Dynamic analysis of unemployment in Bolivia using the Continuous Employment Survey

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Abstract

This document analyses the flow of workers between employment states (labor mobility) in Bolivia. Data used in this document corresponds to Continuous Employment Survey 2015 – 2018 (Encuesta Continua de Empleo, in Spanish) for three waves of panels, between 4Q2015 and 3Q2018. Using the Markov chain approach, transition probability matrices to determine the probability of workers change of state from 'works' to 'does not work' or vice versa in addition to probabilities of transition according to occupational category are estimated. Complementarily an evaluation of transitions between different economic activities is done. It is observed that informal sector remains important and that unemployed workers are inclined to participate in this sector. Likewise, it is observed an increasing labor participation both in Trade and Transport, sectors with a high informal component all of which support this result.