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Spatial segmentation of large urban labour markets: Cultures of segregation among the urban poor?

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SPATIAL SEGMENTATION OF LARGE URBAN LABOUR MARKETS

CULTURES OF SEGREGATION AMONG THE URBAN POOR?

PAPER PREPARED FOR THE 38TH EUROPEAN CONGRESS OF THE REGIONAL SCIENCE ASSOCIATION, Vienna, Austria, August 28-September 1, 1998

Due to the selective process of suburbanisation of population and firms, a specific distribution of supply and demand categories has appeared within the urban space. The perspective of this paper is that space does not only reflect the differences in labour market chances among supply categories, but that it is also influencing these differences: the process of spatial segmentation. The question is whether the labour market chances of supply categories differs among neighbourhoods, due to personal characteristics like education, gender and ethnicity *and* neighbourhood effects.

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1 Introduction

It is being argued by many authors that due to recent processes of change in industry, the distinction between positions on the labour market, and the chances for getting a job that result from this position, is being strengthened. Only in the case of very low-valued and very high-valued jobs, growth in employment would take place, with the consequence that the middle class (being a staging-area for promotion) is disappearing; a duality of the urban labour market is the result. According to Castells (1993), this duality will lead to a destabilisation of social life in big cities, possibly discharging into an urban crisis.

This dualisation will express itself in the urban space. This results from the fact that the different categories within the labour supply, that can be distinguished by a specific combination of the level of education, age, gender and ethnicity, are not homogeneously distributed across urban space. The selectivity of the process of suburbanisation is the main cause for this. If we assume that these characteristics are conditioning the labour market chance of a supply-category, this heterogeneity will lead to a unbalanced spatial distribution of labour market chances.

If space did not play a role in the determination of someone's chance on the labour market, this unbalanced distribution in a spatial sense should have no negative consequences for the economic and social health of the city. However, the main hypothesis of this paper and forthcoming research is that the residential location, in the form of neighbourhood-effects, *do* play a role in the determination of the unemployment rate in a neighbourhood. Special attention will be paid to (a combination of) two aspects; on the one hand, the additional influence of the presence of people with low chances on the labour market in the population of the neighbourhood, on the other the spatial distance between the neighbourhood and the location of for these people suitable employment in the urban region.

If it can be shown that the unemployment rate in the neighbourhood is depending partially on these aspects, the residential location does not play a passive role anymore, but a conditional one: the result is a spatial segmentation of the labour market. The before-mentioned dualisation should not

only be reflected in urban space, but also be shaped by space. So, the social-ecologist vision on the explanation of unemployment is being examined here.

On the continent of Europe, little research has been carried out on the subject of spatial segmentation. In Holland for instance, the relationship between the neighbourhood and sociological themes has been often examined, like social participation (Musterd, 1996), criminality (Rovers, 1997), attendance of the church and political preferences (De Vos, 1997) and sense of community (Blokland-Potters, 1997). Research on the relationship between the neighbourhood and economic themes like labour market behaviour is quite scarce. In those few exceptions, the emphasis is on specific groups, not the (participating) population as a whole. Examples are the effects of neighbourhood-effects on the behaviour of long-term unemployed (Kroft et. al., 1989 and Van Berkel et. al., 1996), and on the employment rate among ethnic minorities (Tesser et. al., 1995).

2 Unemployment and neighbourhood-effects

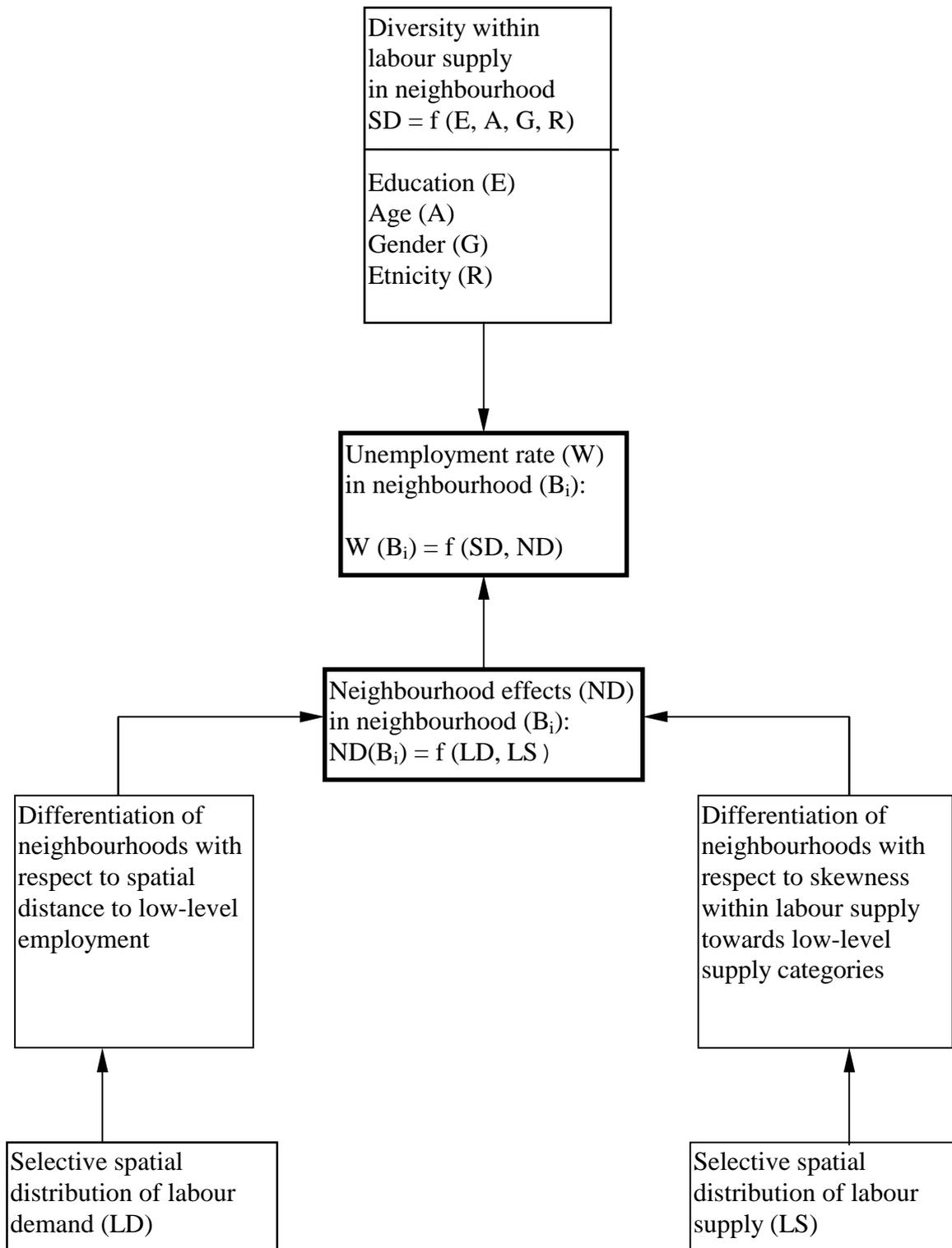
2.1 Introduction

The forthcoming research will pay attention to the large urban areas that are part of the Randstad, Holland; the City of Amsterdam and Rotterdam. The neighbourhoods in these areas are the units for examination. By means of the choice for urban areas, central cities can be examined in connection with the surrounding suburban municipalities. The foundation underlying this choice is the consideration, that the process of selective deconcentration of population and industry, which is the basis for the spatial segmentation, is taking place at a higher spatial level than the central city itself.

In the conceptual framework (figure 1), the unemployment rate W per neighbourhood B_i is the central element, as it is being defined by the characteristics of the labour supply in the neighbourhood itself (supply diversity (SD)), and the neighbourhood-effects (neighbourhood diversity (ND)). In order to lift up the direct influence of the characteristics of the working population on the unemployment rate, so that the neighbourhood-effects can be distinguished,

Figure 1

Spatial segmentation of large urban labour markets - conceptual framework



the unemployment rate will be calculated per specific supply-category on the level of the urban area, next this figure will be multiplied with the number of people in the neighbourhood that does also belong to this specific supply-category. The difference between this calculated, 'expected' unemployment rate and the real figure, will be central in further analysis. That the unemployment rate in a neighbourhood with for example low-educated ethnic minorities usually is much higher than in a neighbourhood with high-educated whites, is quite logical and not of relevance for analysis. In this way, this disturbing effect will be levelled. The neighbourhood-effects arise from *additional* effects of the characteristics of the population in the neighbourhood, a composition which is the result of the selective spatial distribution of the population (location supply (LS)), and secondly, the spatial distance between the neighbourhood and all possible locations with low-level employment (location demand (LD)). These two aspects are considered below.

In the cities in the Western world, a spatial process of allocation has been going on with respect to the different categories within the population; rich households, but also parts of the middle class, are choosing a residence in the distant suburbs, in order to combine large space for residential purposes with pleasant surroundings. The need for large space is that big, that the diminishing of the costs per unit space is of much more concern for them than the diminishing of travel expenses (Simpson, 1992). Less affluent households remain situated in the low-valued 19th century lower-class neighbourhoods or, like in Holland, the post-war flats surrounding the central city.

Today it can be argued that employment, just like housing, is not only to be found in the central city, and is deconcentrating on the level of urban areas (Mills & Hamilton, 1994, see also Simpson). It seems that there is also a selectivity in the deconcentration of industry, but this one works the other way around; not the high-level, but low-level employment is suburbanising. In Holland or Europe, this movement will be developed to a much lesser extent than in the United States or Canada, but apparently similar developments are going on over here (Van der Laan et. al., 1994). In North America, the central city remains important as a location for headquarters and high-valued business services, whereas the high-level labour supply is living in the suburbs. The reverse applies for low-level supply- and demand-categories.

The selectivity of the suburbanisation of population and industry will lead to the situation that neighbourhoods will differ from each other with respect to the proportion of low chance-categories that is living in the neighbourhood, and the spatial distance to the employment that is suitable for them. In the next two sub-paragraphs, these neighbourhood effects will be explained in greater depth.

2.2 The poverty trap

A high concentration of people with low chances on the labour market in a neighbourhood might be of an influence on the labour market behaviour of each individual that lives there. Actually, only recently this segregation of low-chance categories is being considered as an unwanted phenomenon, not only because it is the expression of inequality and lack of integration, but also because it could be a *cause* of inequality. In theory, due to feedback-effects these individuals will have to cope with negative examples around them, to whom they will mirror their social behaviour, probably also with respect to labour ethics. On the other hand, potential employers might be stigmatising these areas.

In these neighbourhoods, a culture of poverty might be developing (Lewis, 1966). This culture takes the form of an extra impediment on the social emancipation of its members, which is more than an addition sum of all the (low) individual chances. An extra impediment, which cannot be seen as a voluntary choice of these individuals. The accusation that Lewis thinks that these people are responsible for their poor situation, is absolutely nonsense. Lewis' intention is not to explain the ultimate cause of their poor situation or position, but to consider the effects of this position on their social behaviour.

Lewis is concerned with communities, that don't have to be concentrated within a particular neighbourhood. That would only be the case if the social networks in the community are confined to a certain spatial range. However, Massey & Denton (1993) argue that it is exactly the segregation that is an important catalysator in this process of deterioration. In this respect, they prefer to speak of *cultures of segregation*, see also the subtitle of this paper. In Holland also, research has been carried out on the existence of cultures of segregation. For example, Musterd argues that an

influence can be distinguished of the segregation of low chance categories, a segregation which is quite small compared with other countries, on the social participation of households. On the basis of an surveying research in the City of Amsterdam, it can be argued that the higher the level of people with low chances in the area, the higher the chance there is a low social participation (measured as the amount of time spent at home). Very interesting is that even small differences in the levels of segregation are already leading to relatively big differences in social participation. Possibly, the negative mirror-effect referred to above, takes place at a much faster speed than we might be expecting. If these low chance-categories are living in a spatially concentrated way, the so-called phenomenon of the *poverty trap* (Haughton, 1993) might be put into action.

In this process, the buying power of the area is being lowered and in this way many services cannot be kept in existence. This trap will also endanger the formal and informal support-networks, that are of so much importance for low-educated people to get a job. In a neighbourhood that is characterised by a high concentration of unemployment, youths are only to a little extent stimulated to follow education, especially if their parents are unemployed, or are having low-quality jobs. Because these youths will in this way remain in the secondary segment of the labour market, they remain 'poor' and have to look for cheap housing in similar areas, and often have to look for jobs in informal spheres. This situation will be of an influence for the rest of their lives; they can be characterised by a certain life-style, a low education and a mistrust in social and economic structures. In this situation, the same personal networks can play exactly a negative role in the individual labour market behaviour. If segregation is large, chances are lowered that these people will get in touch with more successful examples. Negative mirror-effects will than be put into action.

2.3 The spatial mismatch

The selective suburbanisation of the labour demand in urban areas is of a more recent date than that of the population, but it could be that this movement of especially low-level employment is changing the distance between a neighbourhood and locations with this type of employment, in some cases to a much larger extent than in others, especially with respect to deteriorating inner city areas and less segregated suburban areas. This idea is central to the spatial mismatch-thesis.

In its most extreme form, the spatial mismatch-thesis indicates that a social polarisation is present at the urban labour market between low-educated unemployed in the central city and high-educated workers in the suburbs. A low-educated person has much higher chances to get a suitable job, if he or she is living in the suburbs, not in the central city. Job search activities of low-educated people are for a great part orientated on the local labour market by means of an informal information-network. Distant job-opportunities are less 'visible' for them. The central issue in the thesis is that the knowledge on job opportunities within a given spatial range will be lowered, if the possibilities are being lowered within the same range, the level of education given (Simpson, see also Hamermesh & Rees, 1993). These people are expected not to extend their activities beyond the boundaries of the existing area. Hanson & Pratt (1992) argue that there is a variety in the knowledge on job opportunities per labour supply category. The individual knowledge must be seen as being derived from personal experiences that are based on place-bound interactions of daily life (see also McLafferty & Preston, 1992). From their research on a small American urban area, it appears that many groups of low-educated employees do have a restricted spatial range for job search and commuting, because of a restricted daily activity space. In this way, it seems logical to assume that a general deconcentration of firms will have heavy consequences on the labour supply in the at this moment still centrally located labour market areas. Research on the spatial mismatch-thesis, also in a country like Holland where distances are quite small, seems to be justified in this respect.

4. Conclusion: cultures of segregation among the urban poor?

The research questions of the forthcoming research are as follows:

1. Is the rate of unemployment in certain neighbourhoods of the urban areas in the Randstad, Holland higher than could be expected from the characteristics of the working population, like the level of education, presence of ethnic minorities, profile of age-distribution, gender and the interaction effects among these variables?

2. If so, does there exist a positive correlation between on the one hand the difference between the expected and real unemployment rate, and on the other hand the skewness in the composition of the local working population towards categories with low chances on the labour market?

3. If so, does there exist a positive correlation between on the one hand the difference between the expected and real unemployment rate, and the spatial distance to locations in the urban area with low-level employment?

The expectation is that the unemployment rate will be significantly higher in deteriorated neighbourhoods in the central city, than could be expected on the basis of the characteristics of the local working population. Unemployed people in these neighbourhoods will adjust their wishes or preferences for having a job in the direction of the situation which is being experienced at a much earlier stage, compared with the same supply-categories in less segregated, 'better' neighbourhoods in the suburbs. Is a high unemployment rate in the neighbourhood a motive to search for a job less frequently, even for temporary ones? To see the advantages rather than the disadvantages of being unemployed? To feel less shame for the unemployed position? To be less prepared to commute at longer distances or moving out of the area in order to get a job?

In this way, the spatial concentration of low chance-categories in certain neighbourhoods can have some implications for these people. But also for the rest of the urban population, these concentrations might be a danger. The public fear of possible negative external effects, like crime, drugs-usage and anti-social behaviour, of 'American conditions' in European cities (to be read as urban deterioration due to the emergence of ghettos) is illustrative enough. Partly as a response to alarming publications on this matter, the before-mentioned publication by Tesser et. al. on ethnic minorities, but also the study on neighbourhoods heavily depending on social welfare (Engbersen et. al., 1996), the Dutch government is trying to counter this threatening process of developing ghettos by means of physical interference under the heading of a so-called 'urban restructuring'-policy. Recent policy is striving for more differentiation, more mixing of the population on all spatial scales, especially on the level of neighbourhoods. The central thought here is that only reasonably mixed neighbourhoods are viable. It can be questioned however, whether it is a good

solution to solve social problems (a concentration of groups with low status or unemployed) with physical measures (Musterd, 1998). A nice issue to have a further discussion on.

At this moment, the author is carrying out a first analysis on the basis of some neighbourhoods in the City of Rotterdam. It is being examined which data and methods can and will be used, and in which way the neighbourhood-effects can be measured. The first results will be presented during the session.

5. Literature

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