

## **Global advanced producer service companies in localized demand for labor in Sweden**

**Maria Podkorytova**

### **Extended abstract**

The current study aims to reveal the coherence in globalized and local demand for labor through the lens of global advanced producer service (APS) companies in Sweden. Global APS companies are considered as facilitators of globalization, stimulating the transformation of the labor market and exchange of skills (Kleibert, 2017). However, the coherence between demand from global APS companies and local labor markets is still in question. Where do the global APS companies hire and how is it connected to the local characteristics of labor? How do hiring patterns of the global APS companies change with time? Is it beneficial for the regions to attract global APS companies from the perspective of local composition of skills?

The optimistic view on the connection between global APS companies and local development is deeply connected to the idea of unifying globalization. Understanding globalization as imitative (Sassen, 2005), empowers considering similar conditions as the key to similar outcomes. And the business models of global APS companies concern the creation of similar conditions for doing business worldwide. Taylor and co-authors (2007) appeal to global APS companies as significant actors shaping economic flows between the cities and consequently defining the positions of cities in globalization. It does not just refer to economic growth but also to political power, the power of local decision-making on the global processes.

The opposing view is based on complexity and unpredictability as key features of globalization. Kleibert (2017) demonstrates how the intra-firm division of labor leads to mismatch between employment in global APS companies and position of the city in globalization. Namely, she addressed offshoring of lower-end functions by the global APS companies in Manila (Philippines) and its correspondence with the complexity and controversial character of contemporary globalization. Baldwin (2018) highlights how complexity of connectedness makes local outcomes of globalization sophisticated and uncertain. He claims that “international competition can affect national economies stage by stage, or even job by job” (p.176). Mazzucato & Collington (2023) make a point of competition for high skilled labor created by the global APS companies and following loss of expertise among both governmental bodies and businesses. In the current research, the focus on coherence between local demand for labor and demand for labor shaped by the global APS companies is supposed to shade a light on localized effects of global competition.

The research focuses on the employment of large-scale georeferenced open data and constituting a coherent database of it. The study unites the database containing information on job announcement in Sweden in 2006-2022 by municipality, including headline of occupation and name of employer. The data is analyzed in regard to temporal and spatial dynamics. Vacancies posted by the global APS companies have been extracted from the database and analyzed directly. Defining companies as global APS companies has been based on an approach by Peter Taylor and colleagues. They name accountancy, advertising, banking, insurance, law, and management as sectors which determine the image of contemporary globalization. The data on companies of these sectors present in Sweden in 2022 has been collected from Forbes Global 2000 list and specialized lists of the largest companies describing particular sectors. The focus of collecting the data on global APS companies is to provide a similar number of

companies in each sector. Consequently, the sectors can be compared by both localization strategies and approaches to hiring. The addresses of the global APS companies for the year 2022 have been collected from corporate websites and geocoded using ArcGIS software. The resulting data has been specifically studied by specializations of global service companies and municipalities where the job announcements are located. As a result, it is possible to follow the spatial and temporal transformation of demand for labor both in Sweden in general and among the global APS companies.

Only preliminary results of the analysis are currently available, however the spatial and temporal dynamics in both number of vacancies and combination of occupations can already be traced. In total, more than 16 million vacancies have been analyzed, and their spatial distribution between municipalities with different population remained relatively stable between 2006 and 2022. Geocoding the addresses of the global APS in Sweden and identifying their vacancies demonstrates the significant spatial reach. Offices of global APS companies are present beyond the largest cities of Sweden and their suburbs. Moreover, there is hiring beyond the largest and medium-sized cities. Constituting less than 1% of all the published vacancies each year, global APS companies demonstrate significant and unexpected spatial sprawl in Sweden. However, the approaches to localization and hiring strongly depend on the specialization of the company. Contradicting the assumption of Taylor and colleagues (2014), global banks in Sweden have very limited spatial presence while offices of advertising companies can be found in remote and peripheral regions. The case of banking can be connected to the local financial system and legal restrictions. Meanwhile, the case of advertising could reveal the specificity of the local labor market. In the majority of years advertising companies also publish more vacancies than companies of any other sector, and specifically dominate in the largest cities. For medium-sized cities insurance companies took the lead and in the rest of municipalities advertising, insurance and accountancy companies alternate. Further analysis will concern the contents of headlines of vacancies depending on the size of municipality where it is located and the specialization of the company.

COVID-19 pandemic is supposed to impact, first of all, the number and distribution of non-localized vacancies in the data. A significant rise of non-localized vacancies happens in 2020 but is not observed already in 2021. However, for global APS companies of two sectors: advertising and management the share of non-localized vacancies not just increases in 2020 but remains in the similarly high level in 2021 and 2022. It could be connected to the transformation of approach to hiring after pandemic in these sectors.

Overall, further analysis should focus on local effects of presence of global APS companies in labor market, its transformation in time and spatial inequality. Addressing globalization through the lens of demand for labor could provide new insights on the process itself, especially on the local scale.

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