

Social Research Call

Title:
Inequality in Working Opportunities



Acronym: IWO

Project leader: Josep Pijoan Mas

Host organisation: CEMFI

Main purpose of the project: This project aims to understand the factors behind regional differences in unemployment and temporary employment across Spanish provinces. Building on this diagnosis, it aims to identify policies that can attract fast-growing firms to less dynamic areas, thereby fostering the creation of stable jobs.

Design/methodology/approach: The project relies on two complementary methodologies. First, it exploits administrative data on the labor market histories of the universe of Spanish workers, matched with firm identifiers, leveraging its longitudinal dimension. Second, it develops a novel theoretical framework in which search-and-matching and spatial frictions interact with firm dynamics.

Potential results: The project will enhance our understanding of why firms tend to avoid locating outside tight labor markets, despite the availability of job seekers in less dynamic areas. It will also provide a framework to evaluate policies aimed at reducing spatial inequality in working opportunities.

Social relevance of the research: Unemployment and temporary employment are major drivers of labor income inequality in Spain. The uneven distribution of job opportunities across provinces contributes to social exclusion, depopulation, and economic decline in less dynamic regions, and to congestion and rising housing costs in more dynamic ones.

Originality/value of the project: The persistence of unemployment differences across regions has been mainly studied through the lens of workers' decisions to migrate to more dynamic areas. The novelty of this project is the focus on firm choices, both in terms of location and in terms of the contract types they offer.