



Labour branching, redundancy and livelihoods: Towards a more socialised conception of adaptation in evolutionary economic geography



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ABSTRACT

The question of how economic landscapes evolve and adapt over time has attracted recurring interest in economic geography and regional development studies. This has been reinforced by the emergence of a more explicit evolutionary economic geography (EEG) in recent years, emphasising the role of inherited capabilities and experiences in shaping local and regional development trajectories. Yet the underlying process of adaptation in terms of how different actors respond to economic change has been subjected to little critical scrutiny, particularly from a broader social agency perspective. In response, this paper is concerned with how labour as a social actor adapts to economic change. Its key contribution is to re-deploy the notion of regional branching from its association with firms and technologies to assess how workers move into new economic activities. Such labour branching assumes both voluntary and involuntary forms, and this paper concentrates on the latter by assessing workers' responses to redundancy. The concept of involuntary labour branching is expanded and socialised beyond the established plant closure literature through an engagement with research on livelihoods and economic practices. This is reflected in the incorporation of three case studies from the global North and South: Longbridge, UK; Nowa Huta, Poland; and Luanshya, Zambia. The degree of industry and skill relatedness generally proved limited across the cases compared to the emphasis on technological or skill relatedness in the industrial branching literature, reflecting the fact that redundancy was linked to the broader decline of pre-displacement and related industries.

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1. Introduction

The question of how economic landscapes evolve and adapt over time has attracted recurring interest in economic geography and regional development studies (Boschma and Frenken, 2006; Mackinnon et al., 2009). This has been reinforced by the emergence of a more explicit evolutionary economic geography (EEG) in recent years, emphasising the role of inherited capabilities and experience in shaping on-going local and regional development trajectories (Boschma and Martin, 2007; Pike et al., 2016). Questions of adaptation are of central importance to EEG, which contends that firms and other economic actors adapt to economic change on the basis of pre-existing routines and assets (Boschma and Frenken, 2006). This tends to result in distinctive patterns of regional industrial branching whereby regions, or firms and entrepreneurs within them, diversify into new industries that are technologically related to existing ones (Neffke et al., 2011). Yet the underlying process of adaptation has been somewhat taken for

granted and subjected to little critical scrutiny (Hu and Hassink, 2015), particularly from a broader social agency perspective (Pike, 2005). Despite a recent effort to incorporate institutions and labour flows (Boschma and Capone, 2014; Fitjar and Timmermans, 2016), EEG research on branching remains rather narrowly focused on firms, knowledge and technology with little consideration of broader social relations and the role of social actors such as labour, states and civil society groups (Martin and Sunley, 2015; Morgan, 2012). While this work incorporates questions of labour mobility and skill relatedness between industries (see Boschma et al., 2009; Neffke and Henning, 2013), these are treated as key inputs to the broader process of regional industrial branching, neglecting the motives and practices of workers.

In response, this paper is concerned with how labour adapts to economic change, based upon an understanding of adaptation as the on-going process by which economic and social actors respond to “successive challenges and disturbances” (Hu and Hassink, 2015: 13). This is underpinned by the necessity of social reproduction whereby workers must continue to meet the material needs of their households for food, shelter, clothing and health care in the context of increasingly globalised processes of economic

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restructuring and social change (Katz, 2001). My focus on the adaptation of labour serves to address the hitherto neglected question of how labour agency and labour market geographies shape and condition evolutionary processes over time and across space (Dawley et al., 2014: 158). Agency is understood as intentional and meaningful action in the context of broader economic forces (Gregson, 2004: 22), informed by debates in labour geography which have focused attention on workers' ability to shape their own conditions of production and reproduction, moving beyond the renewal strategies of organised labour to consider the everyday practices of 'ordinary' workers (Coe and Jordhus-Lier, 2011; Herod, 2001). Beyond this, the paper aims to socialise the concept of adaptation in EEG through an engagement with work on livelihoods and economic practices (Jones and Murphy, 2011; Stenning et al., 2010), emphasising more diverse forms of social agency (Pike, 2005).

In focusing on how labour adapts to economic change, the paper redeploys the notion of regional branching to assess how workers move into new economic activities and sectors. It aims to broaden the scope of branching research in EEG beyond the pre-occupation with firm and technology-based forms of industrial diversification by introducing the novel concept of labour branching. This is defined in terms of the movement of workers between different jobs and economic activities, underpinned by the need for both social reproduction and fit with a changing socio-economic environment, particularly in terms of local industry mix and labour market demand (Neffke et al., 2016). It can be either voluntary or involuntary in nature, referring to the 'normal' flow of labour between jobs in search of higher wages and better working conditions and the 'forced' search for new sources of employment in response to redundancy respectively (Boschma et al., 2009; Neffke et al., 2016). This paper focuses on involuntary forms of labour branching in the context of plant closure and redundancy as this form of 'disturbance' presents the greater adaptation challenge for workers (Hu and Hassink, 2015), requiring the development of new forms of remuneration to replace lost income and secure social reproduction.

The remainder of the paper is organised in five sections. Following this introduction, the next section reviews existing understandings of adaptation in EEG, focusing particularly on the central concept of regional branching, supported by a discussion of labour agency. This is followed by an effort to expand the conceptual framework of labour branching through an engagement with research on economic practices, livelihoods and climate change. The subsequent section is concerned with workers' responses to plant closure, focusing on three case studies from the global North and South in the UK, Poland and Zambia. The discussion then draws together the key forms of branching from the case studies and relates them back to the conceptual framework developed earlier in the paper. The final section concludes the paper.

2. Adaptation, branching and labour

The concept of adaptation originates in evolutionary biology where it is derived from the Darwinian theory of evolution, referring to the "genetic characteristics of individual organisms that enable them to survive and reproduce in the environment they inhabit. Successful adaptation leads to the continued viability of a species or ecosystem, but not necessarily the survival of individuals within a population" (Smithers and Smit, 1997: 133). Accordingly, adaptation means modification or "fitting to suit", involving a "long term process of learning and adjusting" (Barnett, 2001: 980). In this sense, it can be seen as the essence of evolution (Barnett, 2001). In addition, the concept of adaptation is also rooted in cultural ecology where it refers to the ability of an indi-

vidual to adjust to their surroundings, gaining a cultural as well as biological meaning, albeit one with a strong biological legacy (Head, 2010).

While it has sometimes been used interchangeably with adjustment in the economic geography literature (see Clark et al., 1986; Gordon, 2003), adaptation is more reflective of heterodox notions of diversity and variety (cf. Grabher and Stark, 1997), in contrast to the more orthodox economic connotations of adjustment. From a neo-classical economic perspective, labour migration represents a key mechanism of regional adjustment, with workers moving from labour surplus to labour deficit areas in search of employment and higher earnings, serving to correct spatial irregularities in labour demand and supply (Richardson, 1978). In practice, however, research has often found that the adjustment effects of migration are relatively limited (Fidrmuc, 2004; Gore and Hollywood, 2009), resonating with a more heterodox and socialised understanding of labour as spatially embedded in particular places through family ties and social networks (Peck, 1996).

As noted earlier, EEG has generally focused on how firms and entrepreneurs adapt to processes of industrial change and restructuring. This is often underpinned by Nelson and Winter's (1982) evolutionary theory of economic change which contends that economic evolution is grounded in a variety of firm-specific organisational routines (Boschma and Frenken, 2006). Adaptation occurs through a market-based selection process driven by Schumpeterian innovation based on new products, processes, inputs and markets as well as production costs (Essletzbichler and Rigby, 2007). This ensures that 'smart' fit routines are passed on and diffused through differential profit and growth rates within an industry while unfit routines disappear (Boschma and Frenken, 2006). Despite the emphasis on market selection, evolution is not seen in narrowly economic terms, with the creativity and learning capabilities of entrepreneurs and firms playing a key role in driving economic change (Boschma and Martin, 2007). Yet, while this approach provides a theory of economic evolution through (firm) adaptation, the concept of adaptation itself has been subject to little direct scrutiny.

One way in which the concept of adaptation has been elaborated in the EEG literature is through the distinction between it and adaptability, based on the work of Grabher (1993) and Grabher and Stark (1997), largely in the context of regional institutional change. Here, adaptation is equated with the negative 'lock-in' of social actors to existing pathways of economic growth, whilst adaptability is viewed positively in terms of the enabling effects of a range of looser and weaker relations (the strength of weak ties), allowing such actors to respond positively to change (see Grabher, 1993; Pike et al., 2010). This paper follows Hu and Hassink (2015) in seeking to transcend this dualism on the basis of a more generic understanding of adaptation as the on-going process by which economic and social actors adapt to successive challenges and disturbance so as to meet their material needs, requiring an important element of (re) fitting to a changing socioeconomic environment.

A prominent strand of recent EEG research is concerned with regional diversification or branching, whereby new industrial growth paths grow out of related sectors within the same region (Boschma and Frenken, 2011; Neffke et al., 2011). Regional branching has been viewed as a firm and industry-level process with some recent consideration of the role of inter-industry labour flows and skill relatedness (Fitjar and Timmermans, 2016; Neffke and Henning, 2013). It is underpinned by the concept of related variety, defined by the presence of a number of complementary sectors with overlapping knowledge bases and technological capabilities in a region (Frenken et al., 2007). Boschma and Frenken (2011) argue that regional branching operates through knowledge transfer mechanisms such as entrepreneurial spin-offs, firm diversification, labour mobility and social networking. Branching has been

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