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Regional economic development and migration: Developing concepts and focusing devices for the evolutionary analysis

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Regional socio-economic development and migration are strongly interwoven phenomena. Migration has always been integral part – cause and/or effect – of regional economic development. Migration has also become increasingly topical issue for socio-economic development especially outside of a few growth centers. In this short paper our aim is to further develop a conceptual focusing device of “field of choices” to analyze migration from regional economic development point of view. Field of choices simplifying conceptual tool to organize the analysis, but it might be used also for migration management and policy design. We also bring together the literatures from regional studies and migration to do this.

Migration in regional economic development

Our aim in this short paper is to develop a conceptual focusing device to analyze migration from regional economic development point of view. Evolutionary economic geography, frequently used in the context of technological and institutional change (e.g. Nelson & Winter 1982; Cooke 1998; Lundvall 1992), provides here a loose framework to understand the regional socio-economic development. While this literature is rich and diverse, there are common nominators that most approaches in this conceptual family share;

importance of the collective learning, systemic nature and historical path-dependency of development being among the most relevant.

In this approach, new technologies, modes of operations, policy designs or other outcomes of collective learning are considered to be “variations” that survive and evolve towards more permanent form of “routines”, if they fit to the existing socio-economic environment. Especially in wider systemic changes, a lot of learning and competence building among the people and institutions in the region is required. Both are time and resource consuming and thus slow processes that aim to change social structures. “Selection environment” (e.g. Boschma & Martin 2007) or “landscape” (e.g. Geels 2004) refer to broader socio-economic and environmental conditions like markets, institutions or physical constraints that significantly impact on the form and qualities of new successful variations, whether habits or products.

For the change process, external knowledge and resource flows have found to be important. To simplify, in this framework, migration flows acquire two desirable roles. Firstly, migration flow provides new knowledge, networks and other human resources to the region for value creating processes (e.g. business, cultural life). Secondly, migrants also arrive with new values and practices framing the knowledge that may foster institutional

change towards better regional resilience or absorptive capacity. Both processes, in turn, increase the capability to attract and deploy the human capital outside of the region.

Evolutionary economic geography distinguishes itself from neoclassical economic approach by emphasizing more historical and system-based view and by not assuming abstractions like “equilibrium” or “rational choice” to exist (e.g. Boschma & Frenken 2006). One of the most visible figures combining the regional economic development and migration patterns, professor Richard Florida (2002; 2004), may be linked to this school of thought. His Creative class and Creative cities thesis according which “talent attract jobs, rather than jobs attract talents” gained a lot of popularity among the policy makers and academics, as well as some serious critics (e.g. Peck 2005) soon after their publication.

However, views how “talent attract jobs, and tolerance, amenities and technology attract talent” were contested especially in European (e.g. Boschma & Fritsch 2014) and even more so in Nordic context (e.g. Andersen et al. 2010). They acknowledged that migration dynamics are different in different socio-economic and spatial contexts; one-size-fits-all solutions are not likely to occur. One crucial spatial difference is that there are only one or few metropolitan regions within the countries in the Europe compared to USA, and countries usually consist the most important field for the labor mobility. Still, Florida’s insights put lot of pressure to consider the role of human capital and migration more in detail in the context of regional economic development

Regional economic development in migration

In migration studies as well, major theoretical division may be done between those approaches representing neoclassical economic thinking based on assumption of “equilibrium” in economy (e.g. Borjas 1989; Harris & Todaro 1970) and more loose family of theories, representing “historical-structural” approaches (e.g. Piore 1971; Castles & Miller 1993) and further world-system and migration system views (e.g. Massey 1988) as Abreu (2010) suggests. Sometimes New Economics of Labor Migration (Katz & Stark 1986) is suggested to intermediate between these two schools (e.g. De Haas 2010), but it has been also labelled as “avatar for neoclassical approach” (Abreu 2010). However, distinction resembles the one in geography, and it may be assumed that two disciplines are more compatible to each other, if these ontological borders are respected.

The reasons of migration have been widely discussed in the migration literature already from 19th century, and thus they are fairly well recognized (e.g. Ravenstein 1885). From simple neoclassical push and pull models (e.g. Lee 1966; Bouge 1969) approaches have moved to more historical, structural and systemic interpretations. These include “housing careers” (e.g. Davies & Pickles 1991) or more family based strategies of already mentioned new labor migration approaches (e.g. Stark & Bloom 1985), or network models (Gurak & Caces 1992) and even anchoring “moorings” (Moon 1995); all attempt to explain the mobility patterns. Some scholars linked mobility patterns and social advancement directly to urban environments in their analysis. For example, Fielding (1992) introduced the “escalator cities” that offer big-city’s fast-track to success through multiple opportunities for the new comers, including foreigners. In sum, there are complex social structures as well as varying economic opportunities that constrain, but do not determine the mobility patterns of people.

We should also consider the various modes and roles of migration flows in the context of regional economic development. New labor force, taxpayers or knowledge of individuals are crucial assets for the regions. In case of migration patterns of the 2020s the role of taxpayer has become increasingly important in the Nordic countries. This is due to fast decreasing birth rates and strong migration flows of young and educated people to a few biggest city-regions (e.g. Sanchez & Heleniak 2019). From small and medium size town perspective, and especially from rural regions, the population decline is major threat for the vitality. For example in Finland national population growth depends on immigration and there are only few municipalities and city-regions that have been constantly growing still during the 2010. Therefore, for many smaller municipalities it is crucial to attract taxpayers and workforce to survive, while some of the biggest cities may focus on “global talent attraction strategies” to nourish their knowledge based businesses.

Consequently, the sustainable regional development should aim to ensure the availability of skills and working age people on these regions. As it is crucial for different regions and localities to attract different people, it is appropriate to deploy a generic concept to capture the relation of migration and regional economic development. It is possible to deploy various migration related studies and their conceptualization mentioned above to develop a tool for the analysis, and maybe for migration management as well.

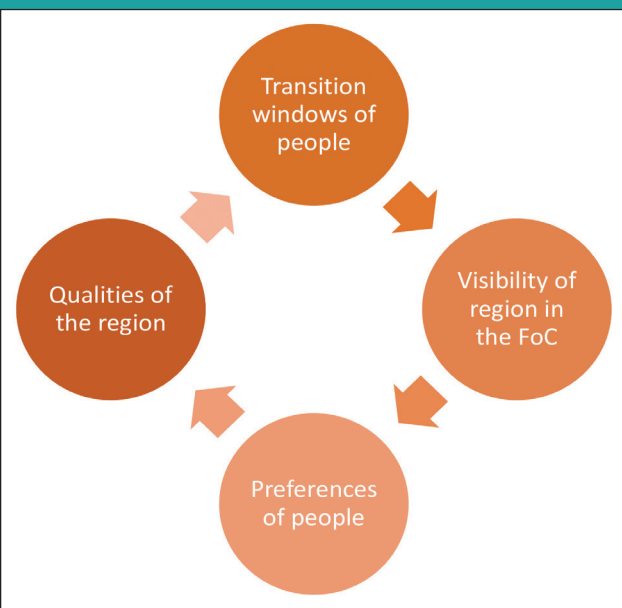


Figure 1. Process in the field of choices (FoC).

Field of choices – conceptual tool

From various frameworks and interpretations, it may be possible to further develop a conceptual tool of “field of choices” (FoC) also in more rural context. Field of choices has been applied for some empirical research (e.g. Raunio 2001; Raunio & Forsander 2009) in order to discuss and analyze the relation between certain regions and their ability to attract migration flows. Field of choices may be defined according to its four elements.

The first element may be labelled as *transition window*. Transition window has a temporal nature and it takes place in transition phases of people lives, when strategic decisions related to spatial location are made due to significant changes in one’s life courses. These typically include starting of studies, first job, starting a family and time when children go to school and finally move out. Obviously, field of choices look very different in different life-phases, or from different transition windows. To find a feasible study place is strongly related to spatial dispersion of higher education institutions (HEI), to start a job and build a career is related to job markets, and to move with children relates to relatives or quality of schools and other relevant services in the region. Therefore, for the region, it is important to recognize in what transition phases in people’s life course are most likely to open the “window of opportunity” towards the region and its offering. Region without HEI does not emerge to the field of choices when someone is pondering his or

her study place, but it may emerge when the same person is considering where to work after graduation.

The second element defines the *visibility of the region in the field of choices*. What is quantity and quality of information that people have about the region? Are they aware of it at all? Do they recognize some of its activities or communities or any other entities? Do they think that region may enable successful accomplishment of certain goals or tasks? Is the region among those where they could realistically move, when considering their real-life linkages and resources? In short, if region wish to emerge to the field of choices of certain group, those people should have some information about the qualities of the places that are relevant for them in terms of moving decisions.

Third element is *preferences* – what are the factors that people really value when they choose their place of residence outside of their current home region? These factors are combination of values and specific services and qualities that they expect from the region in order to organize their lives properly. Do people prefer urban environment and career or tranquility and societal participation? Or maybe vicinity of relatives and friends?

Fourth element, qualities of the region, consist actual *qualities of the place* in question; what are the real offerings that region is able to provide? For example; Is it more suitable for professional in certain life of business only or for wide variety professionals? Are the living expenses substantial or are there affordable solutions available as well? How these qualities are perceived or recognized by the potential movers, “people in transition windows”?

Therefore, the process in the field of choices may be seen as a circle (see Figure 1). Usually people move from the last phase back to the first. After moving decision has been done a new transition window is likely to open at some phase of life, whether it is used or not. From region point of view, when qualities of the place are evaluated and moving decision is done by some individual there are already a few more behind the “transition windows” looking for the suitable location for them. What is the course of development in the region? Is it visible and from what windows? Do the existing qualities work as pulling and attracting factors, and what are the channels spreading that information?

The view from the each different transition window looks very different. As a metaphor, the transition windows open the view to the field of choices where region is visible or not. Potential migrants may look from the same window, but their gazes seek different

things due to different preferences. Still, if there are some distinctive elements on the field, they may catch the one's attention, although they were not the things that they are actually looking for. For example, big university with thousands of students may make view a more appealing also professional in working life, not only for students. Or, exceptionally beautiful nature and cultural amenities are appealing to most, even if they do not consider them as a priority. However, these secondary factors, and their possible development, define how the place is perceived as a whole among the potential in-migrants. It is also possible, that region is not on the field of choices at all. For example region without university is likely to be invisible for those who are about to migrate due to studies at the university. In worst case, also other significant factors and channels are missing. At minimum, only social networks links region to potential migrants, through threads that out-migrants have left behind. Social linkages include also "region itself" in terms of feelings of belonging and identity. However, social linkages obviously offer very limited view to the region.

It should be noticed that the future prospects are important for the people when they make strategic choices in their lives. Thus, what do these locations offer in the future? Do they seem to progress and move to the right direction when looked at the specific window? For example in case of those who seek new jobs or specific career opportunities, the development paths that shape the regional labor markets may be blurry but important. What are related development processes that should be fostered, to steer the migration flows to the region? Obviously, in each case all development paths are relevant to some extent, but focus and priorities alter.

In terms of policy design, to make a region more attractive, it may be now considered, what are the gaps to be filled? Should we focus on marketing and building of awareness, in order to make region visible in the field of choices? Or is it more relevant to focus on those structural factors that are key elements in different transition phases – HEIs, job markets, services, etc.? And what are the windows and who is looking to our region? Or should we aim to shape the preferences of the people, or simply fill the recognized attraction gaps in the region?

New values steering migrations and development?

Finally, it should be noticed, that both preferences of migrants and paths of regional

economic development are related to wider societal structures and their changes; and emerging new "selection environment". Recently, inequality and environmental issues have been major concerns that have shaped the landscape for all the human activities globally, including perception of economic development and mobility of people. Not only environmentally but also socially sustainable goals frequently provide guidelines how to implement regional "smart development strategies" in Finland and globally.

Scholars like Piketty (2014) and Acemoglu and Robinson (2011) have provided strong evidence how equality among the people and social classes is determinant for the long-term economic growth of nations. Rodrigues-Pose (2018) has followed the same line of thought at regional context. In his "Revenge of the places that does not matter" article he explains how the feeling of being "left-behind" gives a rise to populism and create discontent in various regions around the world. Divides are emerging between the regions that "matter" and those that "do not matter", rather than social classes or ethnic groups only. Regionally emerging political disparities have had serious socio-economic impacts, of which the most visible are "brexit" in the UK and Trump's economic policy in the USA. Thus, instead of being buzzword, inclusion is now defining the economic development policies from local to global level, along with environmental sustainability (e.g. Raworth 2017).

New values that support the socially and environmentally sustainable development provide new socio-economic and cultural frames for the development, and preferences of potential migrants, especially for younger generation. Thus, values are crucial part in defining both structures and agency in evolutionary development process. Therefore, deeper understanding of the values of people and those prevailing in the regions is crucial part of the analysis.

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