

CRISIS AND EMPLOYMENT IN ANDALUSIAN CITIES

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1. INTRODUCTION

A deep crisis arose at the end of the first decade of the 21st century and is helping to reveal a whole series of contradictions in both the way that the globalisation process occurred and in the foundations that underpin the neo-capitalist economic growth model.

A series of interrelated causes that had largely been gestating during the last decades of the 20th century were involved in the origins of the crisis. One that stands out is the financial deregulation process, which made a decisive contribution to causing vast growth in said economic sector until it reached previously unknown levels. Similarly, the use of very sophisticated, opaque and risky financial products was a determining factor in entering *an era of unprecedented financial risks* (Harvey, 2008, 218).

Closely related to the above, there was a boom in real estate growth that made a decisive contribution to driving the financial crisis forwards. Once more, the construction sector revealed itself to be *due to its strategic role as the link between the financial sector and the real economy, a determining factor and a trigger of the cycles of boom and bust, and of economic crises* (Daher, 2013, 48).

As is known, Spain is one of the countries most affected by the crisis. The economic dynamism that the country has experienced since the second half of the nineteen-nineties was basically underpinned by financial-speculative activities and by economic sectors characterised by the use of generic resources, such as low-skilled labour and the intensive use of natural resources. It is therefore not surprising that when the financial-real estate bubble burst, this once again highlighted the ineffectiveness of an economic model that, apart from being socially unfair, and environmentally and territorially aggressive, was not even competitive (García Bellido, 2005; Fernández Durán, 2006; Naredo, 2010, inter alia).

At the same time it cannot be overlooked that the adjustment policies being implemented as a consequence of the crisis are not only not contributing to solving the serious economic

and socio-labour problems that the crisis has caused, but are exacerbating them to the point of causing a second crisis. The starting point is that the main objective of these policies is a reduction in the balance of payments deficit. For this they focus on minimising public spending in such essential services as education and health, and on limiting, and even halting social aid; however, they do not take into account that the fundamental problem is not related to expenditure, but to income, and that the tax system systematically favours large fortunes, and measures to stop fraud do not work (Ayala-Martínez-Ruiz Huerta, 2013; Romero-Collado-Rodríguez, 2014).

In this general reference context, the objective of this article is to analyze the evolution experienced by employment in the Andalusian towns and cities between 2000-2006, the period preceding the crisis, 2006 and 2009, phases here its starts, and 2009-2012, when the effects of the austerity policies begin to be detected. Attention will focus on considering the different ways in which the towns and cities are affected by the crisis, and reflecting on whether it might be reaffirming the role played by the agricultural towns in the regional urban system. The objective is, therefore, interesting for several reasons. On the one hand, because employment is an indicator that illustrates the economic, social and territorial impacts caused by the crisis very well. On the other hand, because towns and cities are strategic spaces that not only concentrate population, but also economic activities. Finally, because the large number of towns and cities in Andalusia and their balanced hierarchy and spatial distribution increase interest in what is happening in these places and contribute to providing deeper knowledge not only of the socio-economic, but also, and very especially, of the territorial changes occurring.

The fundamental source used for analysing employment is the number of employed people registered with the Department of Social Security, although other secondary sources are also used.

The article contains six sections. This introduction is followed by a section that focuses on putting the effects of the crisis in Andalusia into the context of what has happened in other Spanish regions. Section 3 is devoted to describing how the crisis has impacted on employment in Andalusian towns and cities and details the differences that are detected depending on their volume of population; the aim of this is to analyse the number of people registered with the Department of Social Security, how this number has evolved since the beginning of the 21st century, and the ratio of registered employed to people in work. The fourth section analyses the territorial effects that the crisis is having on the towns and cities in the Andalusian urban system. Section 5 seeks to further investigate the various urban sensitivities regarding the crisis; for this a vulnerability index of employment to the crisis is used that compares what has happened in each of these places to the regional context. A typology is then proposed according to the different degree to which towns and cities have been affected by the crisis, for which the ratio between the evolution in the number of people registered with Department of Social Security during the 2006-2012 period and the population of working age in 2012 is calculated. Finally, some conclusions are set out.

II. ANDALUSIA IN THE SPANISH CONTEXT. THE UNEQUAL EFFECT OF THE CRISIS ON THE SPANISH REGIONS

In Spain in general, and in Andalusia especially, the crisis of the nineteen-seventies and the productive restructuring of the beginning of the nineteen-eighties, which also coin-

cided with the return of many emigrants and the progressive incorporation of women into the workplace, only served to accentuate the inability of the productive system to create employment.

The effect of the crisis on employment is being heavily felt in Spain, with a 10% fall in jobs. What attracts attention, nevertheless, is that there have been somewhat fewer job losses in Andalusia (-9.35%), which has to be put into perspective, given the region's less favourable starting-point.

Meanwhile, the *crisis vulnerability index*¹ shows that the relative evolution of employment has been worse in autonomous communities where the real estate sector had most grown.

When the number of jobs is compared to the number of people of working age (%) it is seen that regions with scores below the national average are those that already had structural issues with the creation of employment before the crisis.

III. EFFECTS OF THE CRISIS ON EMPLOYMENT IN URBAN MUNICIPALITIES

The changes that have occurred over time clearly show that the crisis has affected municipalities to different degrees depending on their size. Previous research has shown that during the period of strong economic growth (2000-2006) the most significant growth in employment took place in municipalities with a population of between 20,000 and 100,000 inhabitants (Caravaca-González-Mendoza-Silva, 2009). During the first phase of the crisis (2006-2009) employment continued to grow in municipalities with fewer than 50,000 inhabitants, while the number of jobs shed was directly proportional to the size of the municipality; however, certain changes took place during the following period (2009-2012) with the loss of employment affecting municipalities of all sizes to a greater or lesser extent.

To complement the above, the relationship between the number of registered unemployed is compared to the population of working age (%). Whereas in the largest municipalities the figure is over 50 % and this proportion is over 25 % in all municipalities with a population of over 100,000 inhabitants, there are very few with smaller populations where the figure exceeds 50 %.

IV. TERRITORIAL DISTRIBUTION OF THE IMPACTS OF THE CRISIS ON EMPLOYMENT

During the 2000-2006 period employment grew in practically all urban municipalities. There was a radical change in this behaviour when the crisis broke, as even during the first phase of the crisis (2006-2009) many municipalities suffered job losses, and even greater numbers were lost during the second phase (2009-2012). It is quite significant that whilst the municipalities involved during the first phase were basically coastal or located within the main urban agglomerations, in the second phase the job loss rate slowed down in some municipalities, while jobs started to be shed in some mid-sized inland towns.

1 The crisis vulnerability index is obtained with the following formula: (employment in each of the regions 2012/employment in each of the regions 2006) / (employment in Spain 2012/employment in Spain 2006).

V. URBAN SENSITIVITIES TOWARDS THE CRISIS. A TYPOLOGY OF TOWNS AND CITIES ACCORDING TO IMPACTS ON EMPLOYMENT

The *crisis vulnerability index* contributes towards reaffirming these territorial trends when applied to Andalusia. The index shows that the greatest sensitivity to the crisis was felt in coastal and metropolitan towns and cities, whereas mid-sized towns with agriculture-based economies, sometimes supplemented with tourism, have been less sensitive.

Finally, a typology has been constructed that links the evolution of the number of jobs between 2006 and 2012 with the percentage that this represents of the population of working age during the last reference year. Four types of town/city were identified:

- Those with scores above the Andalusian average in both indicators. These include the provincial capitals of Almeria, Cadiz, Cordoba, Jaen, Granada and Seville, and a large number of the so-called agro-towns and of those specialising in cultivating crops under glass; some of these are the administrative centres of sub-provincial districts.
- Those whose scores are below average for both indicators. These are for the main part on the coast, which once again demonstrates the impact caused by the real estate bubble bursting. One thing that catches the attention is that this type also includes some other previously quite dynamic inland towns with a higher proportion of industry in their economies.
- Those that experienced a more positive evolution in their employment than the regional average, although the percentage of working age people that are registered as unemployed is below the Andalusian average. Most of these are situated around the metropolitan peripheries of Seville and Granada, although there are also some others scattered throughout the whole region.
- Those with a higher figure in 2012 compared to the working age population despite having suffered more job losses than the regional average. Included in this group are the provincial capitals of Huelva and Malaga, the coastal towns of Marbella and Los Barrios, and two localities within the Granada metropolitan area: Peligros and Albolote.

VI. SOME CONCLUSIONS

The financial crisis has brought to light a series of contradictions linked to the way that the globalisation process has come about and the foundations that have underpinned the neo-capitalist economic growth model, and the policies that are being implemented which, it is argued, are designed to put a brake on its negative impacts.

Spain is one of the countries that has been most affected by a crisis whose main impacts include major job losses. The case of Andalusia is of special concern, as this is a region that is not only shedding a high number of jobs, but which had been one of the regions less able to create a sufficient amount of employment even before the crisis began.

Even though some changes have been observed in urban municipalities that might represent an indication of certain transformations in the Andalusian urban system, the impacts of the crisis on employment have not changed the system's hierarchical system to any significant extent.

With respect to the territorial model, the analysis of the way that urban employment behaviour has evolved, the use of the crisis vulnerability index and the construction of a typology that establishes four different types of behaviour, enable nuances to be seen in the different degree and way in which the crisis is affecting employment in Andalusian towns and cities.

In this last respect, the conclusion can be drawn that the towns and cities where employment is more sensitive to the crisis are located above all in the urban agglomerations and in some coastal areas, and that this can be explained by the strong impact that the bursting of the real estate bubble had on them. To the above must be added the negative effects of the economic policies being implemented, which are based on reducing essential services, such as education, health and welfare, with the consequent loss of the jobs associated with these areas, and which are, as is well-known, located in the main part in the provincial capitals and district administrative centres.

Having come this far, it can be stated that there are significant differences in the way that the crisis is affecting towns and cities. It is interesting to note that the least affected include those that have traditionally been referred to as agricultural-towns, which, in part, at least, are therefore regaining the importance that they have been losing for several decades.

Despite what is reported above, it must be taken into account that the analysis of the crisis' effect on employment behaviour in Andalusian towns and cities is, thus far, only a first approach and that it needs to be completed with further studies. It should not be forgotten that any examination of this topic in greater detail requires not only the way that employment has evolved to be considered, but also the sectors of activity involved and the number and type of new contracts that are being signed.

It is important to consider other variables and conduct case studies in the analysis of employment behaviour. Only then would it be possible to propose and implement public policies that would adapt to the conditions and resources in each area and perhaps contribute to contending with and overcoming the crisis effectively with models that are environmentally-friendly, socially equitable and solidarity-based.

