

Abstract

Åsa-Karin Engstrand: *The Road Once Taken: Transformation of Labour Markets, Politics, and Place Promotion in two Swedish Cities, Karlskrona and Uddevalla, 1930-2000*

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The thesis analyses the relationship between the economic transformation of labour markets, local politics, and discourses about economic development in a comparative study of Karlskrona and Uddevalla, Sweden between 1930 and 2000.

The thesis shows that the cities' labour markets have been path-dependent, i.e. highly dependent on their economic histories. The shipyard in Uddevalla prevented other locations and when the closing-down was a fact there was not much else to build on. Today the automobile industry is the largest industry in Uddevalla, but it seems as if the 'glory days' of industrial employment are over. Karlskrona has shown a more favourable development in terms of employment because of its more diverse industrial structure and its tradition in the electronics/telecommunications sector.

Today's discourse of the economic development in media, however, argues that the specialization in telecommunications and information technology in Karlskrona during the 1990s has taken place independently of Karlskrona's history, thus creating a myth of bad-then, good-now practices. Media has demonstrated the success story of the public-private partnership project Telecom City, arguing that several new jobs have been created during the 1990s due to the inauguration of this project. The Swedish Business Development Agency has caught on to this hype and put forward Telecom City as a role model. It is argued, however, in the thesis that such a description can be questioned from a statistical point of view. It is more likely that the success story of Telecom city is foremost a successful promotion story.

In economically unstable times, cities are prone to promote themselves to change their images and to attract companies. The thesis shows that this is not a new phenomenon in the cities studied. When central government policy focuses less on directing companies and supporting company locations, municipalities are forced to do what they can to attract companies. Before the 1970s it was about attracting industrial companies, during the 1990s IT-companies were in focus. In addition, the recent years' focus on cluster as a way to local and national growth is highly questionable since it puts too much emphasis on the positive side of social relations, ignoring the fact that social relations can both inhibit and foster economic development depending on time and place. Specilization can also lead to lock-in effects and only to short-term employment gains. The cluster perspective ignores the fact that regions are path-dependent and that not all of them can take advantage of the roads once taken.

Key words: local economic development, path-dependence, place promotion, local labour markets, regional policy, cluster, embeddedness