Regional industrial mix, specialization and underemployment across Greek regions:

Estimating the harsh impact of austerity based on location quotient & shift – share analysis

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"ACTION: ‘PARTICIPATORY ACTION RESEARCH TO ADDRESS UN/UNDER-EMPLOYMENT AT THE LOCAL LEVEL (EEA GR07/3694)’"
what about underemployment?

• Are there territory-specific patterns of underemployment?

• Is there an expansion of underemployment and if so, in which sectors and regions?

Aiming to reveal the interface between

• Local specialization, restructuring and increasing labour surplus
Research hypothesis

The phenomenon of underemployment

• is an individual aspect of flexible labour trends

• triggered by recession and expanding amid crisis
  • in uneven, geographical and sectoral, terms

Underemployment comprises but a part of the *Industrial Reserve Army* (labour surplus)
Underemployment and the Industrial Reserve Army (definitions...)

• **Underemployed employees/ workers:**
  
  ...usually work on a part-time basis while need and desire full-time employment or are employed at a low-paying job that requires less skill or training than they possess

• **Industrial Reserve Army:**
  
  • Re-produced by capitalism and expanding amid crises
  
  • pivotal to overcome the crises of over-accumulation

  **A key element hindering the radicalization of the labourers**
Methodological approach

**Part-time work**: a good proxy of underemployment

**LQ index** for analyzing specialization/ uneven concentration:

\[
LQ = \frac{E_{ir}}{E_{r}} \div \frac{E_{in}}{E_{n}}
\]

**Shift-share analysis** to clarify the factors causing employment change

\[
\Delta E = NS + IM + RS
\]

- \(NS = \Omega_n\)
- \(IM = \left[\text{SUM}_i\right] \div \{(E_{ir}/E_r - 1/i) \times \Omega_r\} - \{(E_{in}/E_n - 1/i) \times \Omega_n\}\)
- \(RS = \left[\text{SUM}_i\right] \div 1/i \times (\Omega_r - \Omega_n)\)

- Implemented across all 13 Greek regions and 9 grouped sectors
Methodological approach

**LQ index**

\[
LQ = \frac{\text{Regional Industry Employment}}{\text{Regional Total Employment}} \times \frac{\text{State Industry Employment}}{\text{State Total Employment}}
\]

<table>
<thead>
<tr>
<th>Value</th>
<th>Implication</th>
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<tbody>
<tr>
<td>LQ &gt; 1</td>
<td>Area has proportionally more workers employed in a specific industry sector than the larger comparison area</td>
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<tr>
<td>LQ ≥ 1.25</td>
<td>Area industry has potential to be classified as exporter</td>
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<tr>
<td>LQ &lt; 1</td>
<td>May indicate opportunity to develop businesses in the local area</td>
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**Shift-share analysis**

\[
e_{i}^{t+n} - e_{i}^{t} = N S_{i} + I M_{i} + R S_{i}
\]

Where,

\[
e_{i}^{t+n} - e_{i}^{t} \quad \text{is the total employment change from time } t \text{ to } t+n \text{ for industry, } i
\]

- \(NS_{i}\) The national effect (national growth rate)
- \(IM_{i}\) The industry mix effect for industry, \(i\)
- \(RS_{i}\) The local (regional) share effect for industry, \(i\)
Greek regions per productive profile
Waged part-time employment regional concentrations

Main regions of underemployment:
• Metropolitan Attica
• Secondarily, also metropolitan Central Macedonia

Sharp increases after 2009 in:
• Touristic regions (especially the Ionian Islands)
• Manufacturing Western Macedonia
Waged part-time concentrations
Waged part-time employment changes

2005-08

2009-12
Waged part-time employment sectoral concentrations

Main sectors:

• Primarily in **leisure, arts and similar activities**
• Followed by **hotel, food and catering**

**Construction**: nearly doubled its numbers during recession

**Public administration, healthcare & education**: salient sector losing ground

• Receded after the abrupt mass termination of temporary part-time contracts in the public sector
While unemployment rates skyrocket...

2005-08 2009-12
Factors of influence: Shift-share analysis

i. Regional characteristics the main drive of waged part-time employment changes in both periods
   • Sectoral impact sticks out only in some touristic regions, and only in the first period

ii. RS is mainly positive while IM is negative, with the former boosting the overall numbers of waged part-timers

iii. National impact is weak in both periods
Dominant factor: Regional effects
Conclusions - Discussion

Uneven underlying tendencies, even within regional production groups

• Driven mainly by each region’s local characteristics

part-time employment increase amid labour market collapse

• pro-crisis deregulation and flexibilization trends failed to tackle recession

• sectors with biggest losses in total employment (e.g. constructions), had the sharpest raises (i.e. cannot sustain their full-timers)

Every single stage in capital’s reproduction is place-based while combinations of different stages produce different, though overlapping, spaces of production and consumption
Deeper political – economic causal mechanisms

Productive & technological priorities (profit-oriented)

- low-technology semi-dependent structures,
- intense capital devaluation, high fall in consumption...

Market – driven organizational changes

- Producing not only underemployment but also overtime work

Institutional and welfare reforms

- Making underemployment very cheap for the employers
Final remarks

- post-crisis patterns reveal a geographically uneven shift in many - even the regional labor markets to larger shares of under-employment

- “Uneven development is both the product and the geographical premise of capitalist development” (Smith, 1982)

- unions and workers should take into account the complex socio-geographical realities of underemployment ...
  - in order to be able to make their agency more effective...
Thanks for your interest

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