden is dominated by an alpine mountain range in the northwest and the Bothnian Bay archipelago in the east. Mires and boreal forests characterise the terrain stretching over the Torne River into Finnish Lapland, where fell and tundra landscapes define the region’s northernmost areas.
Figure 4. Municipal and regional division of Lapland and Norrbotten. Source: author.
By the beginning of the 18th century, what we know today as Lapland and Norrbotten were inhabited by many different ethnic groups alongside the indigenous Sámi population. Finnish communities including Karelians, Ostrobothnians, and people from Häme and Savo were located along the Tornio, Kemi, and Muonio rivers, while Swedes established settlements in the estuaries of the rivers Luleå and Piteå (Lähteenmäki, 2012). In general, habitation patterns developed similarly to other sparsely populated areas as ‘a result of opportunistic land use, leading to special-purpose settlements built around resource or “staples” extraction (e.g. mining, forestry, pastoralism, energy) and other national interests, including defence, transport, nature conservation, and Indigenous livelihoods’ (Carson et al., 2022, p. 105). The sparse population and settlement structure as well as the past and present status of Lapland and Norrbotten as resource-exporting regions are central for current socio-economic and political pathways in both counties.

**Population and economy**

Norrbotten represents a quarter of Sweden’s land area and about 250,000 people (2.6 people per km²) live in 14 municipalities. The population nowadays concentrates along the coast of the Bothnian Bay, where the administrative centre Luleå is located. In the inland, the two iron ore mining municipalities of Kiruna and Gällivare, along with Boden (hosting a military garrison) count the largest number of inhabitants (OECD, 2021). The division of urban, rural, and sparsely populated areas in Sweden, along with comparisons for Finland, is presented in Figure 5. Owing to economic restructuring and public service rationalisation from the mid-1960s onwards, urbanisation increased in the coastal areas while the population declined particularly in small inland settlements outside of the municipal centres in which the number of inhabitants overall remained relatively stable. However, Carson et al. (2019) note that mobility and population patterns are highly variegated within Norrbotten. Some places emerged as dispersed hotspots due to industrial development, tourism, and lifestyle or refugee in-migration (Carson et al., 2019), while others experience steep seasonal population fluctuations because of second-home vacationers (Back, 2020), a temporary tourism workforce (Lundmark, 2006), or people who choose to follow the trend of multi-local living (e.g. Rannanpää et al., 2022).
Figure 5. Urban-rural typology of Nordic Countries. Source: Nordregio (Cartographers: Penje and Vasilievskaya).
Regarding the labour market in Norrbotten, the most important employer is the public sector, providing around 40 percent of all jobs, followed by mining, manufacturing, and services (OECD, 2021). Aggregated to the regional or even municipal level, tourism contributes only minorly to the economy, but there are places where the travel and hospitality sector has become an important local livelihood, for instance in Boden, Kiruna, Arjeplog, Jokkmokk, and Arvidsjaur (Lundmark & Carson, 2020). Nevertheless, high-level policy documents emphasise that tourism development is perceived to offer plenty of socio-economic opportunities for Norrbotten and they encourage investments in the sector. The OECD (2023, p. 7, 12) puts forward the stereotypical pro-tourism argument in sparsely populated areas as an easy way to economic development based on the commodification of nature and indigenous culture offering livelihoods, particularly for women:

extensive unspoiled landscapes and a vibrant Sámi culture, the region has the necessary assets for increased revenue growth and innovation without necessarily having to grow tourist numbers much. [...] Favouring investment in sustainable tourism will ensure long-term attractiveness to visitors and open-up employment options attractive to women.

On the regional level, tourism is recognised as a growth sector as well. Similar to the OECD, the regional investment agency Invest in Norrbotten (n.d.) considers the potential for tourism development in the landscape value of northernmost Sweden on international markets:

the magnificent countryside, midnight sun and northern lights; warm hospitality, spectacular experiences like ICEHOTEL and Treehotel together with a life close to nature in a subarctic environment undeniably attracts affluent, international guests.

This quote also hints at the political strategic direction of tourism development, namely as an export industry that helps to diversify the regional economy, which overall is dependent on exports of mineral resources and timber; and therefore vulnerable to global market fluctuations (OECD, 2021). Strong political hopes are therefore placed in the green re-industrialisation\(^2\) of Norrbotten and Västerbotten to set in motion a new economic boom (Lundmark et al., 2023) that also helps the regions to get rid of their reputation as problematic and declining resource peripheries (Nilsson & Lundgren, 2015). Large-scale investments in

\(^2\) The term re-industrialisation is somewhat misleading in the context of Norrbotten and Västerbotten because it implies a preceding de-industrialisation, which has not taken place in both regions. Instead, the notion of re-industrialisation indicates a new industrial boom after decades of stagnation (see Westin, 2023). In addition, the qualitative prefix ‘green’ denotes (or should denote) a new and carbon neutral era of re-industrialisation.
fossil-free steel production, hydrogen storage projects, and data centres in Luleå, Gällivare, and Boden are expected to stimulate economic as well as population growth (Garbis et al., 2023). Official estimations state that 100,000 new residents could move to Sweden’s northernmost counties in the course of this (anticipated) economic upswing (Alm, 2022), comprising 27,000 employees for the new industries plus their families, in addition to service and care workers who are needed to enable a functioning social infrastructure. Tourism is mentioned in this context as a sector that may benefit from additional in-migration and also contribute to the region’s recreational appeal for budding newcomers (Lundmark et al., 2023). However, absorbing such large numbers of new inhabitants is politically challenging. Many northern municipalities have been downsizing their services for decades and the resulting lack of housing, health care, and cultural life severely hampers the attractiveness of those places for new permanent residents. Due to these preconditions, Sweden’s northernmost municipalities may face the same scenarios as other sparsely populated areas, namely a fly in–fly out pattern of workers that is accompanied by economic leakages and a further exacerbation of disparities between urbanised areas and crowded-out hinterlands (Westin, 2023).

Similar polarised patterns between population hotspots and shrinking villages in-between municipal centres are discernible in Finnish Lapland (1.8 people per km²/180,000 inhabitants). In addition to the city of Rovaniemi (the administrative capital of Lapland), the number of inhabitants has increased in recent years only in Kittilä municipality due to jobs being available in the mining industry and at the Levi tourist resort (Grunfelder et al., 2017). All other municipalities have been continuously losing inhabitants since 1945 (interrupted by a population growth phase in the late 1980s/early 1990s). Rovaniemi also stands out because it is the only municipality in Lapland, Norrbotten, and Västerbotten with a higher female-to-male ratio (105:100) (Grunfelder et al., 2017). Regarding the employment distribution in Lapland, about 35 percent of all jobs are provided by the state and the municipalities, pertaining mostly to administrative duties, education, health care, and social services; 55 percent of the jobs are located within the private sector, including wage labour in industry, trade, and tourism; and the remaining eleven percent encompass self-employment (Lapin Liitto, 2019). Economically most significant are industrial manufacturing and mining, followed by retail and wholesale trade, building and construction, logistics, and tourism (Lapin Liitto, 2019). The travel and hospitality sector has been well established in the regional economy since the 1980s and provides employment particularly in the municipalities of Inari, Kittilä, Enontekiö, Muonio, and Kolari, where large tourist resorts are located (Grunfelder et al., 2017). As in Norrbotten, strategic tourism planning mainly targets increasing the export value of tourism and minimising seasonality (Lapin Liitto, 2021). Investments in green transitions are mostly related to forest
biomass and biorefinery, such as paper mills, biofuels, and fibres, and the respective plants are concentrated in the coastal area around Kemi (Garbis et al., 2023).

**Regional development governance**

A major transformation of Finnish and Swedish regional development and governance was set in motion when both countries joined the EU in 1995 (Arter, 2001). Until then, regional development policy in both countries aimed at socio-economic territorial equalisation based on redistributive measures (Lidström, 2020). For instance, in Sweden the state moved some of its administrative units to economically lagging areas to generate employment and purchasing power and provided direct financial transfers, or lowered tax levels, to incentivise firms to relocate to remote regions (Hörnström, 2013). With the EU accession and the adoption of the Union’s Cohesion Policy and new public management practices, the objectives of regional development policy in Sweden and Finland shifted. The ideal of place coherence was superseded by that of place competition. The goal of regional policy became to mobilise local assets and public–private stakeholder cooperation to generate a place-based competitive standing in a global economy (Lidström, 2020). A further aspect within this transformation relates to decoupling economic growth from welfare rooted in the shift from a Keynesian Nordic welfare model to a Schumpeterian workfare state. Kantola and Kananen (2013) explain that among the Nordic countries, this turn towards a competition state manifested itself the strongest in Finland, not least due to the severe economic crisis that the country faced in the beginning of the 1990s.

The EU accession of Finland and Sweden also ensued the creation of a regional governance level in between the nation state and self-governing municipalities, which hold the monopoly on land use within their jurisdictions (Nysten-Haarala et al., 2021). Ever since the 1990s, regional administrative arrangements have undergone several rounds of reform, but nowadays regional councils assume the responsibility for development matters and the general welfare of the population. The Regional Council of Lapland is a statutory municipal organisation, but it is not directly elected. Its tasks include comprehensive regional land-use planning, strategic planning across numerous social, economic, and environmental fields, and intra- as well as extra-regional cooperation. Region Norrbotten (the regional administration of Norrbotten) was formed as a self-governing administrative region in 2017 and is governed by an elected council that fulfils the same tasks as its counterpart in Lapland except for land-use planning.

Differences between Lapland and Norrbotten persist also when it comes to tourism governance and strategic planning. In northernmost Sweden, tourism development, marketing, and place branding are coordinated by the Swedish
Lapland Visitors Board. This organisation is funded by the membership fees of local destination management organisations, municipalities, and state-owned transportation providers as well as by an operating grant from Region Norrbotten (Swedish Lapland Visitors Board, 2020). In Lapland, the regional council conducts tourism industry lobbying, steers the sector’s public–private cooperation networks, and crafts a regularly updated regional tourism strategy together with tourism stakeholders (Lapin Liitto, n.d.). On the local level, strategic tourism development is undertaken in both regions by several public–private destination management organisations while the municipalities guide spatial tourism planning.

Smart specialisation and project-based development

A major task of the regional councils is the implementation of the European Regional Development Fund (ERDF) and European Social Fund programmes, which are administered by national administrative bodies. Due to Norrbotten’s and Lapland’s status as sparsely populated areas and the structural socio-economic weaknesses associated with this, both regions receive significantly more ERDF funding than other parts of Sweden and Finland (Gløersen, 2022). This has culminated in a somewhat paradoxical condition counter to the very idea of Cohesion Policy, namely that regions compete with one another for development funding (Lidström, 2020). Furthermore, when it comes to large R&D investments or innovation policy funding, Finland and Sweden clearly privilege urban agglomerations and metropolitan city regions over support for sparsely populated areas (e.g. Moisio, 2018).

Lapland and Norrbotten benefited from Europeanisation also with respect to the repositioning of both regions ‘within a wider context through new forms of social, economic and institutional relations with other territories across jurisdictional boundaries’ (Dubois & Carson, 2016, p. 804). This has resulted in for instance scale jumping (Arter, 2001). Mattila et al. (2023) note that the connection of regional planners in Lapland to the EU has been helping them circumvent the nation state (and the status of ‘a place that does not matter’ to power holders in the southern capital) and to instead build coalitions with other sparsely populated areas around shared interests. A further facet of the ‘globalisation’ of peripheral regions associated with the EU is smart specialisation (S3). The EU introduced S3 in the programme period 2014–2020 as a strategy for bottom-up place-based innovation (Romão, 2020). Regional stakeholders strategically select economic priorities and areas of comparative advantage that are then developed through targeted investments and cooperation between private and public actors to meet market demands. Tourism is part of Lapland’s as well as Norrbotten’s smart specialisation strategies (Poikela et al., 2023; Region Norrbotten, 2020).
The cooperation processes embedded in S3 are increasingly executed through projects. Sjöblom (2009, p. 166) characterises the proliferation of project-based development on one hand, [as] an indication of the increasing need for hyper-rational responses to social problems. By means of temporary organizations, it is seemingly possible to assemble task forces, networks and partnerships to mobilize the appropriate competencies on a just-in-time basis. On the other hand, such logic, while attractive, ignores the friction of coordination and continuity caused by long-term objectives.

Especially regional and local destination management organisations in Lapland and Norrbotten rely heavily on EU-funded projects in their tourism development efforts because these organisations are usually only partly financed by municipalities or the region. Some large INTERREG projects (cross-border development initiatives co-financed by ERDF) generated much international attention and initiated new growth paths for tourism (e.g. Visit Arctic Europe). Yet, previous studies emphasise that projects’ development objectives often remain unaccomplished due to the short-lived nature of these initiatives (Stoffelen & Vanneste, 2017). After the funding period ceases, there is commonly a lack of private sector buy-ins that would convert the project work into viable commercial paths (Prokkola, 2011). Furthermore, an over-reliance on external funding bears the danger that organisations focus more on grant-writing and meeting funders’ requirements than on supporting locally grounded initiatives that facilitate long-term organic and sustainable development (Shepherd & Ioannides, 2020). This aspect is further explored in Paper III, which examines the role of institutional strategic selectivity in administering regional development funding and its outcomes on tourism pathways in Lapland and Norrbotten.

**Tourism development in Lapland and Norrbotten**

From its onset in the late 19th century, leisure tourism in Lapland and Norrbotten has been largely nature-based. Due to the freedom to roam (jokaisenoikeudet/allemansrätten), which grants everyone the right to access public and private lands to hike, ski, bike, fish, camp, and pick berries or mushrooms, a similar outdoor recreation (friluftsliv) and second-home culture developed across northernmost Sweden and Finland (Löfgren, 1999; Tuulentie & Kietäväinen, 2020). Domestic nature-based tourism has therefore been relatively uncommodified, because people are experienced enough to enjoy nature with only minimal commercial services (Lundmark & Carson, 2020). Yet, the national parks and wilderness areas in Lapland attract increasing numbers of domestic tourists, contributing substantially to the regional economy. Metsähallitus
(2024), the Finnish Forrest Administration agency responsible for the management of protected areas, estimates that park visitors spent EUR 285 million in surrounding gateway communities across Finland in 2023. In northern Sweden, the touristic use of national parks seems to be less economically significant, not least due to minor employment effects created by protected areas (Byström & Müller, 2014).

**Regional tourism industry patterns**

Domestic and particularly international tourism in Lapland and Norrbotten concentrates mainly around urbanised areas, remote resorts, and iconic attractions (Müller et al., 2020). Figure 6 displays the primary tourist destinations in both counties. Tourism overnight stays in Norrbotten mainly cluster around the coastal cities of Luleå and Piteå. Popular among international travellers are Kiruna municipality hosting the Icehotel and the Kiruna mine, Abisko which has become famous for aurora borealis viewing, and the nearby ski resort Riksgränsen. Other municipalities with larger tourism operations are Jokkmokk, Gällivare, and Boden (Lundmark & Carson, 2020). An important stream of tourism is generated by cross-border mobility between the Nordic countries, manifesting for instance in shopping trips to IKEA in Haparanda (Timothy et al., 2016). In Arjeplog and Arvidsjaur, inbound tourism co-evolved with the winter car testing industry. The latter commenced in the 1970s, when two local entrepreneurs developed facilities and services for the German car industry to test vehicles and automotive parts in winter conditions (Arbuthnott & von Friedrichs, 2013). Around the 2010s, German companies launched winter driving experience trips and direct charter flights while lifestyle migrants settled in the area and established accommodation facilities and winter tourist activities (Coates & Holrod, 2021). Car testing also became an important industry for northern Lapland, and one of the largest facilities is located in Ivalo.
Figure 6. Main tourist destinations in Lapland and Norrbotten. Source: author.
The Finnish state invested heavily in Lapland’s tourism infrastructure during the 1980s (Hautajärvi, 2014). This resulted in the construction of numerous winter sports centres that markedly diversified in recent times from destinations for downhill skiing to resorts offering a wide range of nature-based year-round activities for domestic and international travellers alike. Lapland used to pursue a centre-based tourism planning strategy that persisted until a decade ago, which meant that tourism evolved in a highly centralised manner. Investments were almost exclusively channelled into the resorts which turned into isolated tourist towns, providing little employment or business activity spillovers into the surrounding municipalities (Hakkarainen & Tuulentie, 2008; Kauppila, 2011). The recent shift in Lapland’s strategic tourism planning increasingly facilitates decentralised tourism development and results are slowly emerging, as will be further discussed in Papers III and IV.

Internationally, Lapland is perhaps best known for its self-ascribed status as the official home region of Santa Claus. The Finnish Tourist Board launched a comprehensive marketing campaign in the mid-1980s to promote Lapland as a destination for Christmas-themed tourism, culminating in the construction of the Santa Claus Village in Rovaniemi (Pretes, 1995). The attraction was built as an extension of the Arctic Circle landmark created in 1929 (Hautajärvi, 2014). The core of Santa Claus Village is Santa’s office, where one can meet Father Christmas every day of the year. In addition, there are numerous souvenir shops, a post office where Christmas cards can be sent, and a few restaurants. From 2017 onwards, Santa Claus Village has expanded and diversified considerably. The current firm portfolio includes for instance a reindeer farm, a horse riding stable, two providers of dogsledding trips, snowmobiling and outdoor activity companies, a petting zoo, and several accommodation providers.

Moreover, short-stay charter trips during Christmas season developed as a distinct tourism product due to the Santa-theming of Lapland (Pretes, 1995). The local tourism sector specialised in ‘meet Santa activity programmes’ and auxiliary nature-based winter products for international charter tourists. Perhaps the most famous Christmas charter trips were organised by British Airways in the 1980s and 1990s. The carrier flew in travellers from London to Rovaniemi by Concorde aircrafts to meet Santa, accompanied by winter wonderland adventures (Figure 7). Some tourism firms in Norrbotten got into the Christmas charter trip business as well. However, their operations never reached the same magnitude as in Lapland due to a lack of investments and local-level support for tourism development (Müller & Jansson, 2007).
Seasonality and registered overnight stays

While tourism in Lapland peaks during winter and early spring, the summer months from June to August are the main season in Norrbotten, as Figure 8 illustrates. However, this aggregated data hides inter-regional variations, as some destinations in Norrbotten, such as Kiruna, Arjeplog, and Arvidsjaur, have become strong winter destinations (Rantala et al., 2019). Interestingly, the revenue per occupied room is higher during winter in Norrbotten than in summer, even though summer is the main season (Tillväxtverket, n.d.). In turn, room prices are lower in Lapland during the summer season (Statistics Finland, n.d.). The strong seasonality of tourism in both counties poses substantial challenges for the sector to contribute to sustainable regional development (Rantala et al., 2019). Tourism authorities have therefore been working for a long time to minimise seasonal fluctuations to generate a better foundation for year-round tourism employment and income tax returns (Lapin Liitto, 2021). Rantala et al. (2019) note that while larger tourism firms in Lapland and Norrbotten are generally keen to extend the tourist season, there is a characteristic reluctance among small- and micro-sized businesses to prolong the season. Reasons are found in the lifestyle motivation of firm owner-managers to take some time off from work and follow other pursuits (Carson et al., 2018). Particularly tourism entrepreneurs who also rely on reindeer herding or are strongly engaged in
nature-based land uses are mostly not able and willing to commit to year-round tourism (Rantala et al., 2019).

Figure 8. Monthly distribution of guest nights in Norrbotten and Lapland in 2019. Source: Statistics Finland and Tillväxtverket.
The annual registered overnight stays in Lapland and Norrbotten between 2008 and 2022 are displayed in Figure 9. Although these numbers do not reflect the total number of guest nights because accommodation facilities such as Airbnb rentals or second homes are not incorporated in the official database metrics, the statistics provide some indication of the broad tourism growth dynamics. In both counties, domestic as well as international tourism increased consistently until the COVID-19 years of 2020 and 2021, but traveller numbers rebounded in 2022. In Lapland, international visits grew more than domestic tourism, especially from 2016 onwards. However, due to the touristic hotspot pattern of Lapland and Norrbotten, there are great variances between the municipalities regarding the quantity of incoming tourists and the size of the tourism sector (see Lundmark & Carson, 2020).

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3 Statistics Sweden counts guest nights in hotels, holiday villages, youth hostels, campsites, and commercial rentals, including private cottages and apartments (excluding Airbnb). Statistics Finland counts guest nights in hotels, motels, guesthouses, youth hostels, holiday villages and campsites. Only accommodation establishments with a capacity of at least 20 beds and caravan camping sites and camping lodges equipped with electric plugs are included in the official statistics.
Figure 9. Registered overnight stays in Norrbotten and Lapland 2008–2022. Source: Statistics Finland and Tillväxtverket.
Tourism and its development challenges in Lapland and Norrbotten

The previously mentioned variations regarding the nature and dimensions of tourism development in Lapland and Norrbotten is also reflected in tourism research. Studies with a focus on northernmost Sweden predominantly thematise the small-scale character of the sector and its failure to fulfil political hopes of becoming a viable economic diversifier that can generate employment for local residents (Almstedt et al., 2016; Bohlin et al., 2016; Byström & Müller, 2014; Lundmark, 2005; Lundmark & Müller, 2010; Müller & Jansson, 2007; Müller et al., 2019). For instance, in the case of high seasonality in the Swedish mountain range, Lundmark (2005) concludes that the tourism sector predominantly attracts a mobile and temporary workforce that does not contribute to a reversal of net population decline. Bohlin et al. (2016) found that although Sweden’s three northernmost regions received the largest amounts of EU regional development funding in the whole country from 1992 to 2011, the grants did not translate into a significant growth in overnight stays. In contrast, the metropolitan south performed much better with far less funding.

The reasons for the uneven success of tourism in economically diversifying remote communities and reverting the out-migration service-decline cycle are found in the region’s geography as well as in socio-economic and institutional legacies. Similar to other resource-exporting societies where local identities revolve around male-dominated labour in extractive industries and primary production, tourism has not been conceived as an attractive occupation by communities in the Swedish North (Lundmark & Carson, 2020). Tourism provides mainly seasonal and low-paid jobs that cannot compete with more stable and lucrative employment in the public sector or extractive industries (Müller et al., 2019). A further aspect relates to the historically low entrepreneurial motivation among the population (especially related to the service sector) – a legacy that can (partly) be ascribed to the Nordic welfare state and its holistic care system as well as to socio-cultural ideas of egalitarianism (Koster & Carson, 2019; SOU, 1990; Stihl, 2023). In-migrants are more inclined to engage in tourism entrepreneurship, but these businesses predominantly remain small-scale and based on self-employment, thus generating little to no additional local jobs (Carson et al., 2018). This circumstance creates on the one hand a situation in which local decision-makers do not conceive of tourism as an economic engine worthwhile promoting (Eimermann et al., 2019), while on the other, public initiatives (and particularly temporary projects) often fail to trigger industry spinoff development if there are no private sector buy-ins by skilled and devoted entrepreneurs (Lundmark & Carson, 2020).

Geographically, tourism development in the remote Swedish North is particularly challenging for the so-called ‘boring bits in-between’ (Koster & Carson, 2019).
Such areas are located in between urban core areas and iconic peripheral destinations or resort towns. Characteristic for the ‘boring bits’ is a lack of outstanding natural or cultural landmarks that would entice tourists to visit these places specifically (Lundmark & Carson, 2020). Although scenic nature is plentiful in the boring bits, the same northern landscapes can be accessed by tourists in places closer to urban infrastructure, with tourism being subject to significant distance decay (Müller et al., 2020). Undifferentiated and uncommodified nature provides little uniqueness and is therefore difficult to turn into a viable tourism product (Margaryan & Fredman, 2017; Young & Markham, 2020). As a result, much of the tourism market for such in-between areas relies on transient incidental visitors (who are on their way to somewhere else) or tourists with personal connections (e.g. family ties or second homes) in the area, and these tend to have relatively modest economic impacts compared to holidaymakers drawn to urban or resort destinations.

Another complexity for tourism in sparsely populated areas concerns the formation of a critical mass. Agglomeration of complementing tourism firms is vital for market visibility and a diversified destination offering that can attract and retain tourists for extended overnight stays. Moreover, spatial and cognitive proximity between firms (or entrepreneurs) is crucial for learning, innovation, and network formation (Hall & Williams, 2020). An example of a successful critical mass and social acceptance of tourism in Norrbotten is the case of Jokkmokk. Brouder (2012) reports that the cooperation between the creative sector, cultural and nature-based tourism entrepreneurs, and public organisations created a favourable environment for local-level tourism innovations. Positive effects of tourism in northern Sweden are also highlighted in the context of Sámi culture. Indigenous tourism entrepreneurship not only offers additional incomes so that Sámi can sustain traditional livelihoods, but it also renders opportunities for cultural empowerment (Leu & Müller, 2016). Another case of thriving tourism is the Icehotel in Jukkasjärvi, which enabled spinoff companies to locate nearby (Stihl, 2022). Nevertheless, Jokkmokk and Jukkasjärvi are destinations located in or close to a municipal centre where there are complementary support services, other hospitality, and transport infrastructure.

The innovation and evolutionary economic geography literature commonly suggests that exogenous sources of knowledge are vital for local pathway evolution, because new actors may import additional network connections as well as social, human, and financial capital, and re-combine endogenous assets in novel ways (Grillitsch et al., 2023; Hall & Williams, 2020; Tripl et al., 2017). In-migrant Europeans who moved to northernmost Sweden for lifestyle reasons (pertaining to downshifting and serious leisure) and now finance their new life through tourism have introduced new products, markets, and expertise to local
tourism systems (Carson & Carson, 2018). However, research suggests that although these entrepreneurs quickly established networks to fellow expats and tourism-generating markets, spillovers into local communities overall remained limited due to mismatches in ambitions and target markets between established and newcomer businesses (Carson et al., 2018). Eimermann et al. (2019) find further reasons for the lack of innovation outcomes for the local tourism system in the different cultural mindsets and trust between locals and in-migrants as well as the reluctance of the newcomers to assume leadership roles within a community. This in turn reflects the primary lifestyle-motivated choice to move to northernmost Sweden, making social integration and business development secondary (Carson et al., 2018; Ioannides & Petersen, 2003).

In contrast to tourism research on Norrbotten, corresponding studies focusing on Lapland reflect the maturity of the regional travel and hospitality sector and its significant economic role. Given the long history of some places as travel destinations, tourism and tourism entrepreneurship have become part of the local community’s identity, for instance in Saariselkä or Kilpisjärvi (Kaján, 2014b). Nonetheless, respective studies on tourism in Lapland frequently address issues related to the sector’s ecological, economic, and socio-cultural impacts because its transformative power is well recognised (Hautajärvi, 2014; Kauppila, 2011; Kaján, 2014b; Kulusjärvi, 2019; Saarinen, 2001; 2004; Tuulentie & Mettiäinen, 2007; Tyrväinen et al., 2014; Viranto, 1977). Examinations of the tensions between local livelihoods and boosterist tourism growth are common, particularly in the resorts of Levi, Ylläs, and Saariselkä. Saarinen (2004) asserts that the spatial homogenisation of these resorts follows similar capitalist development trajectories as other destinations worldwide. This manifests particularly in the uniform and standardised building style of the hotels and the entertainment facilities as well as in the compact urban structure of the resorts (Hautajärvi, 2014). However, studies on eco-efficiency suggest that such compact land-use and building patterns, when combined with effective transportation infrastructure, low-impact energy solutions, and waste management, are more sustainable compared to low-density and dispersed cottage villages (Tyrväinen et al., 2014).

When it comes to the socio-economic aspects of tourist resorts, the seasonal nature of tourism employment in these destinations and the resulting reliance upon a mobile workforce prevents even those people who would want to move permanently to Lapland from doing so (Tuulentie & Heimtun, 2014). Akin to the situation in Sweden (Lundmark, 2005), this aspect limits the effectiveness of tourism as a generator of municipal tax revenues when seasonal workers are registered somewhere else. Moreover, while Lapland’s centre-based strategy has spurred the development of the resorts, it has largely failed to establish economic links between remote villages and these growth hubs (Hakkarainen & Tuulentie,
In turn, Tuulentie and Mettiäinen (2007) found that local inhabitants of the villages in close proximity to the resorts were strongly economically involved in tourism, but they generally opposed further uncontrolled growth steered by external actors. Some locals felt disempowered in decision-making processes and criticised the lack of regional developers’ knowledge of local places because locational choices for tourist infrastructure could have been improved if the villagers had been consulted (Tuulentie & Mettiäinen, 2007). Yet, Tuulentie and Mettiäinen (2007) also report that people who owned protected lands close to the quickly growing Levi resort voiced their anger about being left behind economically because of the state-mandated prohibition of construction or logging on their forest properties. Regarding state-owned woodlands in the vicinity of Lapland’s large resorts, the growing nature-based tourism, and its reliance upon the scenic qualities of forested landscapes, would be able to economically offset traditional forest use by logging (Ahtikoski et al., 2011). Hence, large tourist volumes coupled to commodified nature-based tourism can in principle economically facilitate local forest conservation (see also Byström & Müller, 2014).

In recent times, tourism in Lapland and Norrbotten has increasingly been presented as ‘Arctic tourism’ in regional and local place marketing, touristic production, and academic discourse. Interestingly, this spatial reimagina has also shifted the focus of tourism research. The preoccupation with the limited contribution of tourism to regional development in Norrbotten somewhat vanished in favour of examining sectoral growth (Marjavaara et al., 2022). The ‘new Arctic’ tourism is not just framed as an opportunity for novel forms of development but as an issue of global significance (Bohn & Hall, 2022; Kájan, 2014a; Lundén, 2022; Lundén et al., 2023; Müller et al., 2020; Rantala et al., 2019; Varnajot, 2019), which will be outlined in the following section.

**Arctification and Arctic tourism**

Given that there is no single definition of the Arctic region, Arctic tourism is equally difficult to classify (Saarinen & Varnajot, 2019). Conventional conceptualisations therefore refer to Arctic tourism as sectoral activities that take place within the Arctic, circumscribed by the region’s various biophysical, political, or latitudinal definitions (e.g. Lee et al., 2017). Early Arctic tourism research mostly focused on cruise tourism in the high Arctic and on polar bear viewing products in Canada (Dawson et al., 2010; 2017; Lemelin, 2006; Stewart et al., 2007; 2011). This context also gave rise to the idea of last chance tourism, as extensive media coverage of a thawing Arctic encouraged more tourists to gaze
at vanishing glaciers, snow-covered landscapes, and polar bears before they will be gone for good (Lemelin et al., 2010).

Over time, the touristic Arctic steadily moved southwards and expanded from a geographical region or destination to a distinct range of products and an existential tourist experience. As Saarinen and Varnajot (2019, p. 111) state, ‘there seems to be something special or exceptional about the Arctic in tourism as very few other geographical regions are labelled as forms and concepts in tourism’. Hence, Arctic tourism simultaneously denotes tourism that takes place within the spatially defined Arctic, a discrete Arctic-themed tourism product, and a touristic experience that is predominantly associated with coldness, ice, and snow.

In northern Sweden, Finland, Norway, and Iceland, Arctic tourism largely revolves around highly commodified winter activities and nature-based sightseeing. Unlike traditional winter tourism focused on downhill and cross-country skiing, its Arctic-themed counterpart is specialised in soft nature-based experiences (Rantala et al., 2018). This includes husky sleigh rides, snowmobile trips, aurora borealis watching, reindeer farm visits, and overnight stays in glass igloos or Arctic-themed high-end lodges. Arctic tourism differs from traditional domestic Nordic tourism partly because of its high level of commodification and its specialisation in export markets. It also diverges from previous tourist imaginaries of (northernmost) Sweden and Finland. Instead of Nordic summer cottage romanticism (Löfgren, 1999), Arctic tourism largely draws upon cryosphere or winter wonderland representations that are underpinned by stereotypical frontier conceptions of the Arctic as a no-man’s land waiting to be discovered by explorers (Keskitalo et al., 2019; Rantala et al., 2019; Varnajot & Saarinen, 2022; White et al., 2019).

Central in the creation and dissemination of these imaginaries are regional and local tourism branding and marketing organisations in Lapland and Norrbotten. Many destinations emphasise the ‘Arcticity’ of their nature and culture supported by images of aurora borealis-filled skies and vast snow-covered landscapes (Lucarelli & Heldt Cassel, 2020; Saarinen & Varnajot, 2019). Additionally, documentaries in broadcast media or social media travelogues not only provide imaginative blueprints for the polar experience, but they have also been decisive for accelerating the demand for Arctic tourism (White et al., 2019). Furthermore, the Arctic strategies of Finland and Sweden promote Arctic tourism as a viable option for regional economic diversification and sustainable business (Finnish Government, 2021; Government Offices of Sweden, n.d.). Finland highlights the need for the tourism sector to even out seasonal fluctuations and to develop more high-quality products that enhance tourists’ length of stay within the region.
Arctic-themed enclaves are one such new upmarket product that has emerged across Lapland and Norrbotten (see Paper IV). Characteristic of these venues are their distinct architecture and accommodation facilities. Instead of a larger hotel complex, the Arctic enclaves offer single-unit luxury lodges or glass igloos, which merge local culture as design elements with Nordic minimalism and large window fronts, emphasising the views onto the Arctic nature. A glass igloo lodging unit is depicted in Figure 10. The key marketing message of these venues is the promise of solitude and privacy coupled to a new understanding of luxury, valuing quality of life, minimalist design, and meaningful experiences over the consumption of conspicuous status symbols (Iloranta, 2019). Target segments for the enclaves are mostly international (upper-)middle-class and high-end travellers. The enclavistic character of these micro-resorts results from the physical demarcation and architectonical distinction from surrounding settlements, the promise of private tourist experiences, and the provision of all accommodation, hospitality, and activity services (either in-house or in close proximity), rendering the place an independent micro-destination. Indeed, the Arctic-themed enclaves correspond to Edensor’s (2001, p. 63) depiction of single-purpose tourist spaces. Such venues are ‘strongly circumscribed and framed […] carefully planned and managed to provide specific standards of cleanliness, service, décor and “ambience”’.

Figure 10. Glass igloo accommodation unit in Finnish Lapland. Source: Photo by the author.
The first Arctic-themed enclave in Norrbotten was the Icehotel in Jukkasjärvi, which was established in 1989 on the initiative of an innovative entrepreneur. Stihl (2022, p. 7) notes that the idea of an exclusive venue built of clear ice from the nearby river ‘did not sit well with the local social democratic mind-set at that time’ and was therefore opposed by inhabitants and by tourism authorities. The situation has changed drastically, however, given that the destination management organisations in Norrbotten and Lapland now heavily promote luxury tourism development, and concerns regarding social inequality have vanished in favour of a stronger emphasis on the economic value of tourism for regional growth. The Finnish Arctic strategy (Finnish Government, 2021, p. 53), for instance, states that ‘a snow hotel represents innovative tourism development. Snow hotels constructed every year are a great attraction to foreign tourists [and] offer a unique experience’. Since the first pioneers of Arctic-themed enclaves, these micro-resorts have been increasingly replicated across northernmost Sweden and Finland. The reasons for this are explored in Paper IV, particularly in relation to how institutions and funding support, in conjunction with entrepreneurial agency, have encouraged the reproduction and consolidation of this Arctic tourism path.

Arctification in Lapland and Norrbotten manifests not only in the creation of new products but also in the physical transformation of existing tourist sites. A prominent example is the Santa Claus Village in Rovaniemi. The Santa Claus theming is increasingly complemented by physical markers associated with the Arctic. Figure 11 shows the colourful light design that is meant to resemble the aurora borealis, outshining the Christmas decoration lights. A recent extension to the Village is Snowman World, which turns ice and snow into commodified tourism experiences.
Arctification as a distinct form of placemaking is gradually moving further below the Arctic Circle. For instance, the region of Kainuu in Finland, located south of North Ostrobothnia on the eastern border to Russia, recently rebranded their tourism area to ‘Arctic Lakeland’. Its destination marketing utilises the same snow-covered landscape images as Lapland and Norrbotten to promote winter tourism products (Arctic Lakeland, n.d.). Arctification is also not limited to Sweden and Finland. Several studies highlight that the same Arctic placemaking processes are found in Iceland’s tourism sector as well (Hastings, 2014; Hild et al., 2023; Lund et al., 2018; Rantala et al., 2019).

Within tourism research, it has become common to present Norrbotten and Lapland as ‘Arctic’, especially in climate change studies, to indicate the importance of both regions for the rest of the world. Demiroglu et al. (2020) address the impact of climate change on snow-dependent tourism and ski resorts,
while others have examined the tourism industry’s mitigation and adaptation strategies (Kaján, 2014a; Saarinen, 2014; Tervo-Kankaare et al., 2019). Varnajot and Saarinen (2021) look into the future of the Anthropocene and imagine how post-Arctic tourism without ice and snow could become a form of dark tourism memorial for the tolls of climate change.

Other streams of research thematise overtourism in sparsely populated areas triggered by the Arctic tourism hype (Lundmark et al., 2020). Overtourism is conventionally associated with uncontrolled touristic growth in urban places causing overcrowding, socio-cultural tensions, gentrification, environmental degradation, and decreasing quality of life in local communities (Dodds & Butler, 2019). In northernmost Sweden and Finland, overtourism revolves largely around people’s perceptions, because communities that have not been that exposed to tourist visits may feel overrun even by a small number of tourists (Rantala et al., 2019). Further aspects pertain to global media touting the Arctic ‘a must-visit destination’, causing an inflow of ‘unskilled’ tourists who underestimate climatic conditions or the distances between settlements. This has led to an increase in search and rescue missions. Overtourism is also an issue when it comes to infrastructural carrying capacity, for example in health care. Many local providers in northern communities are short-staffed due to public sector austerity, and additional tourists who require care may overstress the system (Lundmark et al., 2020).

Another negative side effect of the international hype surrounding Arctic experiences concerns labour issues, especially in isolated sparsely populated areas where little surplus workforce is available. Although it is mentioned that labour shortages are a pressing concern for tourism businesses operating seasonally in Lapland and Norrbotten (Rantala et al., 2019), few studies have examined staff wellbeing and how seasonal workers are treated. Brennan (2018) studied the common strategy of local tourism entrepreneurs to overcome staffing shortages by relying on volunteer workers (including young international experience seekers) who are promised touristic adventures in return for their free labour. Given the lack of oversight and regulation, in the case of dog sledding businesses, Brennan (2018) found that volunteers oftentimes faced precarious working conditions and even safety hazard situations. A larger investigative report, published in 2023, denounced the grave abuse of foreign workers and systematic labour law breaches in one of Lapland’s most famous glass igloo enclaves (Lavia, 2023). These examples warrant much greater research attention from tourism scholars, especially in the light of tourism being advocated as a means for regional development.

Some studies have focused on how Arctification can be understood in terms of authenticity and discourse. Lundén (2022) conceives Arctification as intimately
linked to capitalist consumerism’s spatial homogenisation, akin to Disneyfication. Other research suggests that the heavy reliance on snowy landscape representations and tourism firms’ specialisation in nature-based winter tourism in times of accelerating climate change may endanger the resilience of tourism-dependent communities by causing boom-and-bust situations (Varnajot & Saarinen, 2022). A proposal is therefore to implement ‘de-Arctification’ strategies whereby touristic production diversifies and pursues pathways that are not reliant upon the cryosphere, that reduce seasonality fluctuations, and that respect local culture and lifestyles (Lundén et al., 2023). Hence, Arctification holds an underlying ‘from outsiders for outsiders’ connotation, referring to the production and consumption of untouched white wilderness representations that are not endemic to northernmost Sweden and Finland (Saarinen & Varnajot, 2019). In contrast, Keskitalo and Schilar (2017, p. 418) conclude in their study on representations in Arctic tourism in Jukkasjärvi that local tourism entrepreneurs actively practice ‘self-northering’ to reproduce ‘what sells in an international marketplace’, and that is a naturalised ‘enchanted world’ that omits the modern, urban, and industrial heritage of the nearby Kiruna mine.

Research on Arctic tourism is characterised by somewhat different aspects than the other forms of tourism in Lapland and Norrbotten that earlier studies have examined. This concerns not only the seasonal shift towards winter but also issues such as overtourism, climate change, and luxury travel. Research has also shifted its focus towards the global importance of tourism in Arctic Lapland, Norrbotten, and Västerbotten. Indeed, in their definition of ‘Arctification’, Müller and Viken (2017, p. 288) underscore that the ‘geographical reimagination of northernmost Europe as part of the Arctic’ is accompanied by ‘new social, economic and political relations’. Nevertheless, current research has been silent on the nature of these changing relations and the mechanisms that make these shifts possible. This also includes a lack of studies on the institutional grounding of Arctification and Arctic tourism and how these relate back to path-dependent regional preconditions and governance. In addition, questions around how Arctic tourism pathways correspond to wider global economic and political trajectories have not been addressed either. This thesis fills these gaps in the following chapters by examining Arctic tourism pathway evolution in Lapland and Norrbotten through the tripartite lens of evolutionary economic geography, geographical political economy, and the strategic relational approach to structure and agency.
V Methodology and methods

Chapter V outlines the case study methodology of this thesis. The chapter begins with an explanation of the critical realist paradigm and its metatheoretical implications for the selected case study research design. This is followed by an overview of the different qualitative data collection and analysis methods. The resulting limitations and delimitations of this study’s scope, methodology, and empirical foci are discussed subsequently. An overview of the ethical dimensions implicated in the research process concludes the chapter.

Critical realism

As a philosophy of science, critical realism occupies a middle ground between positivism and constructivism (Danermark et al., 2019). Critical realist scholars assume the existence of an objective, stratified, and constantly changing social reality. The causal mechanisms and properties of this social reality can be understood through scientific study with the help of theory (Lawson, 2019). Reality is not limited to the physical world, but discourse and conceptual or cultural beliefs are also aspects of reality that shape material events as well as people’s lives and actions (Vincent & O’Mahoney, 2018). The knowledge generated by research with a critical realist underpinning is subjective, discursively bound, and fallible. Likewise, scientific concepts are only provisionally regarded ‘true’, as Danermark et al. (2019, p. 27) point out:

Theories in science can only be regarded as the best truth about reality we have for the moment. It is no ultimate knowledge. New scientific studies may show that the knowledge was false. Theories can always be surpassed by new theories.

Nonetheless, critical realist theorisation does not imply that all theories are equally valid or equally distant from a true account of reality. Theories and knowledge are a product of nonlinear historical developments, and the judgemental rationality implicit in critical realism holds that some theories offer more certain and profound insights into social reality than others (Sayer, 1992).

Unlike positivist research that seeks to uncover causal laws to predict future events or social constructivist studies aiming to describe individuals’ experiences (Guba & Lincoln, 1994), the purpose of critical realist research is to explain what causes certain observable phenomena. Such explanation is based on a thorough understanding of a phenomenon’s context, mechanisms, and the outcomes of these mechanisms (Sayer, 1992). Mechanisms are defined ‘as the causal powers of things’ and exist on the ontological level of the real, independently of human
thought (Bhaskar, 2008, p. 40). As such, mechanisms are relatively persistent physical, social, or conceptual entities that generate events, but they may only come into effect under certain conditions within a specific time frame. The same mechanism may lead to different outcomes depending on the context and the conditions in which the mechanism is activated. Given that critical realism draws a distinction between natural and social worlds, its social science stream does not usually incorporate mechanisms related to physics or chemistry into the explanation of societal processes (Bhaskar, 2015). Mechanisms of interest for social science are located within institutional structures, agency, culture, and the relations between these spheres (Sayer, 1992). Characteristic for mechanisms is that they are conventionally hidden from direct observation but can be inferred from an observable situation with the help of theory (Pawson & Tilley, 1997). A common problem in extant literature, according to Yeung (2019), is that the terms ‘process’ and 'mechanism’ are used interchangeably in explanatory theorisation. A process refers to ‘a contingent change in a general recurrent series of related actions/events’ (Yeung, 2019, p.228), such as neoliberalisation, path dependence, state rescaling, or financialisation (Hsu, 2019). A process is therefore made up by several mechanisms, and Yeung (2019) maintains that both entities should be distinguished analytically even though it is difficult to keep them apart in rather broad analyses as advanced in Paper I. Given that mechanisms and processes are integral to any causal explanation, this thesis does not make clear distinctions between mechanisms and processes but sees them as co-constitutive in the subsequent explanations of Arctic tourism pathways.

In human geography, critical realist scholarship is largely associated with the work of Andrew Sayer and Doreen Massey. It somewhat lost its foothold in the discipline when post-structural and new materialist approaches became more popular (Cox, 2013). However, a recent stream of research in evolutionary economic geography (e.g. Grillitsch & Sotarauta, 2020; 2023; Kurikka et al., 2023; Sotarauta & Grillitsch, 2022; Stihl, 2023) revived critical realist thought. Within these works, critical realism is employed to underlabour the explanation of regional pathway evolution with a specific focus on agency as the main causal power for regional economic change. Gong and Hassink (2020) argue that critical realism offers an appropriate philosophy for economic geography because it shifts attention to the particularity of geographical context, which is conceived as historically contingent and ever-changing. This way of thinking moves away from perceiving space as a container to examining emerging geographies in relation to socio-economic development and vice versa. Gong and Hassink (2020) also note that a further benefit of critical realism is that research results in middle-range theoretical accounts of the studied phenomenon. Middle-range theories are defined as
theories that lie between the minor but necessary working hypotheses that evolve in abundance during day-to-day research and the all-inclusive systematic efforts to develop a unified theory that will explain all the observed uniformities of social behaviour, social organisation, and social change. (Merton & Merton, 1968, p. 39)

In contrast to positivist research aiming for empirical generalisation to predict causal events, critical realist middle-range explanations aspire theoretical generalisability (Vincent & O’Mahoney, 2018). These middle-range theories can be tested, re-theorised, and refined in other empirical contexts. Gong and Hassink (2020) note that such an approach contributes to the dynamism and evolution of social sciences.

In this thesis, the stratified ontology of critical realism manifests in the way Arctic tourism pathways are approached. Figure 12 illustrates the iceberg metaphor often employed to graphically represent the layered ontology of critical realism (e.g. Fletcher, 2017).

Figure 12. The stratified ontology of critical realism and the conception of Arctic tourism.

On the empirical level, Arctic tourism is directly observable and experienceable. One can see the markers that are meant to evoke an association with the Arctic,
for example the redesign of Santa Claus Village mentioned in Chapter IV. Tourists can feel the coldness of a winter’s day during a snowmobile safari, gaze at the aurora borealis, or spend a night in a glass igloo and feel that they have an authentic Arctic experience. Meanwhile, locals may feel bothered by tourists and oppose further plans for the construction of tourist enclaves in the vicinity of their homes or second homes (Lundmark et al., 2020; Rantala et al., 2019). On the actual level, where events occur irrespective of whether humans observe them, Arctification takes place as a material and discursive socio-spatial transformation process. It is also the sphere where institutional strategic selectivity and agency meet. This may result in certain decisions of public institutions to fund a specific tourism firm or not. An entrepreneur might choose a certain location to establish a tourism business. On the real level, we can find the causes of Arctification, reasons for institutional strategic selectivity, and the mechanisms that transform socio-spatial relations. From a political economy perspective, these explanatory mechanisms and processes are located within contemporary capitalism and the state system (see Halseth & Ryser, 2018). This underscores again the theory dependence of critical realist enquiry, which renders the presented explanations one option among other possibilities.

Case study
Given the thesis’ aim to understand and explain the mechanisms driving Arctic tourism pathways, a case study methodology was selected to connect observable phenomena and events to generative mechanisms (Danermark et al., 2019). A case study is generally defined as ‘an empirical inquiry that investigates a contemporary phenomenon in depth and within its real-life context’ (Yin, 2009, p. 18) and constitutes a well-established methodology in human geography (Grillitsch et al., 2023; Krehl & Weck, 2020; Stihl, 2022) and tourism research (Almeida Garcia, 2014; Koster & Carson, 2019; Lundberg, 2015; Nordin et al., 2019).

Case studies rooted in intensive or qualitative research designs are also the go-to option of critical realist scholarship when the context of a study’s object is known but its generative mechanisms are not (Vincent & O’Mahoney, 2018). As outlined in Chapter IV, Arctic tourist experiences, tourism entrepreneurs’ and marketers’ reproduction of Arctic images, and the changing tourism landscape in northernmost Sweden and Lapland (outcomes and context) are well described in the literature (Lundén et al., 2023; Lundmark et al., 2020; Marjavaara et al., 2022; Saarinen & Varnajot, 2019). However, the underlying mechanisms that enable these processes have so far received less attention. To study Arctic tourism pathways in a way that makes it possible to extrapolate its causal mechanisms, a qualitative or intensive approach was selected. Critical realism favours qualitative research because ‘meanings cannot be measured, only understood. Hypotheses
about them must be expressed in language, and confirmed in dialogue’ (Bhaskar, 2015, p. 46). Mechanisms and social structures located on the real level can ‘for the most part not be quantified’ (Buch-Hansen & Nielsen, 2020, p. 73, original emphasis). For example, it is possible to count the number and frequency of specific Arctic-themed tourism products (Saarinen & Varnajot, 2019) or to numerically trace the emergence of tourism firms that utilise the words connected to the Arctic in their company name (Marjavaara et al., 2022), but to learn more about the reasons why and how a new tourism pathway emerges, qualitative enquiries are needed (see also Yeung, 2019).

The two cases in this thesis are the neighbouring administrative regions of Lapland and Norrbotten. Looking at both together was chosen as a strategy to learn more about the mechanisms and processes driving Arctic tourism development in different regional contexts with different preconditions (Nadin & Stead, 2013). As outlined in Chapter IV, despite the political, administrative, economic, and socio-cultural parallels between the two regions and their similar resource endowments for tourism, notable differences persist due to dissimilar historical path trajectories (e.g. Keskitalo et al., 2019). By examining these variations and similarities, a more nuanced and context-sensitive understanding of Arctic tourism in Lapland and Norrbotten is aspired.

Regarding the concrete research methods, the case study design builds on expert interviews, document analysis, and spatial mapping. The gathered material was analysed through theory-driven thematic analysis. The integration of the different research materials and their specific purpose as a source of empirical information is presented in Figure 13.
These data sources provide insights into the empirical and actual levels of reality (Vincent & O’Mahoney, 2018). Given that the real level cannot be directly observed through research, critical realism relies on retroduction. Retroduction denotes an iterative process that moves back and forth between an initial theoretical understanding of a phenomenon, the description of the context and outcomes of a phenomenon, and the theoretical abstraction of its causal mechanisms (Sayer, 1992). The aim of retroduction ‘is to identify the necessary contextual conditions for a particular causal mechanism to take effect and to result in the empirical trends observed’ (Fletcher, 2017, p. 189). This retroduction process requires first uncovering semi-regularities entailed in different aspects of Arctic tourism pathways, such as institutional strategic selectivity practices or the motivation of tourism and entrepreneurs for the Arctic-themed enclave model. Secondly, the mechanisms and structures that could explain these events are conceptualised and presented as middle-range theories that can be tested and refined in other empirical contexts.
Unlike positivist quantitative research that defines its quality measures predominantly in relation to the methods used – that is, whether a research instrument accurately measures a phenomenon (validity) and consistently produces the same results when it is employed in the same situation (reliability) – critical realist studies conceive validity in terms of the inferences drawn from the data (Maxwell, 2012). This means that validity is concerned with the particular understanding of a phenomenon that the research generates with the help of certain research methods. The approach to validity in this thesis draws upon Maxwell’s (2012) critical realist typology:

- **Descriptive validity** is concerned with the factual accuracy of the understanding of an observed phenomenon. In the individual papers, descriptive validity was enhanced by co-authoring and discussing the data and reported results with the colleagues involved. A further strategy was to present direct quotes from the interviews. The individual studies also provide descriptive accounts of the case study setting, the data, and its collection and analysis processes so that readers can judge descriptive validity themselves.

- **Interpretive validity** refers to understanding the worldviews and perspectives of people who are studied within a certain phenomenon. This was accounted for by analysing the interviewed entrepreneurs’ websites and those of the organisations where the interviewed experts work. The insights gained were employed to situate the interviewees in specific institutional contexts and to modify the individual interview guides according to the information retrieved beforehand.

- **Theoretical validity** includes the appropriateness of choosing certain concepts and theories to describe and interpret a phenomenon. This concern was tackled by the choice of the theoretical lens itself (evolutionary economic geography, geographical political economy, and the strategic relational approach to structure and agency), which is a commonly established framework for analysing tourism development. Again, readers may judge themselves whether the selected theories are applicable within the specific research context.

- **Transferability or generalisability** constitutes a special case in critical realist research, insofar as results are case-specific and the empirical findings cannot be transferred to other settings. However, the theoretical generalisations can be transferred and refined in other empirical contexts.
Documents

Documents, as a single source of information or triangulated and combined with other data materials, are a staple in qualitative research (Bowen, 2009). Broadly understood, documents include not only organisational records, policies, planning strategies, and expert reports but also various types of online textual and imagery materials (Karppinen & Moe, 2019). As such, different documents can be utilised for different research purposes.

Paper I, which traces the evolution of tourism metagovernance over roughly a 150-year period in the two case study regions Lapland and Norrbotten, builds on different types of secondary data documents as a main qualitative data source. Secondary historical sources and various policy documents were chosen to gain insights into the metagovernance of tourism development in Lapland and Norrbotten. Given the long timeframe of the study, which exceeds a person’s lifespan and memory, documents represent the only viable longitudinal information source regarding tourism development. Moreover, change often occurs gradually so that people might not be aware of it, but documents may offer evidence of changing socio-economic and political conditions and rationalities (Mutch, 2014). In Paper I, strategy documents and policies provide insights into political reasoning and how certain socio-economic problems and their respective solutions were framed during a specific point in time. Evidence (or a retrospective interpretation) of how these strategies then manifested in actual regional and tourism development is obtained through historical and academic literature.

For Paper III, documents related to regional development funding and tourism planning were selected to explore current institutional and organisational practices of public funding for tourism projects and firms. The gathered materials help to contextualise the interviews conducted with tourism planners and regional developers. In Paper IV, documentary material encompasses the websites of Arctic-themed resort enclaves which are located in Lapland and Norrbotten. The online presentations of these tourism firms were analysed as a first research step to acquire an understanding of their services, their marketing message, and the ways in which the ‘Arctic’ is incorporated as a distinct characteristic of their products. Table 4 summarises the types of documents that were consulted in the different research papers.
Table 4. Document data sources

<table>
<thead>
<tr>
<th>Number and types of documents</th>
<th>Paper I</th>
<th>Paper III</th>
<th>Paper IV</th>
</tr>
</thead>
<tbody>
<tr>
<td>16 secondary sources</td>
<td>10 policy and planning documents</td>
<td>71 firm websites</td>
<td></td>
</tr>
<tr>
<td>4 destination management websites</td>
<td>50 policy documents</td>
<td>20 expert reports</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Data integration</th>
<th>Paper I</th>
<th>Paper III</th>
<th>Paper IV</th>
</tr>
</thead>
<tbody>
<tr>
<td>Primary empirical data source, complemented by interviews</td>
<td>Complementary data source</td>
<td>Complementary data source</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Function</th>
<th>Paper I</th>
<th>Paper III</th>
<th>Paper IV</th>
</tr>
</thead>
<tbody>
<tr>
<td>Historical and current insights into tourism metagovernance, political rationalities, and development → emergence of Arctification</td>
<td>Complementing the interviews and spatial mapping, information on regional development funding and tourism development rationalities and practices</td>
<td>Understanding of the marketing messages and characteristics of Arctic-themed resort enclaves</td>
<td></td>
</tr>
</tbody>
</table>

Semi-structured interviews

Interviews are the most common data generation method in contemporary qualitative research (Silverman, 2017). Depending on the selected research paradigm, there is great variance in how and for what purpose interviews are conducted (Pawson & Tilley, 1997). Given the critical realist foundation of this thesis, interviews here serve to illuminate professional practices and agents’ explanations for the occurrence of a certain phenomenon. The critical realist interview is therefore neither interested in the interviewee as a person nor in their personal feelings, but seeks to elicit their expertise and how they explain the issue under investigation (Brönnimann, 2022). Table 5 illustrates the number and professional background of the interviewees as well as the function of the interviews in the different papers.

Papers I, III, and IV draw upon semi-structured interviews with experts. An expert is broadly conceived as a person who possesses specialised information and who has been professionally involved in the empirical context that is studied (Dexter, 2006). The purposively selected sample of interviewees includes various public sector stakeholders who provided information regarding the operational-institutional environments for tourism development in Lapland and Norrbotten. In Paper IV, resort enclave entrepreneurs and managers were also interviewed. These interviews were conducted to obtain knowledge about the dimension of entrepreneurial agency and strategic reasoning within Arctic tourism development.
Altogether, 26 semi-structured interviews were arranged, each lasting between 30 minutes and three hours. However, not all interviews were relevant for the different papers. Paper I utilised 16 interviews, Paper III 7, and 22 interviews informed Paper IV. All interviews were conducted in English and online, except for one conversation that took place in person at a meeting. The interviews followed a general interview guide which was based on the theoretical framework of each paper. Due to the variation between the interviewees’ professional backgrounds and the different roles of their organisations in tourism development, the interview guides were adapted to each individual research participant. In the development of the interview guides, another source of case-specific information derived from the interviewed organisations’ and entrepreneurs’ websites. Regarding the interview questions, the study participants were mostly asked to elaborate on and explain their organisations’ practices in relation to tourism development (see Brönnimann, 2022). The entrepreneurs were invited to talk about their rationales for choosing the enclave model, their future development plans, and their interactions with public sector organisations. All interviews were recorded and transcribed verbatim.

Table 5. Numbers and function of interviews in the different papers

<table>
<thead>
<tr>
<th></th>
<th>Paper I</th>
<th>Paper III</th>
<th>Paper IV</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of interviews</td>
<td>16</td>
<td>7</td>
<td>22</td>
</tr>
<tr>
<td>Interviewees</td>
<td>Institutional experts and tourism stakeholders</td>
<td>Institutional experts</td>
<td>Institutional experts, tourism stakeholders, and tourism resort enclave entrepreneurs</td>
</tr>
<tr>
<td>Data integration</td>
<td>Complementary data source</td>
<td>Complementary data source</td>
<td>Primary data source</td>
</tr>
<tr>
<td>Function</td>
<td>Insights into current tourism metagovernance, socio-spatial relations, and development history of tourism in Norrbotten and Lapland</td>
<td>Deeper understanding of public funding decision-making and impacts on tourism in Norrbotten, Västerbotten, and Lapland as well as strategically selective institutions</td>
<td>Gain an understanding of individual entrepreneurs’ interactions with strategically selective institutional practices shaping regional opportunity spaces</td>
</tr>
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</table>

**Spatial mapping**

Spatial mapping was employed to obtain extensive and descriptive information regarding the ‘space and time coordinates’ (Hall, 2011, p. 163) of European Regional Development Fund allocations for private tourism firms. The analysis of funding data, presented in Paper III, rendered qualitative and quantitative insights into the differences between the case study regions regarding public spending on (Arctic) tourism development.
Raw data covering the period from 2007 to 2021 was extracted from publicly accessible databases and information provided by the county councils and county administrative boards. For Norrbotten, it was possible to receive detailed funding amounts for each firm only until 2017 and regional aggregates for 2017 to 2021. In the latter period, averages were therefore assigned to each funded firm. The Swedish data, expressed in SEK, were converted to Euro according to the annual currency exchange rates reported by the Swedish Central Bank. All funding data were adjusted to 2021 constant prices, in accordance with the Consumer Price Index values stated by Statistics Sweden and Statistics Finland.

Firm data were condensed into firm name, start year of funding, and amount of funds used. The geolocation and a branch categorisation of the firms were added manually. Firms that were granted funding but did not use the money were excluded in the analysis. The final dataset was mapped out by O. Cenk Demiroglu with ArcGIS Pro 3.1. Firm-specific total funding information and the funding differences between the major funding periods (2007–2013 and 2014–2021) were aggregated at the municipal and county levels. Limitations in the data persist in respect to the manual selection of tourism firms from lengthy Excel records containing thousands of funding occasions for all kinds of different firms. Some tourism firms may have been overlooked and some firms/individual applicants could not be found in online searches or not be assigned to a specific economic sector. In addition, funding over 25 million SEK in Sweden (~ 2.5 million EUR) is handled by the Swedish Agency for Economic and Regional Growth (Tillväxtverket) and it was not possible to obtain detailed information on these larger investments in Norrbotten and Västerbotten from the agency. A further limitation concerns the unavailability of the exact location of some firms, as the actual place where the money is invested is not congruent with the company address. The resulting map and the financial funding information in Paper III should therefore be seen as indications rather than absolute manifestations.

**Theory-driven thematic analysis**

All the research papers build on thematic analyses of the empirical materials. Thematic analysis is a form ‘of qualitative data analysis that principally focus[es] on identifying, organising and interpreting themes in textual data’ (King & Brooks, 2018, p. 2). Themes are recurrent topics or patterns within empirical data that appear relevant to the researcher for answering the research questions. In critical realist terminology, such recurrent trends or patterns in the data are called demi-regularities (Fletcher, 2017).

The critical realist variant of thematic analysis develops in stages. These different analytical steps reflect the stratified ontology of critical realism, and its theory-
dependent nature requires that the researcher engages with the data through a specific theoretical lens (Wiltshire & Ronkainen, 2021). The first phase in all the individual analyses of the papers was concerned with the creation of initial topic-based and theory-based codes, which were then applied to the interview transcripts and documents in a first round of deductive coding (Maxwell, 2012). A second round of code refinement followed whereby inductive codes also emerged. The aim of these two rounds of coding was to capture themes (or demi-regularities) related to metagovernance (Paper I), organisational practices and strategic selectivity in tourism development (Paper III and Paper IV) and entrepreneurial agency (Paper IV) covering the empirical level of reality. The next step included the reduction of codes and redescription of the remaining demi-regularities in a more conceptual manner by situating them within existing literature to cover the actual level of reality. The final phase involved generating ‘theories about the properties and powers that must exist in order to produce the phenomena being studied’ (Wiltshire & Ronkainen, 2021, p. 164). Here, the task was to infer to the real level via retroduction, resulting in middle-range theorisations regarding the mechanisms that condition the observed and described phenomena.

Limitations and delimitations

This dissertation has several limitations and delimitations, pertaining to the critical realist metatheoretical framework, the qualitative case study methodology, the choices regarding the specific phenomena observed within Arctic tourism, and the article-based structure.

Geographically, the individual papers included in this thesis exclusively examine Arctic tourism and Arctification in Finnish Lapland and Norrbotten, but also Västerbotten is considered in Papers II and III. Similar Arctic tourism paths are evident in other member states of the Arctic eight, most prominently in Canada (Keskitalo, 2004) and Iceland (Lund et al., 2018), but this thesis omits these cases. The exclusive focus on Lapland and northernmost Sweden is motivated by the relatively new turn in Norrbotten (and Västerbotten) to produce winter tourism for international travellers (Müller & Viken, 2017), and to compare this to the situation in Lapland, where winter tourism is a well-established economic pillar. However, a relatively recent development in both of the neighbouring counties is that tourism is produced under an Arctic umbrella, which is said to have altered the regional tourism sectors significantly (Müller & Viken, 2017; Rantala et al., 2019). The aim is therefore to compare Arctic tourism pathways in the two counties (with different national administrative systems and institutional legacies) and to gain an understanding of the mechanisms that drive this form of touristic production and how it is integrated in pre-existing regional conditions for tourism development. Thus, the thesis’ empirical results cannot be
generalised to other geographical contexts because they represent place-specific observations. Transferability instead emerges through the resulting middle-range theoretical explanations that can be further refined within other empirical contexts (Jessop, 2005; Vincent & O’Mahoney, 2018). Nevertheless, ‘no explanation is ever complete. It can always be re-defined and/or questioned by making the explanandum more concrete and/or complex’ (Jessop, 2005, p. 44). The middle-range theorisations of Arctic tourism pathway dynamics provided here therefore claim neither universal applicability nor completeness, but one stepping stone in the evolution of social science theorising (Gong & Hassink, 2020).

Arctic tourism is defined in this thesis as highly commodified and export-oriented leisure travel. This type of tourism is not the only form of touristic production and consumption in Norrbotten and Lapland. For example, visiting friends and relatives, second-home vacationing, proximity tourism, or cross-border shopping are economically important for many destinations in both counties (Lundmark & Carson, 2020). However, Arctic tourism is arguably the most visible branch of tourism in both regions in terms of place marketing (see House of Lapland, n.d.; Swedish Lapland, n.d.) and receives most support when it comes to regional strategic tourism planning (Lapin Liitto, 2021; Invest in Norrbotten, n.d.). This strong public sector push for export-oriented Arctic tourism motivates the thesis’ predominant focus on this type of travel production.

Given the complexity of society, it is also impossible to capture all possible mechanisms, processes, and structural aspects that condition Arctic tourism pathways. This thesis is limited to examining metagovernance constellations, public funding, and the relations between strategically selective institutional environments and agents’ strategic calculations in the context of resort enclave development. From these empirical settings, inferences are made to mechanisms and processes. It would also have been possible to look into Arctic tourism path creation from a more sociological and agency-specific viewpoint, that is, to examine individual tourism entrepreneurs’ reasons for establishing winter-based tourism firms and then detail how their actions drive local tourism systems (e.g. Carson et al., 2018). Greater emphasis could also have been placed on the role of external actors, such as tour operators, or global consumer trends for regional tourism pathways (Ioannides, 1998). Moreover, nature, and especially free access to natural resources, could have been factored into the tourism production process. This omission reflects a wider shortcoming within the evolutionary economic geography literature, where the co-evolution of economy and environment are generally overlooked even though the interrelations between economic production, societal well-being, and planetary health represent ‘one of, if not the, central challenges of development in the 21st century’ (Patchell & Hayter, 2013, p. 111).
Further limitations of the scope and scale of the case study methodology and the set of methods employed concern the article-based dissertation structure as well as the impacts of the COVID-19 pandemic on tourism research. The framework of this thesis, building on individual papers, led to focusing on several specific aspects within the case regions instead of broadly but thoroughly looking at the whole regional tourism system in relation to Arctic tourism pathways. An example of such case studies is the path tracing approach (see Sotarauta & Grillitsch, 2022; Stihl, 2023). Moreover, the international travel restrictions in the wake of the COVID-19 pandemic severely interrupted this thesis’ process. Initially, observations, company visits, and face-to-face stakeholder meetings were planned, which would have added greater detail to the understanding of export-oriented Arctic tourism, but these could not be undertaken. Instead, more emphasis was placed on desk research and the intensive study of policy and planning documents resulting in Papers I and II.

There are also limitations within the empirical data. The weaknesses of the spatial funding data are described in detail in the section on spatial mapping. A larger number of interviews would have been valuable for a better understanding of entrepreneurial agency in the case of resort enclaves in Norrbotten and Lapland (see Paper IV). All companies that were identified in a prior mapping exercise were contacted, but only a handful of entrepreneurs or operating managers were willing to take part in an interview. Some of the contacted entrepreneurs explained their lack of interest in participating in the study with reference to time constraints and research fatigue because this type of explanatory social science research usually holds no tangible benefits for their businesses (see Clark, 2008).

**Ethical considerations**

Extrinsic and intrinsic ethical contemplations are indispensable for contemporary social science research that is conducted responsibly (Fisher & Anushko, 2008). The extrinsic dimension refers to the official standards and institutionalised responsibilities of researchers that guide how social science research can and should be conducted. For this thesis, no research approval by the Swedish Ethical Review Authority was required. The individual studies neither touch upon sensitive domains of human life, such as ethnicity, political opinions, religious beliefs, trade union membership, health, or sexual orientation, nor did they pose a threat to research participants’ health and wellbeing. The focus of the interviews was on different public, semi-public, and private organisations’ or firms’ professional conduct in tourism, not on the personal life of the interviewees. Given the research participants’ executive positions in public organisations and private firms alongside their professional expertise, there was also no grave power imbalance between researcher and
researched that would have required an external ethics approval, as is the case when interviewing for instance underaged or socially disadvantaged people.

All interviewees were contacted by email, detailing the purpose of the study, an estimation of the duration of the interview, the scope of the interview questions, and a clarification that the conversation will be recorded, transcribed, and electronically stored. Prior to the interviews, informed consent was obtained from all research participants. Everyone participated voluntarily and the participants were told before the interview that they may decline to answer specific questions and withdraw their participation at any time without consequences. The interviewees were also assured that no personal details would be mentioned in research outputs, and each interviewee was invited to ask questions regarding the research project.

The intrinsic dimension of ethics concerns the axiological position immanent to the selected research paradigm as well as the nature of ‘sound’ scientific results (see Guba & Lincoln, 1994). Critical realism posits that research is value laden and holds emancipatory potential (Danermark et al., 2019). Yet, within critical realism there is a more moderate stream that limits the task of science to the explanation of social reality (Pawson & Tilley, 1997), while a more activist wing of critical realist scholars seeks normative critique of unjust structures and to devise and promote alternative pathways (e.g. Olson & Sayer, 2009; Sayer, 2011; 2015). This thesis limits itself to the former stream, which is predominantly concerned with scientific explanation. The value of such research is to contribute truthful knowledge to the existing literature and to render entry points for the critique of social phenomena. This might then inform further research that envisions alternative forms of social organisation and offers practical guides to action. As such, the thesis and the research results of the individual papers are not (directly) useful for the individual study participants, and their efforts and time are not compensated. However, I as a researcher directly benefited from the interviewees’ professional insights into the tourism sector in Finnish Lapland, Norrbotten, and Västerbotten while the study participants received nothing in return.

Another aspect entailed in the relation between the researcher and the researched relates to epistemology and the representation of participants’ accounts of reality. Unlike constructivism that seeks authentic reconstructions of research participants’ specific viewpoints (Guba & Lincoln, 1994), critical realist judgemental rationality holds that claims to knowledge and truth are fallible, including the explanations provided by research participants. Researchers therefore read statements made in interviews through the lens of a chosen theoretical framework. Critical realist epistemology may thus appear ‘disempowering for participants’ because of the underlying implication that ‘the
scientist knows best’, and interviewees might not agree with a certain explanation given by the researcher or may feel misrepresented (Fletcher, 2017, p. 188).

Nevertheless, interviewees’ experiences and insights into a phenomenon may also challenge and amend existing scientific knowledge and theory (Redman-MacLaren & Mills, 2015). For instance, the interviews with resort enclave entrepreneurs in Paper IV provided a more place- and context-specific view on this type of tourism business model in Norrbotten and Lapland, differing from the common conceptions that usually draw upon examples from the Global South (e.g. Saarinen, 2017). Some of the interviewed entrepreneurs in Lapland and Norrbotten display a high degree of place leadership and create socio-economic benefits and opportunities for local inhabitants.
VI Paper summaries

This chapter presents the individual research papers. After a brief outline of the rationale for each paper and its individual contribution to the thesis and to tourism geographies, a summary and the findings of each article are presented.

Paper I: Unpacking the multispatial configurations of metagoverning tourism development: a longitudinal application of the TPSNE framework

Co-authored with E. Carina H. Keskitalo

Paper I offers a longitudinal analysis of how national priorities and metagovernance have been setting the frame for different regional tourism development pathways in Lapland and Norrbotten. By doing so, the study responds to calls for a more thorough integration of macro-level perspectives into evolutionary economic pathway studies, as major extra-regional regime shifts have a crucial bearing upon innovation and economic transformation within regions (Essletzbichler et al., 2023). In addition, the historical examination of tourism development in relation to metagovernance explains the transforming ‘social, economic and political relations’ associated with Arctification that Müller and Viken (2017, p. 288) emphasised. The paper also contributes to the scant literature on metagovernance in tourism (Amore & Hall, 2016) by presenting Jessop et al.’s (2008) spatial framework as a useful analytical tool for governance constellations beyond the conventional division into hierarchy, market, network, and community archetypes. Adopting a longitudinal macro-perspective, this paper sets the scene for the papers to follow and shows tourism geographies ‘in the making’.

Summary

Drawing upon Jessop et al.’s (2008) territory (T), place (P), scale (S), and networks (N) matrix, augmented by environment (E) as a further analytical category, the paper analyses the development of tourism metagovernance in Finnish Lapland and Norrbotten from the late 19th century to the present. The advantage of this heuristic framework is that the different components of socio-spatial organisation implicit in metagovernance are examined in relation to one another. Paper I then links these time- and space-specific configurations to tourism development in Lapland and Norrbotten. In this way, the paper identifies the wider conditions for tourism development, including its underlying rationales as to what kind of development is possible, which actors are the driving forces in tourism development, and for whom tourism is developed.
Empirically, the study draws upon the analysis of a wide range of documents such as policy and strategy papers, expert reports, historical secondary sources, destination management organisations’ websites, and previous academic research. These materials are supplemented by 16 interviews with local and regional tourism experts. The findings of the study are organised along a timeline corresponding to larger shifts in geo- and socio-political organisation, commonly framed as the transition from pre-Fordism via welfare state Fordism or spatial Keynesianism to the networked and neoliberal competition state (Bohlin et al., 2014; Kantola & Kananen, 2013; Moisio & Paasi, 2013).

During the period from the beginning of organised tourism in 1870 to the end of the Second World War, tourism metagovernance was pursued largely in a territorialising manner, with territory and environment as its major objects. The governments of Sweden and Finland did not steer tourism directly but supported elite networks that promoted domestic travel and created touristic infrastructure. Tourism development in Finland and Sweden was part of the quest for control over territory connected to a ‘nationalism from above’, aiming to root the population in state space through the invention of a shared cultural history, folk tradition, and national landscapes (Moisio & Paasi, 2013). The northernmost regions of both countries were essential in these endeavours, both geoeconomically (in terms of national wealth generation based on resource extraction in Norrbotten and Lapland) and ideologically (grounded in nature symbolising both countries’ Northerness). Thus, domestic tourism development in Lapland and Norrbotten was part of both states’ attempts to secure territorial unity and a loyal population. Even though tourism at the time was mainly accessible to the metropolitan bourgeoisie, bureaucrats, and people in paid employment, the mounting tourism and science reports of the North in print media and films conveyed the desired spatial state and place imaginaries across the whole country (Sörlin, 2002). Thus, distinguishing for tourism metagovernance was a territorialising approach to socio-spatial relations, and tourism development in Lapland and Norrbotten was largely conducted by elites for elites who supported nation-building state agendas.

In the period from 1945 to 1990, tourism metagovernance was characterised by the transformations of the Nordic welfare states. During the post-war welfare boom, the Finnish and Swedish governments facilitated access to domestic tourism for the broad population as a means to enhance social stability through consumption as well as to showcase a healthy, unitary, and nature-loving Nordic society to the world. Both states’ far-ranging planning regimes focused on the reduction of uneven development and class disparities (Moisio & Paasi, 2013). Thus, the underlying socio-spatial relations of tourism development revolved around the equalisation of places within the national territory. Due to recessions from the 1970s onwards, economic restructuring, and the related growing socio-
economic discrepancies between the northernmost parts and the metropolitan South of Finland and Sweden, political ambitions for regional development through tourism entered the scene. While Finnish Lapland adopted centre-based tourism development and a boosterist approach to tourism from the late 1970s onwards, in Norrbotten the sector remained a rather secondary economic activity because the dominant resource and manufacturing industries provided higher-paying employment and greater export value. Distinctive of the period until the 1990s was not only the strong role of the state in governing tourism in tandem with the municipalities but also the visions of socio-spatial homogenisation and welfare provision contained within planning and tourism development, fostering the introduction of mass tourism based largely on recreation in nature. This era can be seen as a transition from more territorially based metagovernance to a focus on placemaking steered by the state.

From the 1990s to the present, the complexity of tourism metagovernance in Finnish Lapland and Norrbotten grew enormously, not least due to the accession of Finland and Sweden to the EU. In addition to the upward and downward governance expansion, governance extended also sideward. Public–private partnerships and projects became increasingly important steering entities for tourism. Implicit in this metagovernance framework has been an underpinning value informed by neoliberalist and competitive thinking that entailed a shift from redistributive compensation for economically lagging areas in northernmost Finland and Sweden to supply-side policies and structural funding promoting entrepreneurship and place-based initiatives for economic growth (Lidström, 2020). In this context, the sector began to be defined by the growing role of tourism entrepreneurship and export-oriented tourism as a means for place-based regional development rooted in the commodification of local culture and nature. The differently scaled networks for channelling and supporting private-sector tourism development were central here. The Arctic emerged both as a forum for inter-regional networking with a direct link between local places and the EU, and as a spatial representation of Lapland and Norrbotten that enabled upscaling and cooperation in a global tourism sector. This identification with the Arctic was also pushed by tourism firms’ and destination management organisations’ production of Arctic place images for international visitors through product development and branding. For international tourism, the Arctic signifies a unified destination largely defined by its environmental features, which can be easily consumed and reproduced. Overall, the metagovernance of tourism development since the early 1990s has been revolving around networking and (re)scaling as structuring principles, with export-oriented economic growth becoming increasingly central in socio-spatial relations.
Paper I demonstrates how macro scale institutional changes condition the selection environment of tourism development (Essletzbichler et al., 2023). The results show how these transformations profoundly impact on how, by whom, and for whom tourism is produced. Arctic tourism, and Arctification along with it, differs from other forms of tourism practiced in Lapland and Norrbotten due to its complex governance structure that connects local places to global networks, the strong political emphasis on export-oriented tourism and private entrepreneurship, as well as its global sense of place.

**Paper II: A geopolitical outlook on Arctification in northern Europe: insights from tourism, regional branding, and higher education institutions**  
*Co-authored with Alix Varnajot*

While the preceding paper enquired into the wider socio-economic transformations that conditioned Arctification in tourism, this paper looks into how the Arctic is produced on the regional level from within northernmost Finland and Sweden. The paper demonstrates how the spatial re-imagination of northern Europe as part of the Arctic (Müller & Viken, 2017) is not just a phenomenon in tourism but also apparent in other sectors. As specific examples of the strategic utilisation of the Arctic, the paper discusses regional branding, the profiling of higher education and research institutions, and tourism. Overall, Paper II contributes to a better understanding of the Arctic as a space that is constantly ‘made’ not only within the high politics of states or the low politics of the Arctic Council, but also by various sub-national actors.

**Summary**

This paper draws upon secondary material and offers a conceptual interpretation of Arctification through the lens of Moisio’s (2018, p. 41) approach to critical geopolitics, which frames geopolitics as ‘the production of territories of wealth, power, security and belonging [...] [including] the conflicts and contradictions entailed therein’. A central concern of critical geopolitics is that also non-state actors ‘make geographies’ and engage in everyday bordering practices. Paper II exemplifies this on the cases of regional branding, higher education and research institutions, and tourism in northern Sweden and Finland, which represent the central societal spheres of academia, industry, and government. Given that Finland and Sweden historically had no Arctic conception of their northernmost internal territories prior to their Arctic Council membership (Keskitalo, 2004), it is interesting to discuss how the Arctic came to dominate and is actively produced within these three realms.
In tourism, the Arctic is increasingly moving southwards as travel firms below the Arctic Circle are producing distinctly Arctic-themed winter tourism for international markets. Regarding regional branding and strategic planning, particularly Finnish Lapland has been emphasising its central Arctic position to enhance its political and economic standing. With respect to higher education and research institutions, several universities and higher education networks in northern Finland, Sweden, and Norway build their research profiles on the Arctic and promote themselves as providers of knowledge about and for the Arctic. By referring to the Arctic, a region of global significance, they upscale the importance of their research outputs from the local to the global level. The paper argues that the Arctic in all three cases serves as a means to create visibility in a global economy, and it also shows how globalisation is produced locally.

**Paper III: Public funding and destination evolution in sparsely populated Arctic regions**

*Co-authored with Doris A. Carson, O. Cenk Demiroglu, and Linda Lundmark*

Building on the findings of Paper I concerning the importance of regional development funding and EU projects for tourism in northernmost Sweden and Finland, Paper III examines how funds for the travel and hospitality sector in Lapland and Norrbotten (along with Västerbotten for a Sweden-internal comparison) were allocated between 2007 and 2021. Although public funding is a key instrument within the European Union’s Cohesion Policy efforts for peripheral and sparsely populated areas (Estol & Font, 2016; Rauhut & Marques da Costa, 2021), only limited research attention has been given to its regional impacts (Almstedt et al., 2016). In general, most studies on EU funding and Cohesion Policy are quantitative and assess the effects of financial assistance on regional growth. Nonetheless, research results have overall been inconclusive as to whether or not public funds prompt regional economic growth (e.g. Giordano, 2017; Llorca-Rodriguez et al., 2021; Medeiros, 2017; Nijkamp & Blaas, 1995). Paper III adds to these enquiries by contributing with qualitative insights into what kind of tourism paths have been supported by the European Regional Development Fund (ERDF) in the three counties and how fund allocations materialise spatially. The paper also unearths how regional development agencies make decisions about allocating funds and prioritise certain developments and locations over others, thus illustrating how institutional strategic selectivity and public support for tourism pathways plays out ‘on the ground’.
Summary

Based on expert interviews, document analysis, and spatial mapping, this paper analysed the impact of institutional strategic selectivity on tourism pathways in the three counties of Norrbotten, Västerbotten, and Lapland in the context of regional development fund allocations. Regarding public–private tourism projects, the findings illustrate that due to the bureaucratic top-down and prescriptive set-up, there oftentimes occurs a mismatch between the aims of development projects and the actual needs of remotely located tourism micro-businesses. For many small firms, investments in the joint destination infrastructure would be the most beneficial for business development, but project themes prescribed by higher-level strategies frequently remain too abstract and impractical to translate into local-level path creation. A further aspect that impedes the consolidation of pathways initiated by public–private projects concerns the temporary nature of these initiatives. When private sector buy-ins are absent, projects frequently cease when the two-year funding period ends without a lasting impact on the local tourism system. This project short-termism was identified by the interviewees as a significant challenge for long-term destination management. Regarding institutional strategic selectivity, it is generally difficult for small organisations without sufficient resources to apply for funding. Hence, larger organisations and established actors, who possess the expertise and resources for grant applications, are structurally privileged, leading to situations where ‘money goes where money already is’, as one of the interviewees put it. This is also tied to the tendency of actors of similar status and power to favour collaborating in projects through existing networks and within national or regional boundaries instead of engaging in larger cross-border projects with new partners. Overall, the findings indicate that funding schemes commonly privilege established actors and ideas over emerging organisations and aims that do not fit with a pregiven funding framework.

When it comes to the geography of fund allocations for private tourism firms, there are significant differences between Västerbotten, Norrbotten, and Finnish Lapland, as depicted in Figure 14. The path-dependent legacies of Finnish Lapland’s centre-based development strategy are evident in the rather polarised tourism landscape. ERDF funding was predominantly channelled into facilitating growth in the region’s tourist resorts. Due to a more recent strategy shift, public grants are now also available to tourism enterprises located outside of the resorts and tourist hubs. Another characteristic of institutional strategic selectivity is the exclusive prioritisation of export-oriented tourism firms that are already somewhat established on the market. Companies with a focus on Arctic themes, especially micro resort enclaves, received particularly large grants. Investing in established actors who advance export-oriented tourism development projects offers potentials to spread such development into previously underdeveloped regions.
rural areas, while it reinforces other aspects of uneven development with respect to the increasing concentration of market power within the hands of a few key businesses.

In Norrbotten and Västerbotten, the allocation landscape of regional development funds differs from Lapland as the tourism sector is more scattered. While funding clusters in the mountain destinations on the western fringe, and a few Arctic winter destinations (around Kiruna, Luleå, Arjeplog, and Arvidsjaur), businesses across the region received development funding owing to the strategic priority of funding for sparsely populated inland areas. The funded tourism micro-businesses mostly invest in expanding their existing operations, including more traditional forms of tourism (e.g. fishing tourism, nature-based activities, and camping grounds) which typically cater to cross-border and domestic customers. It is common that tourism firms receive several rounds of funding, allowing them to develop their firms in a more incremental and organic manner without the active push of regional development agencies for export-oriented signature products as observed in Lapland. This way of allocating funding seems to be a legacy of Sweden’s redistributive welfare state policy approach to regional development.
Figure 14. Regional development fund allocation in Lapland, Norrbotten, and Västerbotten 2007–2021. Source: Bohn et al. (2023).
Moreover, during 2020 and 2021, when international travel was restricted due to the COVID-19 pandemic, many semi-professional or part-time operating micro-sized tourism firms in Västerbotten and Norrbotten could simply ‘hibernate’ without needing the state bailouts and ad-hoc rescue packages that Lapland’s export-oriented tourism firms relied upon to survive the crisis. Thus, small companies with a foothold in other economic branches can be more resilient than large mono-industrial businesses specialised in Arctic tourism and international markets.

Paper III reveals that the institutional grounding of regional development funding generally facilitates more reproductive and incremental forms of tourism development than radically new pathways. In the context of public–private projects, this materialises in the oftentimes limited impact of these initiatives on actual industry pathways due to the absence of significant business buy-ins. A further observation is the structurally inscribed bias of funders towards established ideas and actors who have the resources to apply for grants, which together might aggravate uneven development and increase the power gap between different stakeholders. Regarding the opportunities created by funding for private enterprises, institutional strategic selectivity in Lapland channels ERDF funding into export-oriented firms that might bolster replicative Arctic tourism and enhance the sector’s volatility to shocks, as experienced during the COVID-19 pandemic. In Norrbotten and Västerbotten, funding is also available to tourism enterprises targeting domestic markets and for small and incremental business development. Altogether, the findings corroborate the significant role of path-dependent institutional settings for tourism development and regional opportunity spaces in sparsely populated areas, as well as the difficulties of actually mitigating uneven development through regional development funding.

**Paper IV: Agency and strategic selectivity in regional opportunity spaces: understanding the case of Arctic-themed resort enclave development**

Paper IV explains the rapid expansion of Arctic-themed resort enclaves, a distinct tourism product in Lapland and Norrbotten, by considering the interrelation between entrepreneurial agency and institutional strategic selectivity embedded in wider regional opportunity spaces. The article contributes to the burgeoning evolutionary economic geography literature on entrepreneurial agency in the context of regional opportunity spaces for tourism (Bækkelund, 2021; Stihl, 2022; Taylor et al., 2019) and explicitly addresses the gap in evolutionary economic geography that persists with respect to the impact of private and public financing on pathway evolution (Essletzbichler et al., 2023).
Summary

This paper expands on the finding in Paper III that a notable number of Arctic-themed resort enclaves received substantial amounts of public funding, especially in Finnish Lapland but also in Norrbotten. The study explores regional opportunity spaces for the replication of Arctic enclaves in terms of the strategic selectivity of institutions connected to entrepreneurs’ strategic choices for this business model. The paper builds on in-depth expert interviews with tourism entrepreneurs, executive managers of tourism organisations, and representatives of funding and financing agencies.

The first Arctic-themed enclaves in Norrbotten and Lapland were founded by innovative entrepreneurs who could be considered change agents and opened up new pathways for winter tourism development across the whole region, turning ice and snow into a sought-after experience for upmarket segments. It took about a decade until a second generation of entrepreneurs began to replicate this particular tourism business model across both regions. The window of opportunities to reproduce the Arctic-themed enclave was opened by end-consumer and business-to-business demand for Arctic winter experiences, coupled to endogenous resource mobilisation for export-oriented tourism development and Arctic place branding. The enclaves condense all the exotic attributes associated with the Arctic by marketing the venues as unique micro-destinations where guests can experience the aurora borealis and northern nature from the comfort of an indoor environment and in private or small group excursions. In Lapland, the most common types of enclaves are glass igloo resorts, which have become a ‘bucket-list’ item on travellers’ itineraries, while high-end lodges are more common in Norrbotten. The demand for such single-unit accommodation venues, which emphasise sentiments of privacy, self-care, and luxury, accelerated further in Lapland and Norrbotten after the COVID-19 pandemic, particularly in upmarket segments.

The entrepreneurs’ underlying strategic calculation to replicate the enclave product in particular is grounded in the geography of Lapland and Norrbotten, along with personal aspirations and the current strong market demand for Arctic tourism promising lower-risk investments. A common trait is that the enclave entrepreneurs have vast experience of the tourism industry or of entrepreneurship more generally, and they deliberately selected the enclave model because of the persistently growing demand for Arctic-themed enclaves and winter tourism in the region, thus reducing the risk of business failure. An additional aspect motivating their choices is that targeting upmarket or high-end segments constitutes one of the more lucrative tourism business models in Lapland and Norrbotten.
Regarding regional geographical conditions, the enclave model is beneficial for places far away from major landmarks or touristic infrastructure. Entrepreneurs in Norrbotten emphasised that as an independent micro-destination offering all necessary services, the enclave helps to overcome distance decay and lack of critical mass of complementary service providers, and the low volume–high yield model renders the business profitable in areas that cannot attract or accommodate mass tourism. The enclaves in Lapland are frequently located near the large resorts, and in this context the enclave model is of avail for industry newcomers to create a ‘destination within a destination’ and to circumvent the established power structures characteristic of the region’s tourist centres. In addition to mere business profitability calculations, some entrepreneurs underscored their personal motivations to run such a tourism venue as being rooted in the possibility of turning ideas into products, being one’s own boss, and being able to educate tourists. Altogether, these entrepreneurial pursuits are not only characterised by reproductive agency (i.e. reproducing similar or slightly modified products that contribute to the consolidation of a particular path), but some of the interviewed enclave owner-operators also display active place leadership when it comes to their roles in strengthening the support for (or participation in) these tourism ventures in local communities that have previously had limited exposure to this kind of tourism. Successful enclaves in Lapland and Norrbotten have not only triggered business spin-offs within the local population that consolidated tourism pathways in the wider region, but some enclaves also work closely with people who live nearby and grant them an opportunity for professional diversification, for instance by offering guided tours and outdoor activities. This strategy also helps the enclave entrepreneurs to bypass labour shortages and to build a critical mass of products and local capital.

From an institutional vantage point, access to funding and financing is a precondition for individual firm growth as well as sectoral pathway evolution. Paper IV confirms previous studies’ findings that credit opportunities for companies in sparsely populated areas are often constrained as a result of less valuable collateral, lower cash flows, and physical as well as social distances to main capital markets (Kärnä & Stephan, 2022). Private banks are risk-averse regarding loans for tourism development, especially in Norrbotten; thus, it is indispensable for tourism firms that state-owned financiers provide not only regional development funding but also top-loan guarantees and venture capital. Over the past ten years, low interest rates stimulated tourism investments in Lapland in particular, but due to the war in Ukraine and rising inflation, interest rates have increased sharply. The public sector alleviates this situation somewhat by offering firms in northernmost Finland and Sweden additional EU and national funding possibilities. Furthermore, international investors become increasingly intertwined in the reproduction of the enclave model in Lapland and Norrbotten. International tour operators in particular seem to be interested in
investing in the small high-end or larger upmarket enclaves in Lapland and Norrbotten, but the entrepreneurs themselves are also trying to attract shareholders, for instance on a time-share basis or through new forms of investment such as crowdsourcing.

To conclude, Paper IV shows that the reproduction of the Arctic-themed enclave as a central component of the wider Arctic tourism pathway in Lapland and Norrbotten is a result of external demand, region-internal resource mobilisation for tourism development, and a state-backed financing landscape that provided an opportunity space for highly industry-experienced entrepreneurs to replicate the enclave business model. In turn, the Arctic enclave is a viable product for tourism in Lapland and Norrbotten because agglomeration deficiencies distinctive of sparsely populated areas and the rigid power hierarchies governing resorts can be alleviated by absorbing all the essential tourism services including accommodation, hospitality, and activity programmes.
VII Findings and discussion

The objective of this chapter is to discuss the case study findings in relation to the theoretical framework combining evolutionary economic geography, geographical political economy, and the strategic relational approach to structure and agency, and thereby answer the research questions. The chapter is structured to show the different yet interconnected scalar layering that explains pathway dynamics, namely as an interrelated outcome of wider macro scale politico economic transformations, meso scale institutional strategic selectivity, and micro scale agency. The first section addresses the macro scale perspective, covering the wider political economy and metagovernance environments that provide the overall directions according to which tourism develops. The second section focuses on the meso scale and discusses the impact of regional institutions’ strategic selectivity on tourism pathways in the context of funding and financing. The third section thematises the micro scale and elaborates on how strategically calculating agents engage with the constraints and opportunities generated by these higher-level entities and consolidate tourism pathways. The final section critically discusses the opportunities and limits of Arctic tourism in the sparsely populated Swedish and Finnish North.

Macro scale trajectories, political economy, and tourism pathways

A major contribution of evolutionary economic geography perspectives to tourism studies has been to approach sectoral pathway progression as a non-linear, non-equilibrium, and non-deterministic process shaped by multiple interdependent forces, regional context, and path dependent history. Although it has been widely noted that global political economy and broader development regimes are a major catalyst for path dynamics on the local-level (e.g. Brouder et al., 2017; Sanz-Ibáñez & Anton Clavé, 2014), relatively few studies have empirically examined the influence of these macro scale issues beyond conventional demand perspectives and how tourism co-evolves with political institutional contexts (c.f. Agarwal, 2005; Carson & Carson, 2017). The first research question therefore asked in what ways such macro scale trajectories create the preconditions for local tourism pathways and how these can be studied. In Paper I, this general yet abstract category of ‘global trajectories’ was operationalised through the concept of metagovernance, which refers to the process of how the state steers the economy, society, and environment alongside private and civic actors (Jessop, 2016). From a geographical vantage point, metagovernance operates through time-specific socio-spatial territory, place, network, and scale configurations that respond to global and domestic economic, social, ecological, and political circumstances and crises in order to uphold
political legitimacy and capital accumulation (Jones, 2018). The choice of certain socio-spatial governance configurations to steer economic or societal concerns (or tourism) also rests upon values and norms, as it privileges certain actors and strategies over others and creates opportunities for some social strata while marginalising others (Amore & Hall, 2016). In the context of tourism, the specific configurations of governance shape ‘how decisions about future developments of destinations are made, which actors and institutions are empowered to make them, [and] where they are made and in whose interest’ (Nordin et al., 2019, p. 24).

**Changing relations in tourism pathway development**

By taking a longitudinal perspective, Paper I follows metagovernance transformations in Lapland and Norrbotten over a period of roughly one and a half centuries and showcases how ‘history matters’ not only in regional economic geography (Henning, 2019), but also in tourism development. In particular, the analysis demonstrates how the function of tourism, the actors involved in tourism, and the recipients of tourism development have shifted over time depending on state priorities. Until the end of the Second World War, tourism development in Lapland and Norrbotten was deeply intertwined with nation-building and territorialising metagovernance, driven by elite networks. Tourism served as a means to create a shared national history and traditions, and to display the greatness of Finland’s and Sweden’s territory to the population and to the world (Moisio & Paasi, 2013). While the actual consumption of tourism was mainly reserved for elites and people in paid employment, the many travelogues and touristic images of Lapland and Norrbotten were widely distributed among the broader population to spur national patriotism and a shared understanding of state space (Hautajärvi, 2014; Sörlin, 2002).

During the post-war period until the late 1970s, tourism development was part and parcel of welfare state politics and metagovernance attempts to socio-economically equalise places and social conditions. Top-down state metagovernance set the conditions for network formation to facilitate leisure and domestic consumption in order to foster a loyal and healthy, nature-loving society that represented Sweden and Finland to the world (Löfgren, 2001). Yet, in the wake of major economic crises and declining primary production, resource extraction, and manufacturing in Norrbotten and Lapland, social value-focused tourism metagovernance transformed alongside the general turn in Nordic welfare states to a greater pronunciation of workfare and public service retrenchment (Kantola & Kananen, 2013; Moisio & Paasi, 2013). Particularly in Lapland tourism was increasingly metagoverned towards economic placemaking, also facilitating the privatisation of the sector, while in Norrbotten policy initiatives for tourism development remained more limited due to the greater
economic value of resource extraction and manufacturing industries (SOU, 1990). With the EU accession of Sweden and Finland in 1995, the metagovernance landscape of tourism became more complex as a result of an increasing emphasis on network creation and rescaling rooted in the upvaluation of place-based competitiveness, an entrepreneurial yet resilient society, and economic growth as the core of societal wellbeing (Kantola & Kananen, 2013). Thus, indicative for contemporary tourism in Norrbotten and Lapland is development through project-based public–private partnerships, private sector entrepreneurship, and a growing focus on export-oriented markets.

The wider regime shifts, often framed as a transition from pre-Fordism via Fordism to post-Fordism (Bohlin et al., 2014; Ioannides & Debbage, 1998; Moisio & Paasi, 2013), that manifested in tourism pathways in Lapland and Norrbotten focused on nation-building and binding the population to state space until the Second World War. Up to the 1990s, they focused on domestic tourism consumption for social equality and welfare, and from then onwards on steering tourism as an economic activity to generate export value. This has become particularly entrenched in Lapland, where tourism as a tool for economic growth as part of designated growth centres or resort towns has a longer history than in Norrbotten, where other industries have been more dominant and export-oriented tourism is a more recent and localised phenomenon (Kauppila, 2011; Lundmark & Carson, 2020). Nonetheless, it should be noted that these pathways are not the only and exclusive development routes that tourism in Norrbotten and Lapland has been taking (see also Chapter IV), but they are arguably the ones that are the most prominent or visible in public sector development strategies and place marketing.

This thesis therefore argues that how Arctic tourism unfolds as a pathway, including its changing ‘social, economic and political relations’ emerging through Arctification in northern Sweden and Finland (Müller & Viken, 2017, p. 288), also depends on these trajectories and their downwards causation. Through the concept of metagovernance, it becomes possible to study wider global developments and their impact on a distinct system in terms of how a state and its socio-economic environment absorb these factors (Jessop, 2016). In respect to Arctic tourism, metagovernance constellations comprise the policy environment and the conditions for regional-level tourism actors to respond to global demand for Arctic-themed tourism products. Characteristic of the politico-economic relations underpinning current Arctic tourism is economic growth as the raison d’être for investments in the travel and hospitality sector as well as the strong emphasis on entrepreneurs as economic agents. This also links to the changing social relations in Arctic tourism. Paper IV highlights the increasing emphasis on international upmarket and high-end segments contrasting previous Nordic ideals of egalitarianism and access to tourism for everyone.
regardless of financial power (see Stihl, 2022). Coupled to the rising demand for exclusive resort enclaves, this development trend also reflects global political economy transformations whereby many destinations around the world refocus from mass tourism to low volume–high yield business models (e.g. Capellà Miternique, 2021; Hof & Blázquez-Salom, 2015). The accelerating interest of upmarket segments in venues that offer a high degree of privacy and solitude is not only a response to health concerns triggered by the COVID-19 pandemic, or shifting consumer preferences (Iloranta, 2019) but also mirrors the widening gap between the rich and the poor in developed nations, materialising progressively in spatial and socio-cultural segregation and a withdrawal from collectivist ideals (e.g. Sayer, 2015; Soules, 2021).

On a general level, Paper I corroborates previous conceptual works that emphasise the central role of metagovernance in tourism development through which the state, in collaboration with other private and civic actors, responds to socio-economic problems and thereby creates certain spatiotemporal conditions and policy priorities for sectoral pathway dynamics (Amore & Hall, 2016; Jessop, 2016; Nordin et al., 2019). It is important to consider the impact of macro scale issues in evolutionary analyses of local tourism pathways to understand economic selection, retention, and variation processes as well as non-transformations and negative lock-ins among both firms and institutional organisations (see Carson & Carson, 2017). A recent example is the COVID-19 pandemic, which triggered initial hopes for a greener and more socially just tourism after travel restrictions were lifted (Ioannides & Gyimóthy, 2020). Yet, the sector mostly rebounded in a ‘business as usual’ manner without any notable pathway transformations (e.g. Gössling et al., 2024; Scott & Gössling, 2022) due to a lack of systemic or higher-order politico-economic alterations that would have led to metagovernance changes, which then could have triggered local-level tourism pathway reforms (Bianchi, 2009; Hall, 2013). The findings in Paper III and IV reflect these circumstances, as the pandemic overall represented a short interruption of tourism whereby projects and investments were temporarily put on hold, but this seems to have had no profound impact on funding and investment priorities, which in fact remained unchanged. Even more so, the dominant tourism system, including its unsustainable components, were bailed out to survive the COVID-19 shock around the world. Factoring in macro scale aspects is also central when it comes to the limits and failures of certain policy instruments to steer tourism pathways. This was exemplified in Paper I on the case of sustainable tourism development relying upon voluntary certification schemes for firms. While the adoption of such ecolabels helps to improve the operations of individual businesses, the interviewees noted that such measures are insufficient for dealing with systemic market failures, such as seasonal over-tourism, and for managing sectoral growth in accordance with destination stakeholders’ wellbeing.
Globalisation and upscaling

Globalisation is a further dimension of Arctic tourism and Arctification that touches upon transformations in social and economic relations. As outlined in Paper I, Arctic tourism is characterised by a complex governance structure that includes vertical and horizontal networks that span across various scales and connect places across different territories. This is accompanied by a political economy that supports export-oriented tourism firms and representations of northernmost Sweden and Finland as Arctic regions that consumers worldwide easily recognise (Rantala et al., 2019). These globalisation processes framing Lapland and Norrbotten as ‘Arctic’ are not exclusive to tourism but also occur in other regional sectors, as discussed in Paper II.

The second research question therefore asked how tourism is intertwined with broader regional efforts in upscaling processes towards a global Arctic. Paper II answers this question and presents Arctic place-making interpath relations on the examples of regional branding, the profiling of higher education and research institutions, and tourism. Concerning place branding, particularly Lapland has been presenting itself in strategy documents as a reliable and centrally located partner for economic and social development in the Arctic, a region of global significance. Given the historically marginalised political and economic role of Lapland within a national context (Arter, 2001), upscaling to the ‘global’ Arctic can be seen as a strategy to counterbalance the phenomenon of ‘places that don’t matter’ (Rodríguez-Pose, 2018). This also entails direct lobbying connections to the EU circumventing the national level (Mattila et al., 2023), cross-border cooperation with the neighbouring European Arctic regions (Lapin Kauppakamari et al., n.d.), and attracting international investors to the region. In this regard, the Arctic location also becomes increasingly important for regional economic development in Norrbotten, even though Sweden has long been seen as a ‘reluctant Arctic citizen’ (Sörlin, 2014). One interviewee in Paper I stated that the negative connotation of the Arctic as a cold and peripheral region changed into the opposite, and in Norrbotten it is nowadays positively correlated with green re-industrialisation. Likewise, another interviewee emphasised that

If we look at our unique selling points, the Arctic climate is definitely one of the factors that we are lifting up when communicating with investors as well as the green electricity, 100% green electricity and the low energy costs, even if we are in the middle of this energy crisis, with prices going up and down, we still have in the long term a great offering there [...] If you look at the tourist industry and your target market are international travellers who maybe haven’t seen snow or haven’t really felt how it feels when it’s minus 30 degrees. So the Arctic climate is important. It’s one of our unique selling points, definitely.
Hence, the Arctic as a relational space and its natural resources and cold climate have become a competitive edge in a global economy. Bohn and Hall (2022) argue that tourism in this context also functions as an important image maker for Lapland and Norrbotten that widely disseminates both counties’ ‘Arcticness’ to the world. This predominantly connects to the stereotypical representations of the region as a natural and unspoiled environment offering enough space for different economic activities and a playground for exotic adventures and experiences (Rantala et al., 2019; Saarinen & Varnajot, 2019). Indeed, one of the interviewees (in Paper I) noted that the Arctic as a place image ‘resonates best’ not only with investors and companies but also with the potential new in-migrant workforce that is needed for the green re-industrialisation in Norrbotten and Västerbotten.

Arctic tourism marketing, in conjunction with wider regional branding, therefore fulfils a much broader role than just accelerating international incoming traveller flows. Both together have to be seen as inherently intertwined with other economic and political key priorities related to investment, employment, and the general standing of the North in the world. From an interpath perspective, then, the global Arctic view on tourism becomes part of broader efforts and complementary synergies to make northernmost Sweden and Finland attractive to investors to facilitate regional path renewal or path expansion in other key sectors.

The Arctic also garners considerable importance when it comes to research and higher education institutions. Many universities in the circumpolar North, also those located below the Arctic Circle, profile their research mission to generate knowledge of and for the Arctic region (Keskitalo, 2004), and individual studies on northernmost Sweden and Finland point out the Arctic location of their investigation context. This can be seen as a strategy to enhance the competitiveness of local research by situating it in a polar region that is ecologically, economically, and politically significant for the whole world. Moreover, this also implies an economic dimension, given the increasing need to be competitive in an (inter)national academic funding and research landscape.

To sum up, it is largely within these politico-economic processes that the Arctic has become a spatial reference frame in Lapland and Norrbotten, which did not traditionally exhibit any particular identification with the Arctic prior to the Arctic Council membership of Finland and Sweden in 1996 (Keskitalo et al., 2019). Yet, the growing economic opportunities associated with the Arctic increasingly push the region’s border southwards (Keskitalo, 2004; Väätäinen & Zimmerbauer, 2020). An argument of the thesis is therefore that the Arctic serves as a link between different sectoral regional paths, which helps to upscale ‘forgotten’ places in a global economy (Mattila et al., 2023). The Arctic provides
different actors a globally recognisable ‘story line’ with shared representations and ideas around which coalitions, products, policies, and economic actions can be formed (Mellon & Bramwell, 2018).

This also relates to the social component embedded within the economic Arctification of Lapland and Norrbotten. In addition to the impact of the Arctic as a sphere for cross-border cooperation in tourism slowly transforming the competition between northern Sweden, Finland, and Norway into cooperation, some interviewees highlighted the positive aspects of moving away from Lapland as a spatial historic description for the whole region (including the whole northern Fennoscandian peninsula) and instead using ‘Arctic’ as a historically neutral term. For instance, one interviewee (E5 in Paper IV) explained that for Sámi, the term ‘Lapland’ carries many negative and derogative connotations (e.g. Junka-Aikio, 2019; Lantto & Mörkenstam, 2008) and the Arctic for me doesn’t have this [historical] weight on it. So I actually enjoy if we can move away from Lapland and talk more about the Arctic [in tourism]. I’m the happiest. To be honest, I think Lapland is an old word that should be replaced.

In a commercial context, some tourism entrepreneurs who do not offer Arctic tourism products for export markets feel marginalised in respect to destination management practices and place marketing that focuses almost exclusively on Arctic-themed products and activities. Other tourism actors noted that the Arctic place image has become vital in attracting international travellers, but they themselves feel that ‘as local I know that the [high] Arctic is far away’ (Interviewee I11, Paper I). These findings indicate on the one hand that touristic Arctification has entailed power and market transformation within destinations (Müller & Viken, 2017), and on the other that the ‘self-Arctification’ of the local tourism sector also holds for some a deeper socio-cultural dimension and is not just a reaction to produce what sells on the market (see Keskitalo & Schilar, 2017). Another conclusion that can be drawn from the findings relates to ‘globalisation in the making’. Research results show that globalisation is not just a process overcoming places in northernmost Sweden and Finland ‘from the outside by external forces’ but is actively (re)produced locally (Massey, 2004, p. 98). This leads over to the following sections that move from examining the macro level to the meso and micro levels of tourism pathway creation. These two levels are also central regarding the explanation of local variation between Lapland and Norrbotten. Although the local reproduction of Arctification seems to lead to similar touristic pathways, spatial homogenisation, and assimilation, there are still differences between the two counties resulting from path-dependent regional institutions and institutional strategic selectivity.
Institutional strategic selectivity and uneven development

The third research question was concerned with how institutional strategic selectivity shapes regional opportunity spaces for tourism pathway dynamics. To reiterate, institutions encompass formal and informal social rules, values, and practices that govern human behaviour through institutional arrangements or organisational formations (Hall & Williams, 2020; Moulaert et al., 2016). Meso-level institutions mediate between macro-level trajectories and regional and local-level society and economy via a dynamic relationship between path dependence and path creation (Dubois & Carson, 2016). While institutions tend to be characterised by stability and the privileging of certain actors and strategies over others, thus making some pathways more likely than others, these constructs are not static, as change may occur not only through sudden systemic shocks but also gradually and bottom-up (Jessop, 2005; Mellon & Bramwell, 2018).

Papers III and IV answered the research question regarding institutional strategic selectivity in tourism in relation to the empirical cases of public funding and financing, which have been pointed out in previous studies as crucial for sectoral pathway development in sparsely populated areas (Almstedt et al., 2016; Müller & Jansson, 2007; Rodriguez-Sanchez et al., 2019). When it comes to public grants for public–private tourism development projects, the findings indicate that funders tend to favour established actors who possess sufficient resources to master grant bureaucracy and project themes that conform to existing funding guidelines. Thus, the institutional strategic selectivity implicit in regional development funding rather fosters pathway reproduction and incremental transformations instead of radical path creation by change agents or small organisations without sufficient resources. Further results also echo previous studies that highlight that actors tend to prefer collaboration with peers of similar status and power in existing national or regional networks (Shepherd & Ioannides, 2020), leading to a continuation or reproduction of established power constellations to the detriment of newcomers who might introduce alternative pathways.

The interviewees also confirmed that the financial benefits of public–private initiatives oftentimes remain within the project-executing organisations and seldom spur actual tourism industry path creation or wealth redistribution after the funding period ceases due to a lack of private sector buy-ins and community engagement (see Prokkola, 2011). A major obstacle for tourism path creation through public–private partnerships identified in Paper III is project short-termism (Shepherd & Ioannides, 2020; Sjöblom, 2009), meaning that short project cycles do not provide enough time for reproductive agency to gain traction. All interviewees noted that the temporal limitation of project funding causes difficulties for the generation of continuity and sustainability in
destination development, for instance when it comes to establishing new product paths and human resource management. Besides, the interview participants in Norrbotten especially highlighted that project-based development enhances selective privileging of certain tourism actors and firms because of the restricted thematic scope of projects and the need to match pre-established funding agendas. As a result, opportunity spaces for tourism development become narrower, particularly when it comes to the growing emphasis on supporting export-oriented tourism businesses to the detriment of firms that specialise in proximity and domestic markets. Altogether, institutional strategic selectivity in project funding tends to consolidate not only existing pathways but also prevalent power structures and may amplify rather than mitigate uneven development within regional opportunity spaces.

The same reproductive and path-plastic dynamics are apparent regarding regional development funding for private tourism firms. Another element in this context relates to the continuing influence of institutional decisions that were made in the past and resulted in different spatial patterns of tourism. While the massive state investment in tourism that was channelled into Lapland’s centre-based development strategy in the 1980s led to the creation of a highly polarised tourist resort geography (Kauppila, 2011), in northernmost Sweden the sector received less orchestrated state support and developed in a more scattered and small-scale manner in Västerbotten and Norrbotten. Public funding for private firms in Lapland generally followed this spatial pattern and reinforced the concentration of tourism in resorts that provided little economic spillovers into surrounding areas (Hakkarainen & Tuulentie, 2008). Owing to a strategy shift, regional development funding is now also available in locations outside of Lapland’s tourist resorts and is slowly dispersing the strong sectoral concentration within resort towns. Nevertheless, only export-oriented growth tourism businesses qualify for regional development funding, which has particularly benefitted firms specialised in Arctic tourism and leads to identical products and services offered across all destinations in Lapland. This type of institutional strategic selectivity seems to privilege low-risk firms promising fast returns on investments and pathway reproduction within existing markets rather than facilitating more uncertain but innovative path creation activities. A danger of this strategy lies in the replication of a ‘me-too innovation’ environment in which entrepreneurs invest in identical products for the same markets (Zach et al., 2021). Such tourism infrastructure, characterised by reproduction and isomorphism rather than variation and experimentation with new markets and business models, is susceptible to boom and bust cycles (Carson & Carson, 2017; Varnajot & Saarinen, 2022). Rural geographers argue that a key for thriving communities in sparsely populated and resource dependent regions is a vibrant business sector, supported by public organisations in order to innovate and to adapt to multiscalar socio-economic transformations (Halseth & Ryser, 2018).
In contrast, the path-dependent institutional landscape of the Swedish regions of Västerbotten and Norrbotten has kept a more redistributive approach to regional development funding in which all kinds of tourism firms regardless of product or market focus can receive grants. These firms typically apply for several rounds of smaller funding amounts that facilitate incremental but organic firm development. From an overall regional perspective, this kind of dispersed small-scale tourism does not represent a large economic pillar (Koster & Carson, 2019; Lundmark & Carson, 2020). Nonetheless, the interviews in Paper III revealed that these often semi-professional or part-time micro-firms proved to be more crisis resilient than Lapland’s large export-oriented enterprises during the COVID-19 pandemic since operations could simply lie dormant while the entrepreneurs gained incomes from other occupations. Thus, the economic contribution of tourism to sparsely populated areas should be measured not only in traditional terms of employment generation and growth but also on individual levels regarding the sector’s opportunities for resilience and livelihood diversification on the local level.

Even though both Sweden and Finland are part of the EU and subjected to its Cohesion Policy, how the regional development funding policy is implemented depends on national and regional priorities. Hence, how regional development funding affects current development hinges on the regional legacies of previous rounds of development, while successive funding cycles continue to exist or open up new opportunity spaces that in different ways contribute to aggravating and mitigating uneven development. Additionally, the strategic selectivity of regional state organisations plays a significant role in the context of tourism firm financing. Especially in Norrbotten, the interviewed entrepreneurs in Paper IV underlined the crucial role state-owned financiers have for regional development, compensating for the risk aversity of private banks with respect to lending money to low-asset tourism firms in peripheral areas. These state-owned financiers cooperate with private banks and secure loans through guarantees. An interviewee in Paper IV stated that without these public organisations and their financing assistance, ‘there would be no development here [in northernmost Sweden].’ Indeed, state-backed business financing (as part of an overall interventionist state system) has an interesting history in northernmost Sweden, where an enterprise finance fund emerged in the 1960s that was mainly built up through annual contributions by the state-owned mining firm LKAB. Ever since, this money has continuously been re-invested in small and medium-sized businesses in the region (see also Halseth & Ryser, 2018). It can therefore be argued that tourism in northernmost Sweden developed not only in concert with the mining infrastructure (Byström, 2019; Stihl, 2022) but also through some of the wealth generated by mining, which stayed within the region and stimulated the co-evolution of other industries (see Keskitalo et al., 2019). In turn, private banks are rather unwilling to lend money to low-collateral tourism businesses in
remote places without guarantee. This example on the one hand showcases the crucial role of the state for tourism development in sparsely populated areas, but on the other it also reveals the (increasingly) uneven relationship between the private banking sector and the state. Banks rely on the state to ‘de-risk’ investments by transferring illiquidity eventualities and the resulting losses to the public sector and society (August et al., 2022; Harvey, 2014).

**Entrepreneurial agency in regional opportunity spaces**

The fourth research question sought answers regarding *how the consolidation of tourism pathways can be explained from the viewpoint of entrepreneurial agency*. Paper IV examined this issue on the example of entrepreneurs’ strategic choices in replicating the Arctic-themed resort enclave, which has become a prominent product among the breadth of Arctic tourism experiences. Distinctive for the Arctic-themed enclave is that these venues form an independent micro-destination offering all necessary accommodation, soft nature-based activities, wellness activities, and hospitality services. In most enclaves, the touristic highlight is the architectural design of the single-unit accommodation facilities, merging Nordic minimalist interior design and large window fronts inviting guests to observe Arctic nature and the aurora borealis from a comfortable indoor environment. A further distinguishing feature of the Arctic-themed enclave is the product emphasis on privacy and self-care, providing upmarket and luxury segments an exclusive stay in a healthy environment.

The trailblazers for the Arctic-themed enclave were the Icehotel in Jukkasjärvi/Norrbotten, which was established in 1989, and Kakslauttanen in Lapland, where the first glass igloos were built in 2001. In Jukkasjärvi/Kiruna, the change agency of Icehotel founder Yngve Bergqvist opened a novel industry path in the region by transforming the institutional landscape towards the appreciation of tourism as a viable livelihood in the mining-dominated North of Sweden (Stihl, 2022). In a similar vein, the Schumpeterian innovative entrepreneurship of Kakslauttanen’s owner Juhani Eiramo in Lapland introduced ‘a whole new [product] idea, a whole new concept’ (Interviewee I12, Paper IV) to the regional tourism sector. Yet, the interviewees noted that it was not until the beginning of the 2010s that the Arctic-themed resort enclave began to replicate in Lapland and Norrbotten. Altogether, 71 venues (51 in Lapland and 20 in Norrbotten) were found in the spatial mapping research for Paper IV.

Paper IV argues that the growing demand for winter tourism in the Finnish and Swedish North, fuelled by global (social) media reports of Arctic tourist adventures (Runge et al., 2020; White et al., 2019), was met by a regional political economy along with a strategically selective institutional arrangement that mobilised resources for export-oriented tourism and Arctic-themed tourism.
development. Strongly growing international tourist demand plus an institutional environment supporting Arctic tourism in particular opened a regional opportunity space for the replication of different types of resort enclaves in Lapland and Norrbotten. These prospects were seized by entrepreneurs with profound expertise in the tourism industry, often operating multiple businesses, even in unrelated branches. In contrast to how entrepreneurs in sparsely populated areas conventionally are depicted as having gone into tourism by chance, choosing the sector out of necessity due to its low entry barriers, or running a travel company primarily to support a desired lifestyle and serious leisure (Carson & Carson, 2018; Carson et al., 2018; Eimermann et al., 2019; Ioannides & Petersen, 2003), most of the interviewed Arctic-themed enclave owner-managers are opportunity-driven entrepreneurs and aspire to business success and growth as part of personal fulfilment. Their strategic calculation for the enclave and the high yield–low volume business model was motivated by strongly growing demand projections for Arctic tourism, especially in upmarket and high-end segments. This is frequently accompanied by the entrepreneurs’ ample plans to expand the enclave venues and their firms in the coming years. A further aspect in entrepreneurs’ strategic calculations for the enclave business model relates to the tourism geographies created by previous rounds of tourism development. In Norrbotten, where there is no major touristic infrastructure, the enclave represents an attraction in its own right and is therefore valuable in places lacking significant sights. In Lapland, the enclave is particularly beneficial for industry newcomers to establish themselves on the market outside of the larger tourist resorts which are dominated by incumbent firms and rather static business networks (Kulusjärvi, 2019).

Typical for Arctic tourism is therefore the maturation of the sector and its respective businesses in which industry-experienced and educated entrepreneurs deliberately have selected tourism based on wealth accumulation and economic growth reasoning. Here persists a clear difference to prevailing portrayals of nature-based tourism, particularly in the Swedish North, as a rather unprofitable economic activity operating on low margins (Müller, 2013), mainly attractive to women who do not find employment in resource extraction (OECD, 2023), and firm owner-managers who do not engage much in product or process innovation (Ioannides & Petersen, 2003). The maturation inherent in Arctic tourism is also evident in the growing interests of international investors in high-end enclaves in particular and in the efforts by public agencies to connect such local businesses to potential financiers.

Although the Arctic-themed enclave replicates an existing business model, the interviewed entrepreneurs continuously develop their product offerings and their venues further and they also introduce new processes locally. An example is the cooperation between the enclaves, other local businesses, and people who live...
nearby. The entrepreneurs frequently noted that they not only purchase services and foodstuffs from neighbouring producers, or develop business solutions, such as chef sharing, with other tourism firms close by, but they also subcontract locals who provide all kinds of activity programmes. For the inhabitants of small villages, this form of tourism offers the potential for additional incomes as well as an opportunity to practise outdoor skills and share their knowledge on local culture and nature with tourists. This social dimension was emphasised by many interviewees as a major motivation for local people to take up these subcontractor jobs for the enclaves. Herein also lies another distinction between the enclave entrepreneurs and in-migrant lifestyle entrepreneurs whose main business motivation is the pursuit of a certain hobby while social engagement with local inhabitants largely remains sporadic, resulting in little commercial relations between those tourism firms and people living nearby (Carson & Carson, 2018; Eimermann et al., 2019). This difference regarding socio-economic local-level integration and place leadership may be explained by the nature of the Arctic-themed resort enclave model, which relies on a wide range of activity products to be attractive for guests. Subcontracting locals for activity services helps not only to circumvent the chronic staff shortages characteristic for the tourism sector but also to save labour costs.

Nevertheless, the entrepreneurs’ prominent business-oriented strategic calculation for the Arctic-themed enclave model does not exclude lifestyle objectives underpinning their choice. In addition to being ‘one’s own boss’, some entrepreneurs mentioned the possibility of creatively working together with their partner. The enclave, due to its composition of different services and buildings, encourages creativeness on many levels, ranging from construction planning and interior design to the creation of new products for each season. In the context of a niche enclave specialised in indigenous tourism, one entrepreneur (in Paper IV) emphasised the advantage of such a travel business as

a platform to tell my story and to share some knowledge [regarding local Sámi living conditions, ecology, and reindeer herding] so that people can learn and that makes tourism important. If we are creating CO₂ emissions when people travel here [up to northernmost Sweden], we’d better use these emissions in a way that they at least can learn and understand that the Green Revolution in northern Sweden holds big challenges and flaws and is not as unproblematic as it is presented now [politically and in the media]. And if I don’t tell it, who will?

The enclave business model is advantageous for such political and social activist endeavours because tourists stay for a few days, so there is time for more profound communication, and the niche theming allows to specifically attract guests who are receptive to such conversations as the entrepreneur highlighted.
Indeed, tourism is often presented as a sector where cultural and social exchange as well as local empowerment may emerge because production and consumption are directly intertwined (e.g. Dolezal & Novelli, 2022; Leu & Müller, 2016). Yet, this kind of social activism in tourism must be seen in the light of wider contemporary capitalist relations that govern the sector and allow for emancipatory projects within the confines of a commercial setting embedded in markets (see Bianchi, 2009; Britton, 1991).

Overall, the research results confirm previous studies on the interrelatedness of change and reproductive agency whereby the latter is essential to stabilise and incrementally develop industry pathways further (Bækkelund, 2021). It is tricky to clearly distinguish between change and reproductive agency not only because different agents may display both forms of agency (Stihl, 2022) but also because this distinction depends on the observer’s vantage point. For instance, from a national innovation funding agency’s perspective, the Arctic-themed enclaves seem to successfully reproduce an existing business model, which nonetheless appears marginal compared to the economic value of IT or biotechnology innovations. Locally, however, the replicative agency of the Arctic enclave entrepreneurs also entailed place leadership that introduced socio-economic novelty, which triggered localised tourism industry spinoffs.

Hence, these entrepreneurs consolidated the pathway locally through bonding, denoting the creation of horizontal relationships and business ties between community members, and bridging, which includes the formation of vertical networks and links with markets and business intermediaries (Sullivan et al., 2014). Pathway consolidation, through individual entrepreneurs’ agency hinges also on their strategic calculation within regional opportunity spaces. On the one hand, agents’ strategic calculation depends on their perception of economic prospects within a regional opportunity space (Kurikka et al., 2023), which refers to the level of support for their business and to market development projections. On the other hand, tourism entrepreneurs’ strategic calculation may also be oriented towards different qualitative horizons, including social and lifestyle motives.

**On the opportunities and limits of Arctic tourism**

The growing demand of export markets for Arctic-themed winter experiences holds several economic development opportunities for northern sparsely populated areas (Leu & Müller, 2016; Lundmark et al., 2020; Marjavaara et al., 2022; Müller et al., 2020). In particular, the benefits of this type of tourism stem from the vertical link between globalisation (including policy support, export-led growth, and the mobility of people, investment capital, and media exposure) and the creation of localised business development and diversification based on
horizontal networking among different tourism actors, organisations, and industry sectors (Dubois & Carson, 2016; Halseth & Ryser, 2018; Kauppila et al., 2009; OECD, 2023). Compared to low-commodified traditional domestic travel, Arctic tourism can be seen as a form of pathway upgrading within the current global political economy. Paper IV demonstrated this on the case of the Arctic-themed enclave. By absorbing all the essential commercial tourism services (activities, hospitality, and accommodation) these venues function as micro-destinations in their own right and therefore represent a promising product for the ‘boring bits’, which are locations in between urban hubs and the exotic pleasure periphery but where tourism development is challenging given the absence of major landmarks (Koster & Carson, 2019). The Arctic themed enclave provides guests with an ‘instagrammable’ experience architecture and nature-based activities that diversify and commodify the rather undifferentiated landscape of these ‘boring bits’ (Byström & Müller, 2014; Lundmark & Carson, 2020; Young & Markham, 2020). Due to the need of the enclave to offer a wide range of activity services in order to attract international guests and to keep them in place for a few days, this business model holds also ample potential for entrepreneurial spinoffs and the organic bottom-up formation of destinations. As such, Arctic tourism may facilitate that locals and in-migrants alike can make a living in a desired destination and thereby also realise lifestyle-related aspirations (Brouder, 2012; Carson et al., 2018; Kulusjärvi, 2019). Regarding the larger tourist resorts, the enclaves have helped to alleviate the entrenched centralised power structures of these destinations to some extent.

An additional dimension that sets Arctic tourism apart from other forms of traditional domestic tourism (and even other industries) noted by the interviewees, pertains to international media and political attention. ‘Extraordinary’ Arctic tourism products, offered in small towns and villages in northernmost Sweden, Finland, and Norway garnered significant interest of different media outlets worldwide (e.g. White et al., 2019) and brought these places onto the map of international travellers, budding in-migrants, and political decision-makers. This place-making and positioning is crucial for competitiveness in a contemporary global political economy when it comes to attracting extra-regional investors, tour operators, and human capital (Bohn & Hall, 2022; Sheppard, 2002). The value of global visibility seems to be particularly appreciated by decision-makers in municipalities hosting successful Arctic winter tourism and high-end resort enclaves. It was mentioned by the interview partners that this recognition also comes along with bottom-up institutional capacity building. In some municipalities, the thriving tourism sector diversified not only the local economic landscape and people’s mindsets (see also Stihl, 2022), but also led to political and administrative competence development for tourism and support for small business entrepreneurship. These local institutional transformations facilitating creativity and innovation are said
to be vital drivers for regional development in sparsely populated areas that are far away from agglomeration centres (Halseth & Ryser, 2018). Such political approach to economic development is grounded in the idea of a middle way between neoliberalism and welfare state redistribution whereby place-based development emerges through high institutional quality which enables local-level agency, mobilisation, and wellbeing (Iammarino et al., 2017).

Nonetheless, there are local as well as global limits to Arctic tourism development (Carson et al., 2019; Harvey, 2014; Lundmark & Carson, 2020; Müller & Jansson, 2007). Locally, the conventional structural problems inherited from previous rounds of development and restructuring negatively influence current tourism pathways. The interviewees emphasised that seasonality, weak public transport options, and access to employees hamper the growth of tourism outside of urban hubs or resort towns. Compared to employment in other sectors, wages, working conditions, and career options are less favourable in tourism than in other sectors (Bohn & de Bernardi, 2020), and especially more remotely located Arctic tourism businesses face difficulties to employ enough seasonal workers. In addition to solving labour shortages through subcontracting locals and recruiting (unpaid) trainees or volunteers who are promised to experience Arctic adventures in return for work (Brennan, 2018), a common strategy is to hire mobile workers from EU and non-EU countries. During autumn 2023, Arctic tourism in Finnish Lapland made negative news due to widespread exploitation of these non-unionised mobile workers from abroad (e.g. Lavia, 2023). Moreover, upmarket Arctic tourism requires competent workers who are able to meet higher-quality service demands and possess language and cultural skills to interact with international travellers. Due to the seasonal nature of this type of tourism, it is more convenient and cheaper (in some cases it might even be the only viable option) for many tourism firms to import skilled workers than to build up a competent labour pool locally. This in turn results in economic leakages and high labour and population turnovers, constituting some of the conventional components that prevent sustainable regional development in sparsely populated areas (Lundmark, 2006; Tuulentie & Heimtun, 2014).
Further distinctive features of export-oriented Arctic tourism are its accumulation rationale and practices. Unlike the state-steered tourism prevailing in northernmost Sweden and Finland until the early 1990s, which was characterised by its social function facilitating equalising yet standardised domestic consumption for the masses (see Paper I), its contemporary Arctic counterpart advances local wellbeing through regional economic growth\(^4\). So far, growth in Arctic tourism has been largely concentrated in the winter season and entailed the replication of the same soft nature-based activities and resort enclaves across the circumpolar North (Saarinen & Varnajot, 2019). The extant literature points out that the strong reliance of Arctic tourism upon low temperatures and a stable terrestrial snow cover in production and marketing makes the regional sector extremely vulnerable to the negative impacts of climate change (Hall, 2014; Kaján, 2014a; Tervo-Kankare et al., 2019; Varnajot & Saarinen, 2022). Product as well as seasonal diversification and re-branding are therefore seen as crucial adaptation strategies to enhance the resilience of the sector in times of profound ecological transformations (Rantala et al., 2019).

Yet, the current boom in Arctic winter tourism and the growing demand for resort enclaves rather encourages the reproduction of this pathway with only gradual alterations instead of more radical or abrupt sectoral transformations. For instance, destination management organisations in Finnish Lapland have long been trying to spur year-round tourism, but market and economic structures actually impede such development as some of the interviewed entrepreneurs remarked. Not only are many lifestyle-oriented entrepreneurs and micro-business owners not interested in keeping their operations running during the whole year (Rantala et al., 2019), but also due to less traveller demand coupled to fewer international flight connections during summer and autumn time, it is neither economically viable for many businesses to offer their products year-round nor for newcomer firms to invest exclusively in non-winter services.

In addition to the risk of market destruction due to climate change, the replication of the same type of winter experiences and marketing representations of the Arctic bears the danger of spatial homogenisation and an oversupply of identical products (Lundén, 2022; Saarinen, 2004). Löfgren (1999) describes these dynamics on the case of Hawaii where decades of investments in similar products and infrastructure coupled to the homogenous promotion of the islands as a palm-tree lined beach paradise resulted in a constant devaluation of the paradise representation. He writes that ‘in a Hawaiian telephone directory you will find

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\(^4\) It should be noted again that Arctic tourism targeting upmarket travellers is not the only form of tourism in northernmost Finland and Sweden, for instance domestic or second home tourism constitute major branches in many destinations (e.g. Back, 2020; Carson et al., 2018; Lundmark & Carson, 2020). However, public sector strategies for tourism development promote particularly Arctic tourism as the most favourable pathway for future investments.
column after column of paradise outfits: their subjects range from Paradise Safaris and Paradise Weddings to Paradise Taxi and Paradise Plumbing’ (Löfgren, 1999, p. 279). Indeed, similar trajectories are found in terms of Arctic-themed tourism products and firm names (Marjavaara et al., 2022; Saarinen & Varnajot, 2019). The superabundance of identical touristic offers across the whole circumpolar North may turn the extraordinary into dull products. When demand for Arctic experiences and overnight stays in glass igloos or luxury cottages decreases, the burgeoning inter-regional cooperation in the Arctic may turn into competition between firms and destinations for a shrinking number of travelers, bearing the danger of a boom and bust situation, which has been experienced by many destinations worldwide (Carson & Carson, 2017; Hof & Blázquez-Salom, 2015). This phenomenon of serial replication of successful products to the point of co-destruction is indicative of the many contradictions of capitalism and its seesaw tendencies (Harvey, 2014; Smith, 2008).

Moreover, the increasing reliance upon upmarket and luxury consumers puts Arctic firms and destinations not only in competition with each other but also with places globally. Many former mass destinations and places attracting ordinary vacationers worldwide re-position themselves on luxury markets (Brenner & Aguilar, 2002; Hof & Blázquez-Salom, 2015; Tedesco et al., 2024). This strategic choice is often underpinned by the argument to enhance sustainability and profitability in tourism by compensating for lower traveller volumes through high yield segments (e.g. Higgins-Desbiolles, 2011; Kotur & Dixit, 2022). In addition to the potential negative consequences of such competition for a limited market, there arises a moral question, namely for whom tourism is produced (Bianchi et al., 2020; Cooper, 2023; Higgins-Desbiolles et al., 2019; Sharpley & Telfer, 2023). Is it morally right to focus increasingly on the production of exclusive tourism for the rich whose lifestyles are significantly more CO₂-laden and resource intensive while the number of the working poor is steadily rising in times of growing precarity and austerity politics and the effects of accelerating climate change are felt the most by the world’s poorest (Harvey, 2021; IPCC, 2023; Sayer, 2015)? Is luxury tourism really a part of progressive sustainable regional development or just a symptom of the mounting polarised distribution of wealth and the ideological naturalisation of inequality (Piketty, 2014)?

Unfortunately, there is no straightforward answer to this question (see also Cooper, 2023). The case of the Arctic-themed luxury enclaves illustrates this dilemma well. On the one hand, this form of high yield-low volume tourism provides a valuable accumulation strategy for northern sparsely populated areas that also holds positive economic spillover effects in local communities and thereby helps to soften uneven development. On the other hand, it can be argued that these venues depend on the existence of uneven development (elsewhere).
The product value of the Arctic-themed enclave lies in its *exclusivity*, offering the wealthy solitude and a retreat from a world battered by climate change and social unrest. Likewise, the idea of a private experience of pure Arctic nature, which is put front and centre in most enclaves’ marketing communication, gains its consumer desirability predominantly in relation to the disappearance of ‘wild’ and accessible nature elsewhere (Fletcher, 2019; Young & Markham, 2020). Consequently, the issue of unevenness in tourism is historically contingent, multilayered, and requires constant negotiation. As such, it evidences the political in political economy.
VIII Conclusions

This thesis set out to develop a better understanding of how tourism pathways unfold in sparsely populated areas at the intersection of institutional strategic selectivity, entrepreneurial agency, and new economic opportunities deriving from wider politico-economic trajectories and relations. This has been done based on the case of Arctic tourism in Norrbotten and Lapland, a distinct pathway characterised by the production of largely winter-based experiences for export markets. The purpose of this final chapter is to summarise the conceptual and practical implications of this thesis. The chapter opens by outlining the theoretical contributions that this work has made to our general understanding of tourism pathway development in sparsely populated areas and to research on Arctic tourism in particular. The subsequent section reflects on the practical implications of the individual studies by offering policy recommendations. The final section rounds off the thesis by pointing out promising directions for future research.

Theoretical contributions

This thesis approached the analysis of pathway evolution in tourism from the vantage point of critical realism and was based on a tripartite theoretical lens merging perspectives from evolutionary economic geography, geographical political economy, and the strategic relational approach to structure and agency. Critical realism as a metatheoretical underpinning shifted the focus from descriptive accounts of Arctic tourism pathways to explaining how and why they evolved and what underlying mechanisms and generative processes made these developments possible. Through the selected theoretical framework, the Arctic tourism pathway was conceived of as a process, incrementally evolving in path dependent regional opportunity spaces mediated by strategically selective institutions which constrain and facilitate certain types of agency and actors who couple regional and extra-regional assets and thereby drive industrial path dynamics. These regional opportunity spaces are influenced by the political and socio-economic legacies of past uneven development and are simultaneously embedded in wider politico-economic trajectories, including changing metagovernance and socio-spatial configurations (territories, places, scales, and networks), that underpin upscaling processes from the local to the global Arctic.

This theoretical approach contributed first to the evolutionary economic geography literature in tourism by emphasising the centrality of macro scale political economy and governance dimensions in the evolution of the sector, which are frequently omitted in respective analyses (Essletzbichler et al., 2023; Ioannides & Brouder, 2017; MacKinnon et al., 2019; Pike et al., 2009). The thesis
demonstrated that local level tourism pathway evolution is not only a matter of firm behaviour and industry branching, but also an outcome of globally transforming political and socio-economic conditions which set the framework conditions for sectoral development. Yet, to pinpoint how these complex trajectories actually influence a tourism system, conceptual abstraction is necessary. Paper I proposed metagovernance in conjunction with the territory (T), place (P), scale (S), network (N), and environment (E) framework (Jessop et al., 2008) to show how wider political and socio-economic processes are absorbed spatially into a state system and how this impacts tourism development. This approach complements other theoretical lenses, such as the concept of moments, which has been proposed as a heuristic device to single out specific inflection points of destination transformation (Sanz-Ibáñez et al., 2017). Through the spatial approach to metagovernance, it becomes possible to analyse how tourism is part of wider development regimes and accumulation strategies, including respective governance arrangements and time and space specific values that influence by whom, for whom, and how tourism development is undertaken. It thereby shifts the emphasis on the evolution of tourism in places and adds a political dimension to the conventionally apolitical stance of evolutionary economic geography (Martin & Sunley, 2022).

Secondly, the thesis added to our understanding of institutions’ roles in tourism pathway development. This thesis particularly addressed institutional strategic selectivity as part of regional development organisations’ funding and finance for tourism and thereby aided to make institutions less abstract and to point out how they actually ‘matter’ (Kurikka et al. 2023; Rodríguez-Pose, 2013). Given the financially constrained nature of most tourism businesses in sparsely populated areas, public grants and state-backed top loans are central for the sector’s development (Kauppila et al., 2009; Müller & Jansson, 2007). Paper III illustrated that despite the EU membership of Finland and Sweden, there persist significant differences regarding fund allocations between Lapland and northernmost Sweden (Västerbotten and Norrbotten) due to path-dependent regional practices as well specific political economy rationales. While Lapland prioritises exclusively export-oriented firms, rooted in the aim to spur economic growth for regional competitiveness which has particularly fostered Arctic tourism, regional development funding in Västerbotten and Norrbotten is available for all kinds of tourism businesses and has supported the small-scale character of the sector. Hence, strategic selectivity in funding decisions opens opportunity spaces for different kind of tourism actors and industry pathways and is therefore intimately linked to issues of uneven development. While Cohesion Policy and regional development funding in general aim to alleviate uneven development, in practice this is not always the case. Funding is applied to preexisting landscapes of (uneven) development and their respective spatial patterns. Transforming these tourism environments is a rather slow and
incremental process, as seen in the case of Lapland. Furthermore, institutional strategic selectivity creates new winners and losers or even reinforces established power structures. This in turn is an inevitable outcome of a capitalist political economy spatial and temporal horizons (Harvey, 2014).

Regarding financing tourism development in sparsely populated areas, the findings of Paper IV highlight that state backed loans are vital for tourism firms in all phases of the business lifecycle. Particularly in Norrbotten, state guarantees are essential for private banks to off-load potential risk of their lending decisions (August et al., 2022) because tourism development in remote areas is perceived as too uncertain in terms of low asset generation and resale value. Taken together, this thesis emphasises that the public sector (including different levels of the state) and institutional arrangements are central for travel and hospitality pathway development in northernmost Sweden and Finland.

Thirdly, the thesis contributed to the burgeoning evolutionary economic geography literature on agency by drawing upon the strategic relational approach to structure and agency. Paper IV highlighted that the explanation of the consolidation of a specific tourism pathway, requires not only the identification of a specific form of agency (Bækkelund, 2021; Stihl, 2022) but also an analysis of entrepreneurs’ strategic calculation within regional opportunity spaces. In the case of the replication of the Arctic-themed enclave across Norrbotten and Lapland, entrepreneurs’ strategic calculation was motivated by economic reasoning, pertaining to the current demand for these venues and the expected financial success, the potential of this business model to overcome the challenges of past tourism geographies (including the lack of critical mass and stringent power structures in resorts), as well as lifestyle motives. Moreover, local-level horizontal bonding and vertical network bridging between regional and extra-regional assets facilitated the consolidation of the enclave path.

The Arctic-themed enclave itself has become a ‘signature’ product and one of the more prominent and visible local manifestations of Arctification in Lapland and Norrbotten. This thesis has not only contributed knowledge about why these venues have been increasingly replicated but has also identified key insights into their opportunities and limitations. Paper IV pointed out that the success of the resort enclave lies in its ability to link local conditions to global markets. The enclave can be flexibly adapted regarding operational processes, theming, and niching according to prevailing consumer trends and the specific political economy and the institutional environment of a destination. Due to these attributes, the difference between the Arctic-themed enclaves and their counterparts in the Global South, which are generally emblematic for the unsustainability of the international tourism industry, can be explained (Saarinen, 2017).
Fourthly, the thesis offered new perspectives on Arctic tourism development and Arctification in northernmost Sweden and Finland. Through the selected theoretical framework combined with the layered research approach, Arctic tourism appears not simply as the result of a linear industry progression from a less developed stage to a more advanced juncture, but as intimately linked to global political economy transformations and its related changing social values and relations. Arctic tourism is part of wider Arctification processes, which represent a form of globalisation that is actively (re)produced locally as a strategy by regional organisations in northern sparsely populated areas to thwart the economic and political marginalisation that came along with socio-economic restructuring (e.g. Arter, 2001; Halseth & Ryser, 2018; Nilsson & Lundgren, 2015). Paper II outlined how Arctic place-making, as an upscaling strategy, cuts across sub-national public and private sectors and entails in addition to regional branding also cross-border cooperation, networking, and scale jumping (Dubois & Carson, 2016). Another argument of this thesis is that Arctification also includes a form of social place-making from within that is not merely driven by economic motives but by socio-cultural aspirations as well (see also Junka-Aikio, 2019).

**Practical implications and policy recommendations**

This section commences with general recommendations regarding a place-based development approach to tourism in northern sparsely populated areas within a global political economy. More concrete policy suggestions derived from the results of Paper III and Paper IV, addressing the design of tourism projects and public funding practices, follow subsequently.

**Political economy and future regional opportunity spaces**

Although Arctic tourism and Arctification have been shown to be processes linked to globalisation and international competitiveness, accompanied by spatial homogenisation and assimilation of tourism production, governance, and market orientation, there still persist sectoral differences between Lapland and Norrbotten, which are rooted in the regions’ historical socio-economic trajectories. Hence, there are distinct challenges for tourism and its contribution to regional development in both counties. The current political task for Norrbotten is to devise strategies that can harness the expected economic and population growth associated with the green re-industrialisation to revitalise the ‘boring bits’ in the declining inland. In order to avoid fly-in/fly-out labour patterns, municipalities need to invest in housing, service infrastructure as well as in leisure options (Westin, 2023). The tourism sector offers one promising option to connect the urban centres to the hinterlands by catering not only to international travellers but also to proximity markets (Lundmark et al., 2023). To
establish such links, to avoid the counter trend, namely new forms of competition or crowding-out due to growth of urban centres, and to encourage entrepreneurship, local level capacity building is indispensable. This in turn requires competent public sector and destination management organisations which facilitate small business development, for instance through training and innovation support.

In Lapland, the challenges requiring political attention relate to the negative structural consequences of tourism, such as seasonal overtourism and social tensions caused by unregulated market expansion, as well as the resilience of the sector. Actions should focus on a greater regulation of tourism businesses operations on public lands to avoid conflicts with local inhabitants and to improve public transport options connecting remote villages better with urban centres. This should be accompanied by a greater effort (and financial support) to diversify and spatially equalise the regional tourism industry so that the sector becomes more inclusive for a wider range of business models and products (Kulusjärvi, 2019).

Common recommendations for both regions pertain to the need to govern and plan tourism to the benefit of local inhabitants instead of focussing exclusively on export-oriented economic growth (which is oftentimes equated to local wellbeing). While a considerable literature body of critical Marxist as well as post-growth scholarship emphasises that capitalism cannot overcome its inherent structural problems and advocates therefore for a radical systemic shift to safeguard (human) life on the planet (e.g. Fletcher et al., 2019; Harvey, 2014; Jackson, 2007; Malm, 2018; Paech, 2012), in practice there is no comprehensive political or societal support for such far-reaching paradigm transformation (Buch-Hansen, 2018). The following suggestions for tourism policy represent therefore small adjustments within the capitalist economy aiming to enhance socio-economic equity in the short and medium term.

A capitalist political economy where tourism in sparsely populated areas benefits local people requires progressive place-based policies. This refers to an approach that fosters local creativity, quality of life, diversity, and entrepreneurship through enabling ‘actors to participate productively in the economy to their greatest ability’ (Iammarino et al., 2017, p. 26) and is facilitated by institutional quality and organisational capacity (Halseth & Ryser, 2018). In addition to assistance for business and competence development and promoting interpath relations, such place-based policy approach should start with an assessment of who benefits and who bears the costs of tourism development in a specific location along with the form of tourism that offers an appropriate or realistic pathway. International Arctic tourism might not be a viable option for all destinations and public sector decision-makers should be aware if investments in
domestic, cross-border, or second home tourism are more promising than trying to attract export markets (Back, 2020; Lundmark & Carson, 2020). This relates also to the need to balance the overall costs and benefits of tourism development for a society. A common view on tourism is the promise of fast and easy economic growth while the additional pressure caused by the inflow of people on local infrastructure, such as health care or rescue services (e.g. Lundmark et al., 2020), are rarely factored in. To maintain locals’ quality of life and avoid conflicts arising through the growth of tourism in sparsely populated areas, tourism planning needs to be considered in tandem with the wider regional social fabric (see Veijola, 2023). Moreover, forward looking and socially equitable yet resilient investments in public touristic infrastructure should be planned as multipurpose facilities so that locals as well as travellers can use the venues. This is rooted in an approach to conceive regional opportunity spaces not only in economic terms but also regarding their socio-cultural qualities for liveability and wellbeing.

Finally, there is also the question of places’ responsibility within globalisation. Instead of the local being the victim of unfettered global neoliberalism, Massey (2004) underscores that the positive as well as the negative aspects of globalisation are (re)produced in places. Hence, contemporary tourism development that draws upon qualitative attributes, such as ‘sustainable’, ‘ethical’, or ‘fair’, should not only concern itself with local level impacts on regional development (Kauppila et al., 2009) but also with its vertical connections to locales elsewhere. Of importance are for instance the production of emissions and the distribution of climate change impacts, the recruitment of international workforce, or the inclusiveness/exclusiveness of destinations for different people.

**Balancing continuity and innovation in public–private destination development projects**

Paper III echoes previous research findings regarding the short-termism of EU-funded public–private projects and the associated difficulties in initiating long-term sustainable destination development and preventing brain-drain (Shepherd & Ioannides, 2020). Municipalities with a strategic focus on tourism development should therefore take on a place leadership role and establish permanently funded tourism planning and development positions (cooperating closely with private destination management organisations). The interviewed entrepreneurs in Paper IV wished not only for destination marketing but also for destination management and investments in shared material as well as business networking infrastructure. A permanently hired tourism manager who is familiar with the area and the local travel and hospitality entrepreneurs could work proactively together with firms, not only in strategic and spatial planning but also in developing destinations, so that potential social and ecological conflicts resulting
from unmanaged tourism could be mitigated right from the start. This is especially important in the case of fast-growing Arctic tourism, which implicates seasonal visitor peaks in small communities (Lundmark et al., 2020; Rantala et al., 2019). In addition to this horizontal networking, such municipal tourism actors could also engage in vertical networking and facilitate relationship building between the local and the global level, for instance regarding coordination with larger regional development projects and other industries to initiate interpath relations. The latter could pertain to labour market and skill development as well as joint initiatives to business development (see Flood Chavez et al., 2023b). Particularly in more remote northern Swedish destinations, such a permanent tourism planning office could work to create links to the urban coast in light of the expected population inflow caused by the green re-industrialisation (Lundmark et al., 2023).

EU-funded projects should, however, not be abandoned, but be used more efficiently to facilitate destination and business innovations. This in turn requires that project planners establish better strategies to ensure that the project work will continue once the funding period has ended and preferably results in private sector buy-ins. This could for instance be facilitated by including firms (and place leadership agents) in the project management team or by tying tourism firm funding opportunities explicitly to public–private projects. However, local and regional decision-makers also have to be realistic about the potentials of projects, since these two-year initiatives hold limited power to solve structural weaknesses and system failures or to trigger major pathway alterations.

**Diversification instead of monoculture**

A finding of Paper III was that unlike Lapland’s large export-oriented tourism businesses, the semi-professional tourism firms in Norrbotten and Västerbotten with a foothold in domestic markets were more resilient during the COVID-19 pandemic and did not require state bailouts. Fostering a diverse business landscape and incremental or organic development instead of monocultures and fast export-oriented growth can therefore contribute to regional resilience. Moreover, granting firms regional development funding to experiment with a range of diverse business models on the one hand holds a greater risk of failure than investing only in relatively secure short-term growth pathways, but on the other, there is a potential to unleash innovations in alternative firm paths (e.g. Kulusjärvi, 2019). A further option relating to labour market innovations in sparsely populated areas could also be to promote lifelong learning and to foster an attitude among people (and employers) to work in several different sectors instead of pursuing only one occupation. The seasonality of tourism offers opportunities to be (self-)employed within travel and hospitality during the summer or winter and to take on other occupations during the off-season.
Moreover, public funding for larger tourism firms could also be conditioned on generating wider economic effects for local communities, for instance by requiring local-level business linkages and employment connections. Another option could be that firms could cooperate and apply for joint funding to generate a common new local product path.

**Areas for future research**

Several avenues for future research emerge from this thesis. From a thematic vantage point, many unanswered questions remain with respect to public funding, local spin-off effects of Arctic-themed enclaves, the co-evolution of different pathways within destinations, and the impact of financialisation on tourism development. Regarding conceptual and theory developments of evolutionary economic geography in tourism, there is an urgent need to integrate questions regarding the environment into the economic analysis of tourism. The following recommendations are ordered according to the sequence of the research papers.

**Nature beyond an externality: advancing evolutionary economic geography research**

This suggestion builds largely on Paper I, where environmental metagovernance in tourism was discussed among other socio-spatial relations. In mainstream evolutionary economic geography, incorporating nature and resource usage or ‘the bigger questions of our times including rising inequality, climate change, novel geopolitical conflicts or the financialization of our economic systems’ have been largely outside the scope of conventional studies (Essletzbichler et al., 2023, p. 546). This omission reflects the binary between nature and culture permeating literature, policy, academic work, and the economy (Keskitalo, 2023). Instead of treating nature as an externality to human life and the economy, it is time to factor in environmental issues and resource-use into pathway analyses. This is also a pressing issue in Arctic tourism, which in its production process relies on the transformation of nature and destination commons into built environments and emission-intensive touristic experiences and climate change (e.g. Varnajot & Saarinen, 2022).

Already a decade ago, Patchell and Hayter (2013) proposed devising EEG² as a framework that merges evolutionary studies of the economy with ecological economics and political ecology to analyse the interdependencies between the economy and nature. Brouder (2019) made a similar argument in the context of evolutionary economic tourism geography to better account for sustainability aspects in sectoral development. Recent research has taken up these issues, for instance regarding sustainability transitions in destinations (e.g. Flood Chavez et
Further studies could compare the energy intensity or the carbon footprint of different tourism pathways within a destination, or trace whether a specific tourism pathway is profitable only due to access to ‘cheap nature’ (Moore, 2016). Another angle is to analyse which tourism actors are locked into emission-intensive business models preventing transitions to a zero-carbon travel industry (e.g. Gössling et al., 2024), or which actors ‘mindfully continue’ a progressive and socio-ecologically beneficial path even though it is threatened by external economic pressures and crises (Wilkinson et al., 2022).

**Uneven destination evolution and co-evolving paths**

A finding in Paper I is that especially in areas in Norrbotten below the Arctic Circle, not all tourism providers are committed to Arctic representations of the region and Arctic-themed export-oriented tourism. The entrepreneurs who are specialised in domestic travel felt left out from regional destination management and marketing that privileges the production of Arctic tourism for international vacationers. Further research is needed to examine the magnitude of this aspect as well as the alternative pathways that these tourism businesses pursue. Do these pathways develop in isolation from each other or are there co-evolutionary elements? Such research would also answer the call of Gong and Hassink (2019) for more evolutionary economic geography studies on co-evolution. Again, such research may produce policy-relevant knowledge that helps local decision-makers to better support diversification in tourism development.

Other unanswered questions remain with respect to incumbent firms’ adaptation to Arctic-themed tourism. Is Arctic tourism predominantly a phenomenon of new firms entering the regional tourism industry, or are there old firms that change their products or target markets to cater to Arctic-themed tourism as well? An example is Santa Park in Rovaniemi (a Christmas tourism theme park). The company seems to invest less in its original Christmas charter business but is rapidly expanding Arctic-themed luxury accommodation and tourist activity services. Moreover, it could be revealing to study the geographical differences and ratio between different regions in northern Sweden, Finland, Norway, and Iceland regarding what kind of tourism firms produce Arctic tourism, for example established local tourism firms, domestic enterprises, or international in-migrant businesses.
**Pathway evolution and different public funding programmes**

In Paper III, only European Regional Development Funding was analysed, even though tourism is eligible for LEADER programme funding as well. The latter supports community-led local development in rural areas and is co-financed by the European Agricultural Fund for Rural Development (e.g. Strzelecka, 2015; Tirado Ballesteros & Hernández, 2019). A case study could compare what types of tourism regional development funding and LEADER funding support in different geographical settings. Do both funding streams support the same tourism actors and the same tourism products, or do they focus on different recipients and set the precondition for industry diversification? Who specifically benefits from public funding? Do both sources of funding support integrated tourism development or do they (unintentionally) create or enhance conflicts and unevenness between different tourism pathways? Such a study would offer an important addition to the scant literature on public funding for tourism development (Bohn et al., 2023) and add qualitative intensive knowledge to the inconclusive research on the quantitative outcomes of public funding for regional development (e.g. Giordano, 2017; Medeiros, 2017; Nijkamp & Blaas, 1995).

Mixed methods and studies covering different geographical contexts could also assess whether (and to what extent) different public funding programmes support preparedness and resilience in tourism when it comes to climate change, natural disasters, and financial crises, or if these schemes largely grant funding to business-as-usual paths. Finally, if such data is available, longitudinal studies could examine to what extent public funding diversifies local economic pathways (see also Almstedt et al., 2016).

**Economic diversification and local spin-off effects of resort enclaves**

Future research could also build on the findings in Paper IV and examine the quantitative and qualitative spin-off effects of resort enclaves in Lapland and Norrbotten. Such insights would add to a better place-based understanding of the contemporary tourism sector and its capacities to foster economic empowerment within communities in northern sparsely populated areas. Qualitative studies could look into the motivations of locals to professionally engage as tourism providers and subcontractors for enclave resorts, while quantitative enquiries could gauge the extent of these economic relations across the region. Multi-scalar network analysis could provide interesting insights into the spatial distribution of Arctic-themed enclaves’ effects on the surrounding areas in terms of their supplier relations and local purchasing behaviour. This local-level analysis could be connected to tourism firms’ global behaviour and provide insights into the ways in which glocalisation in tourism is produced (see Dubois & Carson, 2016), also when it comes to the recruitment of (foreign) seasonal employees (see Lavia,
of interest would also be how durable or resilient these subcontractor relations between enclaves and suppliers are and how these pathways evolve over time. Do subcontractors see these jobs as temporal gigs, or do they consider transitioning into tourism entrepreneurship full-time at some point? Are there geographical differences between regions? Such research could build on literature on lifestyle motivations in tourism (e.g. Carson et al., 2018). A further possibility is to compare these subcontractor jobs to conventional employment in tourism in terms of life quality and socio-economic sustainability. Such studies could render important recommendations for local policies to support bottom-up economic development initiatives. Nonetheless, inquiries could also factor in dependency aspects within these relations; for instance, how resilient is the local tourism network when the main node, the enclave entrepreneur, closes their firm for good to move on to another destination, or when the firm goes bankrupt?

Moreover, few studies address how tourism development creates interpath relations, spinoffs, related or unrelated diversification, and innovations in other sectors. For instance, did the glass igloo enclaves trigger specialisation in some building and construction firms for these types of structures? Are there other sectors that have adapted to Arctic tourism in particular, or are there labour market and skill-related linkages and complementarities in the regions?

**Tourism and financialisation**

Paper IV found that international tour operators seem to adopt profit- or rent-seeking in the form of returns on investments in tourism firms to their business portfolio. This circumstance is rooted in financialisation, a form of accumulation based on financial transactions which emerged as a response of the capitalist system to the declining profitability of productive and service sectors. Given that tourism in general represents a labour-intensive rather than a capital-intensive sector, we may learn much about the travel industry’s evolution by studying its incorporation into financialised capitalism and the respective outcomes. Such research is vital given the fact that financialisation enhances the uneven distribution of capital in the hands of a few (e.g. Varoufakis, 2023) and the transfer of incomes from the real to the financial sector further accelerates the slowing down of traditional economic branches by inhibiting innovation and entrepreneurship (Deutschmann, 2020). Another corollary is that shareholder pay-outs require to raise business profitability and/or business outputs to keep a company afloat. This may lead to a greater pressure on environments and workers
due to the need to produce more value and increase volumes (Harvey, 2020; 2021).

Assessing these dimensions of tourism is important especially regarding the sustainability of tourism development given that conventional neoliberal approaches, such as voluntary eco-labels, do not account for such additional pressures on environments and people (Ioannides & Stoffelen, 2023). Of policy relevance is also to examine the value chains of tourism, where most of the generated profits flow, and who actually benefits from the sector. This links also to the growing influence of online platforms in tourism and their (monopoly and algorithm) power over consumer feedback with presumably significant impacts on the success or failure of different destinations and businesses (Varoufakis, 2023). Hence, research to fill the large gap in the extant literature on financial relations in the hospitality and travel sector is needed because platform capitalism and financialisation are fast-paced and happen at global scales with (potentially) far-reaching consequences for local economies and communities.

**Concluding remarks**

The objective of this thesis was to disentangle the complexity of tourism pathways ‘in the making’ on the example of Arctic tourism in Finnish Lapland and Norrbotten. This was done by employing a layered approach. Examining the macro scale in a longitudinal manner revealed how tourism development in places hinges on wider socio-economic trajectories and that history and metagovernance matter in terms of the purpose of tourism for the state, who engages in and steers tourism, and for whom tourism is produced. The meso scale analyses addressed how institutional landscapes respond to these transformations and how strategically selective organisations subsequently shape regional opportunity spaces for tourism pathway evolution. The micro scale perspective illuminated how entrepreneurs employ their agency to navigate these opportunity spaces and thereby extend tourism paths locally by connecting to extra-regional actors. Furthermore, Arctification was portrayed as a form of interregional and interpath process to upscale local places, actors, and organisations to become not only a part of economic globalisation, but also to raise global awareness for the region’s socio-cultural and ecological matters.

The title of the thesis – geographies in the making – was selected to indicate the dynamism of regional and tourism development, which is, however, not the result of random processes but subject to strategic choices and agency within a political economy. At the current historic juncture, local places hold not only responsibility for their own socio-economic development but also for how these choices on a planet with finite resources and immense social as well as ecological challenges, affect people and nature elsewhere. Tourism, as one of the world’s
fastest growing industries and hallmark of contemporary consumer culture, has a crucial role within these processes (Britton, 1991; Sharpley & Telfer, 2023). While the travel and hospitality sector causes significant quantities of greenhouse gas emissions, turns nature into built environments and tradable assets, enhances gentrification, and accumulates by dispossession (Bianchi, 2009; Fletcher, 2019; Gössling et al., 2014; Scott & Gössling, 2022; Young & Markham, 2020), tourism constitutes also a means to support traditional livelihoods in remote regions (Leu & Müller, 2016), a vehicle to satisfy human curiosity, and a platform for cultural exchange and learning (Cooper, 2023; Gössling, 2018; Pizam & Milman, 1987; Ramkissoon, 2023). The opportunities and limits render tourism an exciting field to study the society, economy, and environment nexus, which is constantly ‘in the making’.
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