



Special Session Proposal

The new geography of labor market inequalities

Orsa Kekezi (SOFI, Stockholm University) (orsa.kekezi@sofi.su.se)

Martin Henning (University of Gothenburg)

Abstract

Since the 1980s, spatial divergence has become more evident in many developed countries. These regional differences are persistent across the board: regardless of if we look at wages, productivity, innovative output, the spatial distribution of skills and returns to education, or labor participation (Moretti, 2010; Storper, 2018; Rosés and Wolf 2018). Simultaneously, the changes in the structure of employment have led to increasing labor market polarization, which refers to the fact that employment in “middle-skill” jobs has been sharply declining. Instead, growth is rather concentrated in the tails of the job skill distribution (Goos et al., 2009). Given the spatial sorting of jobs and people of specific skills, job polarization has a strong regional perspective to it, where some regions have been more affected than others (Henning & Eriksson, 2020). These developments in the labor markets have created a “new geography of opportunities” (Storper, 2018), which also has indirect impacts in other aspects of the society, such as political preferences and voting.

Yet, we do not know a lot about how inequalities arise on regional labor markets, and especially how labor market mobility, as a result of individuals’ choices, institutions, or local economic conditions, shape inequalities over time. However, recent contributions have shown that job polarization is accelerated during recessions (Jaimovich & Siu, 2020). Along these lines, understanding the effect of the ongoing COVID-19 pandemic for labor markets inequalities in the future is also of high importance.

This special session aims to bring together empirical contributions to increase our knowledge of labor market polarization and inequality; how they develop over time as well as its consequences for different aspects of regional economies. The session also

welcomes novel methodological contributions, that allow us to sharpen our analyses of regional labour markets and how they develop.

List of references

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- Rosés, J. R., & Wolf, N. (Eds.). (2018). The economic development of Europe's regions: A quantitative history since 1900. Routledge.
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