

Labour Force Mobility in Poland - Preliminary Analyses



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Various aspects of labour market mismatches

- skills mismatch (education level)
- occupational mismatch/industrial mismatch (industry specific skills)
- demographic mismatches (race, gender, age)
- regional mismatch - lack of spatial mobility
- sectoral mismatch - private-state sector

Studies dealing with mismatches/mobility in CEEC

- Rutkowski (2002) Faggio&Konings (1998)(2003) occupational/industrial mismatches and flows between economic sectors + regional patterns.
- Nesporova&Cazes (2001), Sorm&Terrel 2000 personal characteristics of individual and mobility.
- Fidrmuc (2002), Bornhorst&Commander (2004), Andrienko&Guriev (2003) regional mismatch
- Lehman et.al (1997), Lehman&Walsh (1999), Walsh (2000) and Socha&Newell (2003) regional and skill mismatches + (Walsh 2000) demographic mismatches
- Boeri&Flinn (1999) state-private sector mismatches

Main results

- total reallocation similar as in western economies
- most of reallocation takes place within industries, regions, firms sizes and mainly in developed regions
- job creation much higher in private sector
- state sector/declining industries job losers don't find jobs in private sector
- young and educated - most mobile groups (most often changing jobs)
- spatial mobility similar to south-European countries
- not enough

Main reasons for lack of spatial mobility - rather intuitive

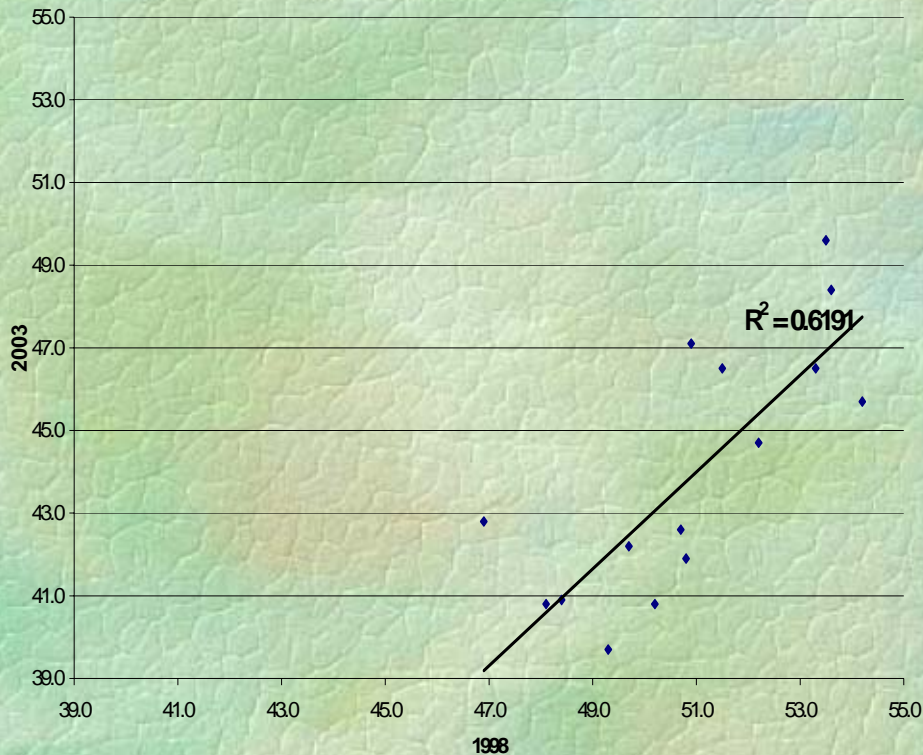
- liquidity trap
- information barrier
- housing problems (shortages, price differentials)
- underdeveloped credit market
- wage rigidity
- react to economic variables but migration patterns correlated hence economically ineffective

Mismatches and mobility in Poland - attempt of preliminary analysis

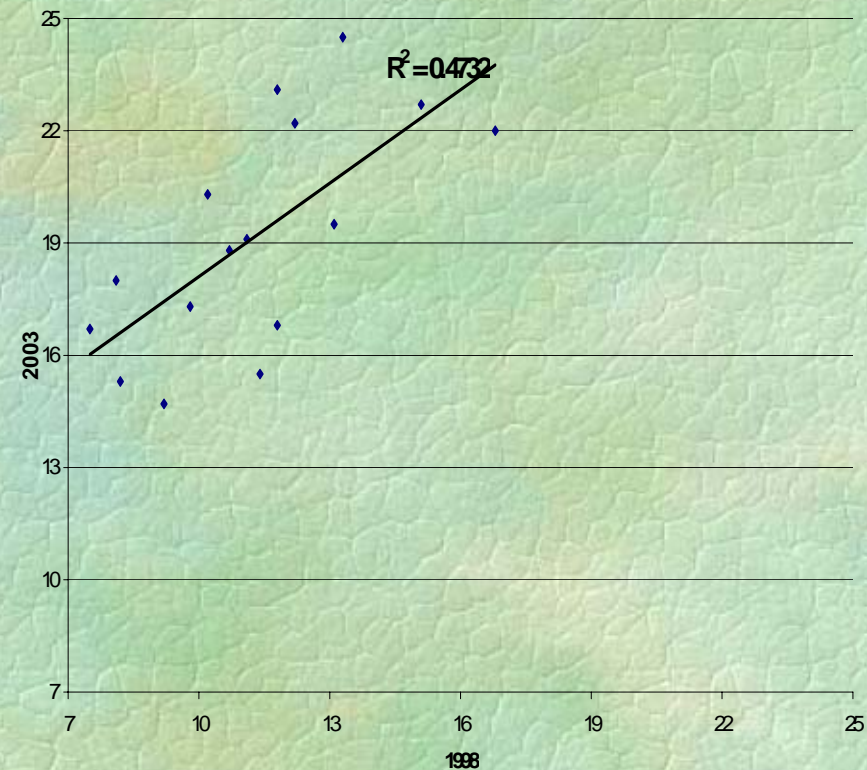


Persistent regional mismatches

Regional employment rates 1998-2003



Regional unemployment rates 1998-2003



- Increasing employment mismatches and falling unemployment mismatches

Education mismatch

	1998	2003
Measures of disparity of employment rates for various education levels		
<u>Average Deviation</u> Average	32.65%	34.36%
<u>Standard Deviation</u> Average	35.82%	40.05%
VAR (ei/e)**	15.34	18.53
disparity maximum / minimum	79.9 / 24.6 = 325%	73.7 / 17.8 = 414%
Measures of disparity of unemployment rates for various education levels		
<u>Average Deviation</u> Average	35.38%	29.68%
<u>Standard Deviation</u> Average	40.34%	34.21%
VAR (ui/u)	15.67	11.88
disparity maximum / minimum	14.4 / 3 = 480%	25.3 / 7.4 = 342%

Education structure of labour force tries to follow rapidly changing labour demand but it is unable to catch up - (demography, education system limitations)

“Effective mobility” of Polish labour force

- **measure** - percentage of successful job searches in total working age population or for given subgroups
- **data** - LFS IV'2002
- **total** for working age population - 5.67%

Education and Age

AGE					
	15-17	18-24	25-34	35-44	45-64
Percent of job finders	0.74%	9.79%	9.57%	5.59%	2.45%
male	1.10%	10.27%	11.21%	6.26%	3.46%
female	0.38%	9.32%	7.89%	4.91%	1.53%
EDUCATION					
	primary	vocational	general secondary	vocational secondary	tertiary
Percent of job finders	2.72%	6.67%	5.57%	6.42%	7.89%
male	3.94%	7.74%	6.42%	7.19%	8.07%
female	1.58%	4.98%	5.23%	5.76%	7.76%

- young and educated are the most mobile groups
- mobility in general higher for men than women, but it increases more with education in case of women

Type of area

	rural	<5000	5000-9999	10000-19999	20000-49999	50000-99999	>100000
Percent of job finders	5.59%	6.16%	6.11%	5.43%	5.4%	6.19%	5.69%

- does not differ much for various classes of localities
- place of residence not of the workplace taken into account
- high commuting?

Mobility by regions

- not correlated neither with regional employment or unemployment rates
- correlated with share of long-term unemployment in total unemployment

TENTATIVE EXPLANATIONS

unemployment and employment driven by labour demand if mobility exogenous

mobility as such driven by job creation and job destruction

Mobility, job history and income*

<u>Ownership type of 2001 employer</u>	non-employed or not reported	public	communal	private	NGO, co-operative			
Percent of job finders	4.22	1.41	1.24	4.82	1.2			
<u>economic activity of 2001 employer</u>	not-reported or non-employed	agriculture	mining	manufacturing	trade	market services	construction, communal&other	non-market services
Percent of job finders	4.71	2.21	0.82	3.59	3.02	3.35	4.83	1.53
<u>net income in previous main job</u>	missing income	reported income = zero	<500	500-750	750-1000	1000-1500	1500-2000	above 2000
Percent of job finders	4.52	2.02	5.49	4.82	2.25	2.47	1.48	4.5

- mobility is highest for low or very high wage construction worker from private sector

Spatial Mobility



Spatial mobility - 2002 census data and LFS

- According to census total mobility in 2001 was 1.3% and interregional mobility only 0.35%
- According to LFS 2002 total mobility was 0.94% and interregional 0.26%
- LFS underestimates mobility
- 13.3% of those migrating in years 1989-2002 declared job search as the reason for migration

Age, education and mobility

AGE					
	15-17	18-24	25-34	35-44	45-64
Change locality	0.16%	1.64%	1.18%	0.41%	0.18%
Change region	0%	0.67%	0.55%	0.12%	0.05%

EDUCATION (analysis only for working age population 15-64)					
	primary	vocational	general secondary	vocational secondary	tertiary
Change locality	0.3%	0.54%	1.46%	0.71%	1.14%
Change region	0.08%	0.2%	0.31%	0.22%	0.93%

Main hosting and sending voivodships

	As the percent of regions' population		The share of all migrants	
	Lowest	Highest	Lowest	Highest
Immigration/inflows	zachodniopomorskie (0,08%), podlaskie (0,05%), lubuskie (0,04%)	świętokrzyskie (0,49%), lubelskie (0,44%), dolnośląskie (0,42%)	zachodniopomorskie (1,46%), podlaskie (0,50%), lubuskie (0,49%)	mazowieckie (14,39%), dolnośląskie (11,85%), małopolskie (11,42%)
Emigration/outflows	dolnośląskie (0,07%), łódzkie (0,07%), opolskie (0,00%)	lubuskie (0,72%), warmińsko-mazurskie (0,58%), podkarpackie (0,58%)	dolnośląskie (2,08%), łódzkie (1,92%), opolskie (0,00%)	śląskie (11,59%), podkarpackie (10,99%), lubelskie (9,29%)

Economic activity and migration

	Migration rates for groups		Group members in total number of migrants	
	change locality/gmina	change region/voivodship	change locality/gmina	change region/voivodship
employed	0.65%	0.18%	49.38%	34.91%
unemployed	0.65%	0.22%	12.64%	10.56%
students	0.89%	0.40%	21.08%	24.03%
army servicemen	18.66%	16.87%	8.90%	20.25%
inactive due to family matters	0.47%	0.48%	2.68%	6.87%
pensioners	0.14%	0.11%	1.27%	2.42%
other inactive	0.83%	0.11%	2.94%	0.96%

- migration is ineffective - only 19% of previously unemployed migrants have found job after migration 43% have left labour force and 37% have stayed unemployed

- for comparison employment rate among former employed is 76% and among former students 35%

Summary

- regional and educational mismatches strong and persistent
- agricultural and declining industries job losers are not able to find jobs, regional characteristics consistent with that
- labour force mobility related to age, education and gender
- mobility (surprisingly) equal in rural and urban areas
- non-linear relationship between incomes and mobility
- most of migration decisions not related to job search and ineffective