

Jackson, John E. and Bogdan W. Mach. 2009. "Job creation, job destruction, labour mobility and wages in Poland, 1988–1998." *Economics of Transition* 17:503-30.

Abstract:

Longitudinal data from interviews with Poles of working age conducted in 1988, 1993 and 1998 combined with longitudinal firm-level data present a detailed view of the transition from a state-dominated to a market economy. Job losses in state firms and job creation in new private firms are the dominant employment changes, other than retirements from the labour force. In the Polish case, a significant proportion of this movement over the 1988–1998 period involves a spell of unemployment or exit from the labour force before obtaining a private sector job. This results in considerable job competition between workers leaving the state sector and those who are out of the labour force or unemployed. Income differences between the state sector and the de novo sector appear to have little association with mobility. These results suggest that movement to the new private sector is more likely to be the result of job loss than the result of people looking for better, higher paying jobs. Self-employment plays an important role in the development of the private sector. People working on their own account have higher incomes than waged workers and are likely to become owners employing additional workers. Incomes are higher in regions with high rates of job creation and depressed in regions with job destruction.