

The importance of a local learning centre in a local labour market – How to retain and develop talent and labour in a knowledge-intensive age? (LOCAL)

Campus Varberg in western Sweden was established in 2003 as a learning center aimed at meeting local and regional needs for qualified labor. It serves as a meeting place, education broker, and engine for regional development. This study aims to evaluate whether Campus Varberg has lived up to these goals in terms of retaining labor in the area and increasing the locality's attractiveness to the workforce. Thus, the study will answer the following research questions:

RQ1: To what extent has Campus Varberg contributed to individuals who want to pursue education remaining in the region?

RQ2: To what extent has Campus Varberg contributed to highly educated labor establishing themselves in the region?

In Rodríguez-Pose's article *The revenge of the places that don't matter* (2018), a depressing picture of new urbanization is painted. Rural areas and towns outside major metropolitan regions have been neglected by policymakers, according to Rodríguez-Pose. In *Investigating Spatial Inequalities* (Gladoić Håkansson & Bohman, 2020), the new urbanization in Scandinavia and Southeastern Europe is examined. The book shows how labour markets and housing markets interact to create structural spatial inequality. In the new knowledge society, access to knowledge is a factor that creates spatial inequality, which has placed the role of higher education institutions (HEIs) at the forefront of regional innovation policy and economic development policy (Caniëls & Van den Bosch, 2011).

There are numerous studies examining the impact of HEIs on local and regional economic development (see e.g. Abel & Deitz, 2011; Huggins & Johnston, 2009). Although results reveal that different conditions lead to varying economic effects (such as economic growth, entrepreneurship, innovation, human-capital development, and knowledge development), a general conclusion is that HEIs have a positive significance for regional development.

The focus of the project lies on the importance of HEIs for mobility. Faggian & McCann (2009) examine students' geographic mobility from home to university (before studies) and after graduation in the UK. They find that British students are highly mobile, but differences exist. For example, they find that newer and more modern universities have a greater impact on the local labour market than older traditional universities, that is that students have a higher probability to stay. These results are interesting since Campus Varberg is a new learning centre with a different organizational structure and orientation compared to older traditional Swedish universities.

Haley (2017), in her dissertation, investigates how individuals in Sweden move to employment after higher education. According to Haley, HEIs are often expected *both* to attract prospective students *and* retain graduates in the regional labour market, which is often difficult to obtain. Previous research has found that regional characteristics (e.g. local economy, living costs, wages, population density), education (e.g. field of study, type of institution, prior academic performance), and demographics (e.g. gender, national background, age, previous geographic mobility) influence mobility (see e.g. Karpestam & Gladoić Håkansson 2021). Haley argues, however, that a relational interpretation of these concepts is lacking and introduces the concept of *social space*. The concept can, according to Haley, be understood through Bourdieu's definition and his concepts of *habitus* and various forms of capital (economic, social, and

cultural capital) (Bourdieu 1977, 1986; Haley 2016). The relational element lies in the fact that an individual's habitus is created by the fields in which the individual is situated, but also by the individual's access to different forms of capital, which are partly provided through education. Haley's dissertation is an important starting point for this study, as it broadens the theoretical foundation for analysing mobility after higher education.

Thus, while many studies investigate HEIs' importance for local development, several research gaps remain. First, much previous research on "regional innovation systems" is based on large urban environments (see e.g. Benneworth & Hospers 2007) and cannot provide solutions to the issues posed by growing spatial inequality. In this study, the focus is on a smaller town. Second, much previous research studies innovation, knowledge intensity in production, and production capacity (see e.g. Caniëls & Van den Bosch 2011), but to a lesser extent the mobility of human capital. Third, earlier research often operates at the macro level and uses aggregate data. This study uses individual longitudinal data. It will also apply theoretical perspectives grounded in sociology to understand individuals' choices. By applying these concepts (*social space* and *habitus*), the study contributes to a deeper understanding of the mobility of highly educated individuals after their studies, from an individual-level perspective.

According to human capital theory (see e.g. Becker 1962), individuals invest in education based on the expected return on the investment. One cost of the investment may be relocating to another place. The decision to invest in education is based on the calculation of potential returns minus the costs of undertaking the education. However, it is not self-evident that individuals remain in the study location after completing their education (see e.g. Faggian & McCann 2009). The return on the educational investment (in the form of wages) may be maximized if individuals move elsewhere. According to neoclassical economic theory, wage differences drive voluntary migration. Through migration, human capital is redistributed spatially, contributing to regional changes in labour supply and affecting the local level of human capital (see e.g. Greenwood 1997; Chen & Rosenthal 2008). Non-pecuniary benefits, in the form of amenities such as climate, culture, and entertainment, can also function as magnets for labour (Roback 1982; Marston 1985).

The starting point in new economic geography (see e.g. Krugman 1991, 1998; Porter 1998) is that various types of business clusters generate synergies. Porter's concept of clusters — groups of interconnected firms, suppliers, related industries, and institutions that emerge in certain locations — has become a new framework for thinking about competitiveness and public policy. Firms within the same or related sectors create creative environments for knowledge and labour. Proximity to education can generate clusters, as education creates spillovers such as networks, knowledge transfer, and access to skilled labour.

Florida (2003) argues that certain environments — *creative centres* — attract creative individuals. These centres exhibit not only vitality and innovation but also increased employment and population growth. According to Florida, these places thrive because creative people are drawn to them. The key to creativity, economic development, and innovation lies in technology, talent, and tolerance — Florida's *three Ts*. Places with higher levels of technological density and tolerance have a competitive advantage because they attract more creative individuals. Florida's perspective can be viewed in relation to new economic geography, where places acquire certain characteristics, create attractive clusters, and become an important starting point for understanding the mobility of the highly educated.

Another theoretical foundation is Hodkinson & Sparkes' (1997) conceptual model *Careership*. The model builds on Bourdieu's concepts of capital and habitus but adds the concept of *turning points* — moments when individuals face important career decisions. These may occur when finishing upper-secondary school or university, or when becoming unemployed. The outcome of such decisions is shaped by habitus, which determines the perceived horizon of possibilities. Since habitus is cognitively dependent, individuals' horizons shift based on life events — particularly turning points.

To answer RQ1 and RQ2, Statistics Sweden's LISA database (Longitudinal Integration Database for Health Insurance and Labor Market Studies) will be used. Because the database is longitudinal and based on individual data, it is possible to track individuals — for instance, whether they have moved and begun to study, and whether they remained in the municipality or region after completing their education. It is also possible to "tag" localities with learning centres like Campus Varberg and identify places comparable to Varberg but without a learning centre. To study local and regional labour markets, both municipalities (290 municipalities) and labour-market regions (69 LA regions) will be used. Municipal data (welfare indicators) needed to identify municipalities similar to Varberg will be collected from the Kolada database provided by the Swedish Association of Local Authorities and Regions (SKR).

The study period is 1991–2020. This period is chosen because it corresponds to the years available in LISA and because Campus Varberg began operations during this period (2003). Using this timeframe allows us to study the before-and-after effects of Campus Varberg. To analyse the data and answer RQ1 and RQ2, various regression models will be used, including Difference-in-Differences (DiD) and Fixed Effects (FE). DiD will be used to study before-/after-effects of Campus Varberg. FE will be used to analyse municipality-specific and LA-region-specific characteristics. To interpret the results, human capital theory (including its extensions, such as non-pecuniary amenities as labour magnets) and new economic geography will be applied. Welfare variables and other amenities, as well as place-specific municipal-level data such as the *Talent City Index Sweden*, will be added to the regression models to capture the importance of non-pecuniary benefits and municipal attractiveness. The *Talent City Index* can be linked to Florida's concept of creative places and the three Ts of economic development.

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