

INFORMAL FORMS OF WORK AND THE FRAGMENTATION OF LOCAL LABOUR

MARKETS:

THE CASE OF PART-TIME WORK IN GREECE

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Introduction

We live in the age of flexibility and as far as it concerns employment in the era of flexible forms of employment prevalence. Indeed, it is widely admitted that changes in productive and regulatory patterns are followed by an expansion of informal or flexible forms of employment (Barthelemy *et al.*, 1990; Dedousopoulos, 2002; ILO, 2002; Houseman and Osawa, 2003). Reasonably enough, a series of questions arise regarding the causes and rates of expansion of flexible jobs; their relation to traditional informal employment; their character (complementary or expansive to the detriment of formal employment); their association with choices made by enterprises. Speculation is also developed as to whether flexible contracts may be in line with quality employment and, what is more, voluntarily selected (Portes *et al.*, 1995:13; Tilly, 1996). Answering to these questions is not easy, given the lack of reliable statistics throughout the range of productive activities, on the one hand, and the diverging views on the opportunities and risks, advantages and disadvantages of recent changes, on the other. For instance, certain observers see the transition to more flexible employment patterns as a necessary presupposition for revitalizing of national economies; (EC, 1997), while others view it as new management strategy deepening work fragmentation (Kalleberg and Reynolds, 2003:465).

In this paper, we underline the fact that the study of informal or flexible forms of employment, especially of part-time work, requires the review of their social and economic dimensions, in close connection with their geographic parameters. In this context, focusing on the level of local labour markets through *theoretically informed empirical research* has much to offer (Peck, 1996:17; Hadjimichalis and Vaiou, 1997), at least in the manner it is attempted in the following pages for the Greek city of Thessaloniki. This kind of locally specified research, given the limitations of exclusively macroeconomic, nation-wide approaches, may be of considerable value in understanding changes around labour and the overall effects of production restructuring on places, cities or regions.

The primary and secondary material assembled leads to the conclusion that, the indisputable expansive trend of part-time work in the 'post-Fordist' era is not a homogenous, dominant reality; it rather varies significantly among the individual trades, sectors, restructuring strategies and, finally, among places or regions.

In what follows we refer briefly to the expanding tendencies of some basic informal forms, in Greece and other countries, during the current period. In the subsequent section, based on an extensive review of relevant studies, we present a classification of areas within developed European and North American socio-economic formations, depending on the nature of informal employment therein. What follows is a brief presentation of the basic findings of two studies, focusing on part-time among a variety of informal forms of employment and conducted in Thessaloniki during 2001- 2004. Finally we conclude and summarize.

Crisis, restructuring and informal employment: recent developments at international and national levels

A. Diversity of informal employment: definitions and clarifications

Researchers of the subject define informal employment using quite varied terms, such as 'atypical', 'special', 'non-standard', 'flexible', 'marginal' or 'undeclared' employment. In fact, rather than one universal definition, there exist individual terms and uses, each one associated with the particular viewpoints, methodologies and conceptual frameworks, on the one hand, and the particularities or background of local productive systems, on the other (De Grip *et al.*, 1997; Williams and Widebank, 1998:2; Leonard, 1998; ILO, 2002).

In numerous studies on developed capitalist social formations, to which the scope of this paper will be limited, an employment relationship is defined as informal, when there is lack of one or more of the features making up a typical or formal employment relationship, -the dominant employment model established in the post-war era. By such a definition, informal/ flexible are all those forms of employment diverging from the typical pattern in terms of features so diverse as the number and distribution of working hours, organization and spatial distribution of production, definition of salaries and institutional regulation (Meulders and Plasman, 1992; EFILWC, (n.d.)).

Based on European Parliament and Commission decisions, a detailed definition of informal employment relationship is the following (Fragakis *et al.*, 1994:114):

‘... informal employment contract or relationship means any activity exercised by an employee in the context of an employment contract or relationship other than a full-time contract with indefinite term, which involves uncertainty, mainly due to:

- ✓ short term of employment contract
- ✓ small number of working hours
- ✓ alternation between work periods and non-work periods

- ✓ de jure or de facto exclusion of the individual from legal, regulatory or statutory provisions applicable to full-time salaried employees
- ✓ existence of a digressive legal status reducing protection standards
- ✓ multidimensional nature of employment relationship with multiple employers
- ✓ lack of organizational integration in any undertaking offering work
- ✓ the fact that work is performed at the employee's home'

A classification of the main informal labour types, in the EU member states labour markets and other industrial countries, with the exception of illegal/ criminal jobs and activities, can be seen in *Table 1*.

In what follows, the umbrella terms 'informal/ flexible employment', are being equally used, in the sense of the above mentioned contradistinction to formal employment; they are also used irrespective to the legal status of jobs (declared or concealed from relevant authorities). Part of our empirical work, for instance, concerns 'legal/ formal' (e.g. contracts submitted to Labour Inspectorates) but at the same time 'flexible/ informal' forms of work.

B. Recent trends in developed countries

According to a series of official statistics, there has been a major increase in informal/ flexible labour in EU, whereas similar trends prevail in other developed countries. For instance, 35% of the total labour force of the 15 member states, prior to the recent EU enlargement, are part-time workers, temporary workers and self employed individuals, of which 19.4% and 13.5% are part-time and temporary employees, respectively (OECD, 1999; Goudswaard and Nanteuil, 2000; Romans and Hardarson, 2005). Trends associated with the three aforementioned types of informal employment, on which most studies focus, are listed in *Table 2* for Greece, certain European countries and the USA.

Part-time employment mainly involves low-specialized jobs in service and trade sectors, and is particularly spread among the female active population, as three out of four part-time employees in the EU are women. Young people are also highly represented in the total number of part-time employees. These figures partly indicate the transitional nature of part time employment, which is often called to fill the gap between unemployment/ underemployment and full-time employment, or give a solution to the problem of reconciling household care and work.

Part-time employment is by no means undesirable in all cases, as approximately half of part-time employees in Europe declare voluntary participation therein, with significant variations among the countries. As Tilly (1996:18) pointed out there are two distinct types of part-time employees:

(a) Those who are holding secondary part-time jobs by means of their duties, skills or compensation and as compared to their full-time counterparts. Secondary 'part-timers' are also immersed to a peripheral or even marginal labour market with little prospect of advancement. 'Bad'

part-time jobs attract women, students, unemployed persons and in general those who will accept this kind of employment contract (Tilly, 1996:18; EFILWC, 1998; Jenkins, 2004).

(b) Primary or advanced part-time employees that have skill and compensation levels comparable to or above those of full timers. Their duties and schedules are special arrangements negotiated to retain or attract valued individuals that seek to work, typically well educated women with young children.

Temporary employment, often encompassing *fixed-term contracts*, *apprenticeships*, *temporary employment agency jobs* and other forms, such as seasonal employment, is also significant. Temporary Employment Agency (TEA) work seems to be expanding, especially within north-European countries and USA, although relevant statistics are insufficient. The legislative framework on the TEA employment is still deficient across the board, with major differences among various countries, which tend to decrease following integrating initiatives (Bronstein, 1991; Di Natale, 2001; EFILWC, 2000). At the same time, *seasonal* and *temporary employment*, with or without an employment contract are of high incidence, especially in south European countries. Industrial restructuring gives rise to varying degrees of lay-offs, on the one hand, while entailing a decreasing strength of collective bargaining and customised payments by means of productivity bonuses or overtime arrangements, on the other (Bosch, 1999:23).

A third principal type of informal employment that is worth elaborating upon is *self-employment*. Over and above traditional self-employment, new forms are emerging in the context of expanding subcontracting arrangements, in industrial or service activities. Available statistics do not make a clear-cut distinction between ‘traditional’ self-employed, e.g. those who have a personal business, and others ‘independently’ working in ways similar to temporary employment (e.g. ‘dependent’ self-employment, piece-work or scientific-expert service contracts). The aforementioned forms have been increasing recently in the secondary and tertiary sectors, as opposed to farmers self-employment, which has been constantly declining due to the shrinkage of small agricultural operations throughout EU (Linares, 2003).

C. Recent trends in Greece

Despite the increasing interest, studies on informal labour in Greece remain scarce and are mainly based on macroeconomic data and national labour force surveys (Karamesini, 1999; Gavroglou, 2003; EOR, 2004). The variety of flexible forms of employment at regional, local or city level is often ignored or downgraded, with the exception of a limited number of studies relying on fieldwork (Hadjimichalis and Vaiou, 1997; Pelagidis, 1997; Kouzis, 2002).

The intense restructuring processes characterising social formations in the rest of Europe are also taking place here, albeit in different ways, given the different social, economic and institutional background. The long-standing presence of informal trades and activities is a *sine qua non* condition

for the study of the Greek social formation. The prevalence of employment patterns, such as seasonal or fixed-term employment, with or without a legal contract and among informal sector, tax-evading or formal activities, dates back to the mid-war period and still exists in new terms (Leontidou, 1990). New forms of flexible labour have been supported by successive enactments since 1990. In the same period there has been a remarkable increase of unemployment rate, as a result of the rapid increase in the labour force compared to employment opportunities, and a marginal increase in full-time employment. Such developments are attributed to different factors, such as (a) massive influx of immigrants in the country, (b) increased female participation in the labour market, (c) gradual shrinking of the extensive agricultural sector, (d) employment decline in several manufacturing activities, especially traditional ones, and finally, (e) considerable rise in the productivity rate. Significant dynamics of adjustment to patterns of developed capitalist economies are coupled with a considerable increase in the share of salaried employees (from 55.7% to 63.3%) and employers in total employment, parallel to a concurrent decrease in the category of ‘family business assistants’ (from 11.3% to 6.3%), during 1998-2004. In this period, however, a number of indicators, such as labour force participation rate, female employment rate or legal immigrants rate, lagged behind the respective European ones. This is a safe, although indirect, evidence of a wide range of informal/ undeclared activities and forms of employment (EOR, 2000).

Below we will briefly refer to the expansion and quality of flexible/ informal labour relations in Greece, placing emphasis on those forms that are dealt within the empirical part of this paper.

○ *Part-time employment*

Part-time employment in Greece means work, of definite or indefinite term, with defined daily or weekly working hours less than regular working hours and accordingly reduced pay. It was the point of interest of three (3) principal enactments. Since 1998 special importance was attached to its regulation through mandatory announcement of such contracts to the competent Labour Inspectorate, since otherwise it is inferred that employee has a full-time job. At the same time, the possibility/ allowance of hiring part-time employees in public enterprises, organizations and bodies of the broader public sector was enacted, and employers were enabled to impose, without managerial prerogative, an alternating work system, in the sense of full-time work for less than five days a week, provided that the business undergoes a production recession.

Part-time workers have accounted for approximately 5% of total workers in Greece, at least for the last fifteen years, currently numbering 200,000 people, 46% of whom would like to have some form of full-time employment. This brings the country to the last places, in terms of total rate among working population, and to the top places, in terms of involuntary participation, in the EU (NSSG, 2004). The recently acceded Eastern European members and Spain are the only other countries with similarly low part-time work rates. Other surveys based on case studies among private sector enterprises maintain that this rate exceeds 7% (Kouzis, 2002). Such variations, illustrated in following

case study on the region of Thessaloniki, are partly due to the methodology employed by EU National Statistical Services to define part-time work and several other reasons.

Following a small rise in 1999, the rate of part-time work has been stable among women and decreasing among the male population, the former accounting for 70 % of part-time employees. Low specialization jobs in the tertiary sector have a major share followed by agricultural and scientific or technical jobs, according to the standard employment classification. Major increases are noted in the primary sector, yet with clear reduction tendencies, as well as in commercial or services firms, construction industry and education, with constantly rising trends. The aforementioned activities involve more than half of the 'part-timers'. Sector-based distribution of total and full-time employment is similar to that of part-time jobs, leading to the conclusion that there is no major part-time employment substitution for full-time jobs (Karantinos and Mouriki, 1997; Karamesini, 1999; EOR, 2004).

o *Other forms of flexible employment contracts and flexible working hours practices*

Both in EU 15 countries and in Greece, the rate of workers employed in some form of *temporary employment* relationship (see *Table 2*) ranges between 11% and 14%. One of the principal components of temporary employment, the fixed-term contract may be characterized as 'traditional' informal form for the Greek society. Temporary employment was particularly wide spread in the 1980s, when it was used par excellence by public and broader public sector organizations (National Telecom Organisation, secondary education, etc.). The confinement of temporary employees in the beginning of the 1990s and, to a lesser extent, the replacement of local work force by illegal immigrants led to a relative decrease in temporary employment, contrary to the European trends (Karamesini, 1999). Thus, temporary workers declined from 16.2% to 11%, in the period 1983-1995, while the share of this category of workers in the increase of salaried employees exceeded 25%, during 1995-2004. Relevant data indicate that temporary employment, including newly institutionalized Temporary Employment Agencies, has a high penetration rate in services, industry and commerce (25%, 15% and 6% of employees, respectively), entailing mostly unskilled and sales jobs, and being influenced by the economic conjuncture (NSSG, 2004).

The increased weight of modern forms of *self-employment* in the overall production system, their tendency to converge with forms of dependent employment in numerous aspects, and the diverse economic, social and insurance issues that arise from their spread are reflected on a series of relevant studies (see Houseman and Osawa, 2003). In Greece, non-rural self-employment remains stable (from 15.4% in 1988 to 14.8% in 2004), despite capital accumulation and concentration tendencies in the entire economy; what's more, rising trends are observed in developing sectors, highly skilled professions and female population. It is indicative that self-employed individuals without personnel reach 25% of primary sector employment, while approximately 90% of the employees in the whole economy are occupied in firms counting less than five persons total employment. It should be noted

that 'large' firms in Greece are few, in comparison with the EU standards, and that most of them employ 50 to 150 employees. Some of the main causes behind these figures are the following: (a) constant and consistent social acceptance of self-employment, (b) opportunities for tax evasion and income concealment by small enterprises, (c) spread of subcontracting practices, (d) state policies on entrepreneurship subsidies, (e) access difficulties to salaried employment and (f) the enlargement of independent personal agreements and service contracts, in scholarly or scientific professions, local government organisations and private or public education institutions (Vaiou *et al.*, 1991; Gavroglou, 2003).

Other forms of flexible employment relations are being utilized by Greek employers. We refer briefly to them; one of the key forms of contemporary intervention in the operation of labour markets are *flexible working time* policies and overall regulations regarding overtime employment, shifts, distribution or payment of working time (see laws 2639/1998, 2874/2000 and 3385/2005 of the Greek Parliament). Based on relevant data it is inferred that overtime employment is the most commonly used aspect of flexible working time and is often a generally accepted strategy adopted by employers, as well as workers, as it helps to increase profits and earnings. Overtime work in Greece, did not exceed 5% of salaried workers, yet it corresponded to 10.2 additional hours per week on average, during 2001 (see *Table 2*). The extent of overtime employment is possibly underestimated, given the large number of undeclared or unpaid overtime hours, mainly in small enterprises. Other forms of adopted flexible working time practices are shift/ night/ weekend work, particularly in large industries, and 'on-call' employment in commercial department stores or hospitals. On the contrary, 'working time arrangement' practices do not seem appealing to firms, according to the Ministry of Employment (Romans and Hardarson, 2005).

Spatial divisions and socio-economic dimensions of informal employment

The former section briefly presented some basic definitions, evidence and insights, concerning informal forms of employment and their recent expansion. In the following lines, we discuss different cases of places and regions that are involved in informal forms of employment. Moreover, we set some basic concepts for the definition of this profoundly complex geography, depending on the growth model and the integration of local productive systems of these areas to national or international economic processes.

By unravelling quite a numerous case-studies and bibliographical material, one can come to the point that there exist two major types of localities in developed countries, depending on the kind, the extent and the peculiarities of informal employment incorporated (see also Massey (1996), Williams and Windebank (1998), Leonard (1998) and Kesteloot (1999)):

A. Areas of high rate expansion of informal employment forms

Areas of this category are characterized by (a) high incidence of informal employment and activities in their productive system, among which precarious, low-waged and undeclared jobs dominate and (b) an industrial structure of small or medium sized enterprises, either traditionally organized or not, often facing the international or national competition with work intensive and wage reduction strategies. Such a combination allows the existence of high rates of informal employment, both from the offer and the demand side. Additional motives for informal employment adoption can be traced in high state taxes and social security contributions, insufficient mechanisms of labour inspections and a paternalistic model of political and social regulation.

Social conditions, history and local culture in former places/ regions, accept or even encourage the existence of informal labour relations, through a dense network of social and hierarchical interdependences, whereby the family/ household structure is a key contributor. The tolerance of local and state authorities, towards the extended range of informalities, is connected with lack of powerful social policies. This 'quiet acceptance' type of local political compromise (Vaiou *et al.*, 1991:180) is based on the acknowledgment that regulating intervention along with strengthening of controlling mechanisms, might lead to decreases of competitive advantage of the region in the international market and by consequence to income reductions and local enterprises failure.

Cases of such a socio-spatial pattern, can be found in the studies of Southern European regions, such as the rural peripheries of Southern and Central Italy or Andalucia and Valencia in Spain (Lobo, 1990, Warren, 1994, Barthelemy *et al.*, 1990). For Greece, this pattern is related, one way or another, to many geographical entities such as the city of Thessaloniki, the region of Central Macedonia, and other regions that combine tourism with rural multi-activities. Several analyses have underlined the significance of the above socio-spatial model in the country's history, by tracing the diverse ways and employment forms of workers incorporation, in different places and through various forms of productive structures (Vaiou *et al.*, 1991; Leontidou, 1986).

But this is not just the case. Within places and/ or regions characterized by a high incidence of informal employment in their productive system one can easily identify another major category. Indeed, there exist areas with similarities with the former ones regarding their social profile and the adoption of informal employment forms as, familial or individual, survival strategies and major differences regarding their industrial structure. The later embody a powerful sector of mainly small to medium-sized enterprises, producing high added value products and adopting technological modernisation techniques and innovative strategies. This dynamic industrial core entails functional flexibility and upgrades its labour. In parallel, unemployment rates remain low while large numbers of workers are specialised, well-paid and retain control over their working time and conditions. State and local authorities, as previously, exhibit tolerance regarding various types of labour law circumventions and tax evasion, while they are activated towards the support of local enterprising networks and promote social dialogue or compromise at the local level.

This type of areas can be found round the Madrid's electronic industry, in the old coal-mining or heavy-industrial regions of Holland and France (Grand Faily), or in the fur sewing industry in the Greek city of Kastoria (see Benton, 1990; Renooy, 1990; Hadjimichalis and Vaiou, 1997). The most representative example of this category corresponds to *flexible specialisation areas*. The penetration of subcontracting industrial relations and their territorial impact, has been discussed in terms of 'diffused industrialization' and 'flexible specialised' peripheries. The international recognition of this paradigm, during 1980s and 1990s, has been profound and geographically concentrated among regions in 'Third Italy' (Emilia Romagna etc), in Germany (Vaden-Vittemberg) or in the 'Silicon Valley' of USA, although recent analyses seem to be less optimistic about its prospects (Chronaki *et al.*, 1993:179; Amin A, 1994; Portes *et al.*, 1995; Hadjimichalis, 2006).

B. Areas of low rate expansion of informal employment forms

Areas of this category are characterized by a low incidence of informal jobs and activities in their productive system. In several cases they present high unemployment rates, due to production shrinkage and/ or closures of previous powerful industrial firms. At the social level, networks of social solidarity are absent, and the supportive role of household/ family is weak. Law violation is socially unacceptable, at least on behalf of middle and high population strata, while state and local authority policies deter informal activities.

Unemployed population of these regions is deprived of the means of entering the informal job market. Lack of qualifications, materials and machinery is combined with the fear of inspecting authorities which would lead to the deprivation of social and unemployment benefits, all this leading to a vicious circle of social exclusion. Informal activities offered are, marginal or intensive character, low-paid jobs such as cleaning homes and offices or other forms of non insured casual employment.

The aforementioned category is associated with poor neighbourhoods and council housing districts in Northern European and American cities. As it has been underlined by several authors, this widespread social and spatial pattern, tends to repeat the geographical inequalities of official labour markets, as informal activities do not seem to constitute a way from exclusion to integration (Williams and Windebank, 1998:108). Typical examples, despite differences, are the protestant' Eastern Belfast in Ireland, regions of Orly- Choisy and Lille in France and the regions of Hartlepool or similar 'ex-coal pits' areas in Great Britain (Jordan *et al.*, 1992; Morris, 1995; Leonard, 1998).

But this is not just the case, either. On the basis of the relevant literature, one can easily identify a distinct spatial pattern concerning areas of low representation of informal labour. It refers to usually affluent neighbourhoods, peri-urban areas or cities of low unemployment rates, dominated by middle class households and well educated formally employed economically active population groups. Active social or household networks of support and cohesion are absent while access to employment is achieved via the typical labour market. Parallel to the existence of strict controls over law-offence, tax

evasion and fraud, the geographic position of these regions away from areas where marginal or poor population groups live, considerably minimizes the offer of informal labour.

Dominant forms of informal employment in these regions entail either autonomous character or reasonably remunerated services such as elderly or children care, gardening and other kinds of support to the households. Additionally, among permanent residents of the area one can easily find many who are systematically occupied in, relative with their main profession, informal activities or others that are dealing with 'homework' (maintenance, smartening up, recreation etc). Relative studies, although really few, point out the existence of such regions, in the interior or in the suburbs of big American and North European cities or among low density and high-waged population, territories. Characteristic examples can be found in case studies of California, Sidney suburbs and Laren in Northern Holland (Renooy, 1990).

It should be stressed that the preceding classification in two major types of areas, each divided in two or more sub-categories, is inevitably schematic. Indeed, the characteristics forming the basis of territorial typologies, concerning the configuration and participation of particular places in the spatial division of labour, change under the impact of economic conjuncture leading to major realignments. Moreover, one should consider the scale and distance of particular territories. Indeed, each area of, either high or low, informal employment incidence may be either a large region or a group of city sectors, often located a few kilometres apart.

The local productive system and informal employment in Thessaloniki

So far, we have attempted to highlight spatial dimension as a major contributor in understanding informal employment, emphasizing that different places, sometimes within the same social formation, develop their own models of using informal/ flexible forms of employment in the context of international and national restructurings. At this stage we proceed to the evaluation of the local productive system of Thessaloniki, elaborating on these findings and bringing to the forefront additional major dimensions.

Selecting Thessaloniki as our field of study is no accident, as it is the second largest urban-industrial complex of Greece with a population in excess of one million at prefecture level and 750,000 inhabitants at city level. The recent overthrow of political regimes in Balkan countries and the general reforms and geopolitical pursuits in the South-eastern Mediterranean region, have restored this multinational city to its place as 'Metropolitan' hub. The possibilities and ways of taking advantage of this pivotal role give rise to consideration and controversy. Informal activities have always had a significant role in the city, as in the rest of Greece. Such structures, as well as geographical proximity to the Balkan region, have played a major role in attracting and assimilating large numbers of immigrants in recent years. Influx of migrants and fleeing of manufacturing enterprises to the Eastern European countries are two important aspects in the transformation process of the local system. The

crisis of the industrial sector and the increase in unemployment have been more acute in Thessaloniki's wider area than in the rest of the country, especially in labour-intensive sectors which were traditionally integrating various forms of 'diffused' activities in the urban and peri-urban space (Leontidou, 1986; Vaiou *et al.*, 1991; Labrianidis, 1996; Hatziprokopiou, 2004). Yet, industry continues to hold a large, albeit diminishing, share in the current GDP and the total employment, employing one out of four workers in private enterprises, although tertiary activities having the lion's share (in 2004).

For the purpose of studying the spatial and sectoral features of informal employment in the local system, two case studies were conducted: the first examines flexible and especially part-time employment patterns in all sectors, through contracts deposited to Labour Inspectorates; the second focuses on relevant patterns in particular industrial branches.

A. The Labour Inspectorates survey

In the context of recent legislative framework (see law 2639/1998) firms are obliged to submit all arrangements of (a) part-time and (b) 'contract for services' plus 'subcontracting contract', employment to Local Labour Inspectorates. The Labour Inspectorates, under the Ministry of Employment service, are divided into four sectors in Thessaloniki: 'Central', 'Western', 'Eastern' and 'Sindos' industrial area sector. A valuable source of information, so far unexploited, is therefore available for studying informal work patterns, and the present study makes for the first time a contribution to the subject using this research material.

According to the study's evidence, informal employment forms under study increased by over 30% in the period 2001-2004. None of the individual Labour Inspectorates sectors was associated with decreasing informal employment; the lowest increase rate being 10.3% (Central Sector) and the largest increase rate exceeding 120% (Western Sector). All in all, informal arrangements with the highest increase rate, in excess of the average change in the period, are associated with part-time work in the Western Sector (105.2%) and contracts for services/ subcontracting contracts in the Eastern Sector (406.8%) (*see Table 3*).

A focus on the distribution between the two informal labour forms highlights that contracts for services/ subcontracting are increasing, despite the fact that part-time employment contracts are the majority (88.6% for the latter and 11.4% for the former, *see Table 4*).

The aforementioned incremental informal employment tendencies are differently attributed to individual activity sectors. According to the study, part-time and services/ subcontracting contracts in industrial activities increased by 14.1%, while the relevant rate in the tertiary sector exceeded 37%, during 2001-2004 (*see Table 5*).

It is evident that part-time jobs are being utilized, mostly by service enterprises, department stores, commercial firms, tutoring schools and other educational institutes. Contracts in industry are comparatively less, mostly concerning traditional branches of the local production system (e.g.

contracts for services concerning safety technicians in wearing/ shoe small industries). This relatively low share of the manufacturing sector labour, compared to total arrangements can be attributed, among other factors, to the following: (a) industrial workers avoid being hired on a few-hour basis given the low payments pertaining in the Greek labour market (approximately €350/ month for a part-time employee, in 2004), (b) part-time does not seem to be suitable for the productive and organizational patterns for large industrial firms (cf. shifts organization etc.), (c) the fact that few outwork/ subcontracting arrangements take the form of an official contract (Labrianidis, 1996).

Therefore spatial diffusion of informal employment seems to reflect the geographical patterns of commercial and service activities which are relocating to the south-eastern, mainly peri-urban, areas of Thessaloniki. At the same time, a strong preference for central and western areas, where the majority of small and medium-sized enterprises are located, can be observed (as in *Table 4*).

The total part-time employment rate, based on data from Labour Inspectorates, appears to be, almost three times higher compared to that estimated of the National Statistical Service in Greece (NSSG) for Thessaloniki (3.7% to 10.2%). Although such a comparison involves uncertainty, due to both (a) the nature of informal employment contracts analyzed by our case study and (b) the methodological restraints of the Labour Force Survey of the NSSG (e.g. data on part-time workers in Thessaloniki are based on a small sample of, less than 30, questionnaires and rely on the respondent's personal perception of the nature of their employment). It may be the case, for instance, that a person appears to work on a part-time contract deposited at a Labour Inspectorate, whereas in reality he/ she holds a full-time job at an equivalent pay, so that the employer may save the indirect contributions on the full-time salary; or that one may have responded to the NSSG Labour Force Survey as a full-time worker, whereas in fact he/ she works for five hours per day, although on a long term contract and for five days per week (Gavroglou, 2003:7; Kouzis, 2002:12; Threlfall, 2005) (see *Table 6*).

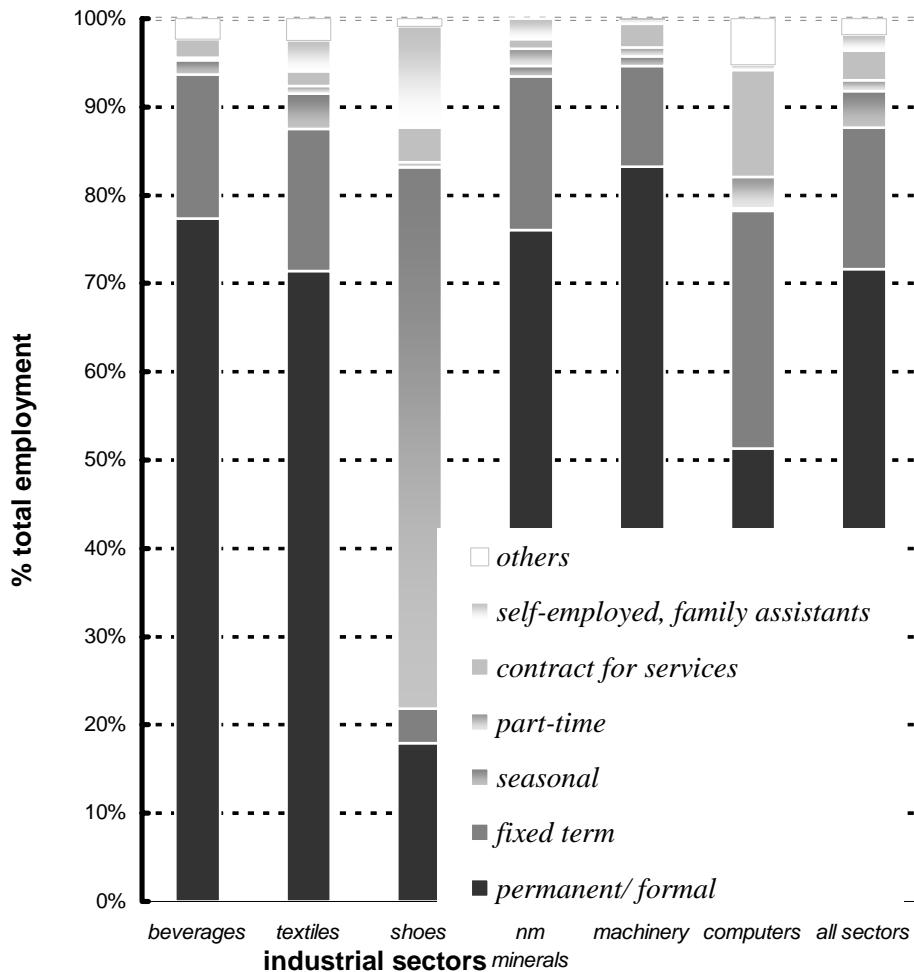
B. The industrial firms sample survey

The second survey, conducted during 2002, focuses on informal job patterns in particular industrial sectors, by studying a sample of 200 enterprises. The sectors studied (in brackets the two or three digit *nace* codes assigned thereto) are: *manufacture of beverages (15.9)*, *shoes (19.3)*, *textiles (17)*, *non-metallic minerals (26)*, *machinery and equipment (29)* and *of office machinery and computers (30)*.

Findings were indicative of a marginal appearance of part-time form in Greek industry; the largest proportion of workers in studied sectors is on a permanent/ formal contract basis (71.6%). The next two major groups are fixed-term workers (16.1%) and seasonal workers (4.1%). There is a smaller incidence of 'contract for services' (3.3%) and as far as it concerns part-time employment only a 2.8% of relevant employees was found. These proportions vary a lot, depending on particular industrial sectors and sizes of enterprises, the latter being expressed in terms of the total number of employees, (less or more than 50 employees for 'small/ medium' and 'large' firms, respectively).

Certain productive activities are associated with high rates of informal/ flexible employment whereas formal employment patterns prevail in others (see *Figure 1*).

Figure 1. Formal & informal employees as a percentage of total sector employment, Thessaloniki, 2002



The branch of *office machinery and computer manufacturing* was the only exception among studied activities with a relative high percentage of part-time jobs. It accounts for low rates of formal contracts (51.3%) and the highest rates on fixed term (26.9%), contracts for services (12.1%) and part-time (3.5%) agreements, with no significant differences between firms of different sizes. Moreover it is the only sector where a considerable proportion (3.6%) of employees, declared under the status of apprenticeship through subsidized relevant programs of the Greek Manpower Employment Organisation (known as *OAED*), was found.

Parallel to the adoption of informal labour relations within the plant, the study reveals industrial subcontracting as a particularly widespread tactic for working costs reduction and productive process segmentation; It shows that more than 30% of each sector and 46% of the total number of enterprises

examined collaborate with internal or external subcontractors. This type of production costs 'externalization', historically known in Greece as 'fason', can be traced so much in traditional sectors (e.g. footwear manufacturing with 76,7% of enterprises resting on subcontracting), as in 'new economy' activities (e.g. computers and information technology).

The study has not revealed socio-economic and spatial patterns resembling those of 'flexible specialisation' paradigm. Regarding participation of firms in networks of various kinds (entrepreneurial/ sales/ supply networks), 87,5% of total sample enterprises answered negatively. Large numbers of negative answers, on the other hand, were great concerning the following questions: a) the firms capability for producing a variety of products on a flexible ('flexibly differentiated') basis, following demand fluctuations and b) the adoption of 'multi-skilling' managerial strategies (95% and 97% of total enterprises, respectively). Innovations in the productive and/ or organizational patterns are also limited, as only 11% of relevant answers were positive. At the same time, organised steps towards networking for common supplies, 'know-how' diffusion, advertising, promotion or other services are absent, especially for small enterprises.

Conclusions

The City of Thessaloniki, known in the past as the 'Greek capital of subcontracting and piece-work' due to the multitude of 'hidden' workers in semi-basements of particular neighbourhoods, has been turning into a large city accommodating diverse forms of employment in the urban and peri-urban fabric, including new and old groups of informal workers, of different races and nationalities. In the context of a world wide typology of spatial division of informal/ flexible labour, Thessaloniki falls in the category of areas of *high rate expansion of informal employment forms*.

Such major spread of labour flexibility reflects a complicated and diverse expansive trend of informal employment rather than a uniform dynamic towards non-standard and flexible employment forms. Tertiary activities make more use of modern flexible employment forms, such as part-time in commerce-services, and services contract in education and training activities. The manufacturing industry is more reluctant towards new forms of flexible employment and especially part-time jobs, remaining attached to traditional ones, such as fixed-term or seasonal employment. Different fields of activities and enterprise groups of varying size exhibit their own configuration; there are large industrial plants, on the one hand, combining full-time and formal employment for the entire personnel with varying rates of subcontracting, and small enterprises, on the other, relying exclusively on the owner's 'overwork', undeclared employment of immigrants and occasional involvement of family members.

The studies on which this paper rests have attempted to further strengthen the position of the absence of uniform and universal processes and patterns. We simply tried to underline the fact that different places, regions or different sectors and productive activities, depending on the specificities of their local productive system as well as the interaction with the international arena, form their own

flexible or part-time employment patterns, which often differ considerably from the dominant, 'European' patterns.

Finally we should point out that, legislative change in the field of labour relations is a principal component in segregating labour into individual groups with competing interests. Workers organizations and trade unions seem to feel helpless or weak faced with this reality, while unionization in flexible and part-time employment activities is scarce. Labour Inspectorates, at least Greek ones, play their narrow bureaucratic role, alienated from the daily problems faced by workers at the workplace. At the same time, official government policies, based on a theorization that seeks to promote part-time employment, on the one hand and on a misconception of Greek 'part-timers' marginal appearance, on the other, consolidate and further promote relevant form of employment; but flexibility is already prevailing with a lot of different forms and among numerous population groups, activities, places or working areas.

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APPENDIX: TABLES

Table 1: Basic types of informal/ flexible forms of employment in developed economies

1	Part-time employment	10	Invisible, underground employment
2	Fixed-term contracts, seasonal, temporary employment	11	Subsidized short-time employment
3	Flexible working hours practices	12	Apprenticeship contracts, trainees
4	Self-employment	13	Cash-in-hand work, piecework
5	Family assistance work	14	Child work, minors/ under-age employees
6	Domestic, home-based employment	15	Multi-employment
7	Labour on-call contracts	16	Telework
8	Temporary Employment Agency employment, hiring out of labour	17	Casual-occasional employment
9	Outwork, subcontracting employment (<i>fason</i>)	18	Contract for services

Source: De Grip et al (1997:51); ILO (2002:24)

Table 2: Total employment, unemployment and informal forms of employment, among certain EU countries and USA, 1988 - 2004

	total employment			Unemployment (%)	overtime employment ^[a]		non-rural self-employment ^[b]			part-time employment ^[c]			temporary employment ^[d]		
	(in thousands)			(%)	2001		2001			2001			2001		
	1988	1998	2004	2004	%	hours	1988	1998	2004	1988	1998	2004	1988	1998	2004
Greece	3,651	3,967	4,300	10.5	4.5	10.2	15.4	15.0	14.8	5.5	5.8	4.6	-	10.5	11.7
Italy	21,085	20,357	22,286	8.3	5.0	6.5	14.0	14.5	-	5.6	7.4	12.8	3.3	4.2	12.0
Spain	11,709	13,161	18,181	10.6	3.0	8.5	12.2	11.4	-	5.4	8.1	8.7	15.3	24.3	32.9
Germany	26,999	35,537	35,811	10.1	11.5	8.3	3.0	4.3	-	13.2	18.3	22.3	5.0	5.6	12.4
France	21,503	22,469	24,048	9.5	16.0	6.1	5.1	3.9	-	12.0	17.3	16.9	4.6	10.3	12.6
Netherlands	5,903	7,402	8,022	4.6	27.5	7.4	4.9	5.9	-	30.2	38.7	45.8	7.0	11.1	15.1
UK	25,660	26,883	27,614	4.7	30.0	8.7	8.6	8.4	-	21.9	24.9	25.3	5.0	5.8	6.0
Sweden	4,375	3,979	4,195	6.2	13.5	7.3	4.2	5.2	-	27.1	26.3	24.0	10.6	13.9	15.2
EU (15)	-	152,013	164,171	8.2	14.5	7.6	8.4	8.6	-	-	16	19.4	-	12	13.5
USA	117,342	133,488	-	5.6	-	-	5.8	5.3	-	18.7	17.4	15.0	-	3.6	4.1

^[a] Overtime employment of salaried workers, 2001. Left column expresses the percentage of those working overtime and right column the mean hours of additional employment per week, in all possible working positions that the employee possesses, provided that he/she works for at least one (1) hour at the period of reference.

^[b] As a percentage of total employment. Employers who also work themselves are excluded, as well as members of their families who assist the family business.

^[c] As a percentage of total employment. In USA part-time employment is conceived as employment for less than 35 hours per week. In EU and despite the different institutional frameworks, statistics are based on the individual's opinion about his/her employment partial nature.

^[d] As a percentage of total employment. In EU temporary workers are those working on a fixed-term contract or seasonal basis, under an apprenticeship or for a temporary workers agency. In USA those workers are considered to be holding jobs of declared or expected limited duration.

(-): Non available

Source: Composed by statistics taken from Romans & Hardarson,2005; Houseman et al,2003:5, EuroStat Labour Force Survey & USA's Current Population Survey

Table 3: Individuals employed with informal forms of employment^[*], according to Labour Inspectorates, Thessaloniki, 2001-2004

Year	'Sindos' Sector		Western Sector		Central Sector		Eastern Sector		Thessaloniki's Total	
	employees	% ^[**]	employees	% ^[**]	employees	% ^[**]	employees	% ^[**]	employees	% ^[**]
<i>Part-time employment</i>										
2001	2,240	31.9	2,719	105.2	10,864	13.2	13,935	22.3	29,758	27.2
2004	2,954		5,580		12,293		17,040		37,867	
<i>Contracts for services/ subcontracting</i>										
2001	459	12.2	859	173.6	412	-66.0	365	406.8	2,095	131.7
2004	515		2,350		140		1,850		4,855	
<i>Total contracts</i>										
2001	2,699	28.5	3,578	121.6	11,276	10.3	14,300	32.1	31,853	34.1
2004	3,469		7,930		12,433		18,890		42,722	

[*] i) part-time employment and ii) contracts for services plus subcontracting contracts

[**] Percent of change (%) between years of reference

Source: Survey in Local Labour Inspectorates

Table 4: Individuals employed with informal forms of employment^[*], according to Labour Inspectorates, Thessaloniki, 2004

Year	'Sindos' Sector		Western Sector		Central Sector		Eastern Sector		Thessaloniki's Total	
	employees	% ^[**]	employees	% ^[**]	employees	% ^[**]	employees	% ^[**]	employees	% ^[**]
Part-time	2,954	82.6	5,580	70.4	12,293	98.9	17,040	90.2	37,867	88.6
Contracts for services/ subcontracting	515	17.4	2,350	29.6	140	1.1	1,850	9.8	4,855	11.4
Total contracts (2004)	3,469	100	7,930	100	12,433	100	18,890	100	42,722	100
Part-time	2,954		5,580		12,293		17,040		37,867	
	7.8		14.7		32.5		45.0		100	
Contracts for services/ subcontracting	515		2,350		140		1,850		4,855	
	10.6		48.4		2.9		38.1		100	
Total contracts (2004)	3,469		7,930		12,433		18,890		42,722	
	8.1		18.6		29.1		44.2		100	

[*] i) part-time employment and ii) contracts for services plus subcontracting contracts

[**] Percent (%) of each different form of employment

Source: Survey in Local Labour Inspectorates

Table 5: Individuals employed with informal forms of employment^[*] and activity sector, Labour Inspectorates, Thessaloniki, 2001-2004

Activity Sector		2001	2004	2001-2004	
		employees	employees	change	change %
Primary		25	13	-12	-49.0
Secondary	Industrial branches, manufactures	3,736	4,265	529	14.1
	Rest secondary branches	1,073	1,421	348	32.5
Tertiary		27,019	37,023	10,004	37.1
Total		31,853	42,722	10,869	34.1

^[*] i) part-time employment and ii) contracts for services plus subcontracting contracts

Source: Survey in Local Labour Inspectorates

Table 6: Different estimations of part-time work according to NSSG^[*] and Labour Inspectorates, Thessaloniki, 2001 & 2004

	2001		2004		2001-2004	
	employees	% ^[***]	employees	% ^[***]	change	change %
Total Employment ^[*]	334,592	100	370,369	100	35,777	10.7
Full employment ^[*]	321,251	96.0	356,729	96.3	35,478	11.0
Part-time employment ^[*]	13,341	4.0	13,640	3.7	299	2.2
Part-time employment ^[**]	29,758	8.9	37,867	10.2	8,109	27.2

^[*] National Statistical Service of Greece

^[**] According to Local Labour Inspectorates and as a percentage of total employment

^[***] Column total of NSSG full and part-time employment is 100%

Source: GNSO labour survey and authors survey in Local Labour Inspectorates