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**IN AND OUT OF THE FORMAL AND INFORMAL LABOUR MARKETS IN
MEXICO: TRANSITION ANALYSIS USING DURATION MODELS**

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In and Out of the Formal and Informal Labour Markets in Mexico: Transition Analysis Using Duration Models

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Has growth of the formal sector in Mexico been inhibited by an obsolescent and rigid labour legislation or, if this is not the case, can the relative slow growth of this sector be attributed to structural changes in the economy? Is the increasing share of workers in the informal sector and of self-employed people evidence of market segmentation and hence a source of inequality and poverty? Or, as suggested by Maloney (1997), could the relative large and symmetric flows of workers among all sectors (formal, informal, self-employed, unemployed etc.) be "more consistent with a well-integrated market where workers search across sectors for job opportunities, than one where informal workers seek permanent status in the formal sector and stay until they retire"².

What characterizes the groups of the labour force which are less likely to stay for long in the formal sector, when they enter it, and why some groups stay there longer than others? Given the time that each group is likely to spend in the formal sector or in any other job status (including self-employment, unemployment and out of the labour force), what is the likelihood for each group to be found 'eventually' in the formal sector?

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² Maloney, W. (1997). p. 13.

Has the pattern of mobility between the formal and informal sectors and between these two sectors and the self-employment and other job status been modified by a relative flexibilization in labour contracts and by structural changes?

Employment surveys in Mexico are rich enough to provide the statistical inputs required to address these questions by means of an analysis based on duration models and continuous semi-markov processes. It is possible to identify the number of months spent by a person in the job in which he/she is currently working (i.e. incomplete spells) as well as the job tenure in their last job for those reported as unemployed (i.e. completed spells). In addition, this information can be matched with the data of the quarterly employment surveys, which in turn follow forward in time 'earmarked' persons by virtue of its five-quarter linked rotating panel structure. Hence, it is possible to know when (i.e. identify the moment in which a spell is completed) and how different groups of the labour force change from one job status to another.

Equipped with this information for years from 1991 to 1997 we set out to estimate hazard functions for the formal sector and the other six job status in which the labour force is commonly grouped in a semi-industrialized economy³. The results enable us to estimate a) the mean time spent by different groups in each job status, b) the factors which influence the probability of leaving a sector after a period of time, given that it has lasted up to that point in time, and c) what determines the more likely status to be arrived next when a person moves out of one job status.

By means of hazard and survival functions for different groups of workers, and transition probabilities of changing from one job status to another one, we assess the relative degree of mobility in the urban labour market. How long does it take to workers in the formal, informal and self-employment sectors before they move into another job status (including unemployment and out of the labour force)? What are the odds of this event happening with groups of different characteristics?

In studies of the dynamics of labour markets -e.g. Saint-Paul et al. (1998)- it has been analytically and empirically illustrated how job separation and hiring rates determine equilibrium unemployment rates for different groups in industrial economies. These studies showed how two countries may end up with the same employment/unemployment share, in total labour force, although the working of their labour markets might be quite different- due to different degrees of flexibility and mobility in their labour markets implying very different job separation and hiring rates.

Extending this argument along the same lines, follows that semi-industrialized countries may end up having a similar share of formal, informal and self-employed workers in total labour force, although they may have very different propensities of

³ These are: informal sector, self-employment, unemployment, unpaid jobs, comision or percentage and out of the labour force.

workers to move from (into) one sector of employment or job status to (from) another one. Addressing the Mexican case from this perspective, we explain relative shares in different sectors by means of the long run results of the semi-Markov process implied by the set of hazard functions and by their corresponding transition intensities.

The paper is structured in three sections. The first one discusses stylised facts of the Mexican labour market, among them variations in the relative shares of different job status, employment duration and retention rates and costs of firing workers. In addition, we analyse the high frequency movements from one job status to another one. By means of transition matrices elaborated with panel data sets explicitly processed for the purposes of this study we analyse the periods 1991-1994 and 1995-1998. Section II considers spikes in the hazard rates of being fired, presents the results of duration models for the manufacturing sector and hazard rates of leaving the formal, informal and self-employment sectors; finally, transition intensities implied by our six destination duration model are analysed. Section III deals with the long run equilibrium state occupancy probabilities obtained by considering the continuous time semi-Markov process specified in this study.

I Stylised facts in urban labour market.

I.1 Trends in different job status 1987-1997: 'The importance of being formal'

Although for many workers the formal sector implies more than having access to social security services⁴, here we define it as the set of workers registered in the social security institutions -IMSS and ISSSTE, as they are called in Mexico. As shown in graph 1, as a share of total workers in urban areas, wage earners in this sector have been within the range of 41% to 49% for the period 1987-97.

The only period in which the net generation of jobs in formal sector appeared to have grown relatively fast is during 1990-1991, characterised not only by relative high growth in GDP, but also by a more flexible application of wage norms to control inflation by means of tripartite price and wage norms⁵. By contrast, during the period 1987-89 the share of jobs in the formal sector diminished with a corresponding increase in the share of self-employment: by the end of 1989 this latter share increased to a figure of 22%, from 20% in 1987 – while the corresponding figure for the informal sector remained constant.

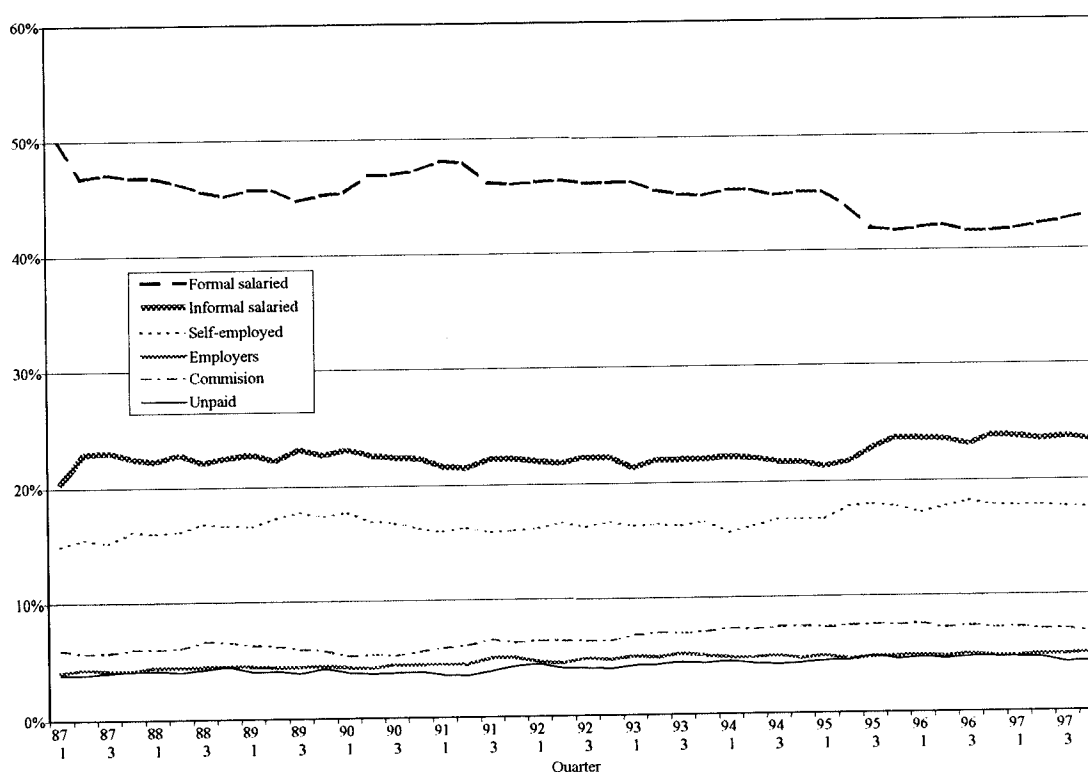
⁴ For example, it implies severance payments in the event of being fired, and other rights offered by labour legislation.

⁵ An analysis of the macroeconomic events during 1984-1994 in Mexico is presented in Calderón-Madrid (1997). The period 1992- 1994 is a period with no net new job creation in the urban formal sector (when measured with the consistent series that maintain the number of cities-32- constant). More worrisome is the fact that the number of jobs available in the formal sector, after the recovery of 1997, is not greater than corresponding figure for late 1992. However, this is a result which has to be confirmed, since on the other hand, workers affiliated to the Social Security system (IMSS data) lead to opposite results.

In turn, as it is also shown in graph 1 and in table 9 at the appendix, in the 1995 recession, the fall in the share for formal employment in total urban employment (by more than three percentage points in only one year, remaining at a historical low value until the beginning of 1997) is partly reflected in an increase of the corresponding share of the informal sector and partly in a larger share of self-employment.

Graph 1

Distribution among sectors of workers of the mexican urban labour market



Most studies assess welfare and efficiency costs of the malfunctioning of markets focusing on what determines being unemployed and the time spent until a job is found.⁶ However, a large or an increasing share of self-employed, informal sector or persons working without payment, may reflect that the labour market in Mexico is not allowing workers to move to their best uses⁷ in a short period of time.

⁶ This topic has been addressed by Revenga A., and Riboud, M. (1993) and (1994).

⁷ The urban unemployment rate (which remained between 3 and 5 per cent during the seven years period previous to the 1994 crisis and rose to a peak of around 8 per cent in 1995) is therefore an incomplete indicator of 'unavailability of adequate employment opportunities' during a recession or during structural adjustment. This is because workers cannot afford open unemployment -the lack of unemployment insurance combined with their very low savings forces them to take low paying jobs in which they are less productive than it would be in their best use.

Moreover, even if human capital does not depreciate as a consequence of an involuntary departure from the formal sector, a job in the informal sector may be perceived by employers to imply a depreciation of human capital and consequently re-entering the formal sector could imply a lower wage for the person.

Hence, one must also analyse, as in section II of this paper, what determines being in that job status, for how long workers stay there, what determines moving to another job status and what is their more likely destination. As shown in a study of Fougere and Kamionka (1992) for the case of France, this kind of analysis is also useful to assess how frequent and likely is the mobility between bad and good jobs in a country and the social implications of it⁸.

In section III of this paper we present a method which analyses the relative shares of different job status in the urban labour force in terms of the long run results of the semi-Markov process implied by their set of hazard functions and by their corresponding transition intensities.

1.2 Employment Duration and Retention Rates.

Questions related to job tenure are not part of the quarterly employment surveys in Mexico. Only four times in the present decade have the employment surveys in Mexico appended a module that asked, among other questions, the 'length in current job', if the interviewed person was employed and 'length in last job' if he/she was without a job. These questions are part of the so-called ENECE survey, and answers, for a representative sample of the urban sector in Mexico, are available for the second quarter of the years 1991, 1993, 1995 and 1997.

We use this information for an assessment of how stable are the employment relationships in Mexico. For this purpose, in this subsection we present an analysis in which a "synthetic cohort" is followed over time. It involves a comparison of the number of workers classed by tenure and age groups in order to provide a first estimate of the probability of remaining in a job for four or six years more. In order to have calculations that lend themselves to international comparisons, we follow the format presented by the OECD (1997) in his analysis of job stability in OECD countries, which did not include Mexico (in spite of being a member).⁹

By matching the urban components of the ENE and ENECE surveys¹⁰, we also have

⁸ These authors considered whether the dual nature of French labour market was leading to a segregated society, which would be the case if it is the same people which always end up in bad jobs. They showed that their estimations are also useful to consider the opposite case, namely that bad jobs play a role for the insertion into the labour market, as a source of professional experience. Indeed, as it has been stressed by Saint Paul (1996), the assessment of the heterogeneity in the transition probabilities of different groups is required to determine if a core of stayers within each group are unlikely to find a good job.

⁹ These data can also be compared with those analysed by Anderson-Shaffner (1996) for Colombia.

¹⁰ The Urban component of ENE Employment Survey uses the same questionnaire as the Urban Employment Survey, but the geographic coverage is more representative, because it includes more of the smaller urban

data of overall labour market participation, including questions related to being or not in the formal sector (e.g. registered in the social security system, size and characteristics of the firm, and, from the third quarter of 1994 onwards, the kind of contract with which he/she worked). The ENECE surveys also provide information related to workers' mobility¹¹, on the one hand, and to training courses¹², on the other.

In turn, since the urban component of the ENE survey uses the same questionnaire and coincides with those interviewed in the ENEU survey, we can rely on the panel-linked structure of these employment surveys. This feature enabled us to follow interviewed persons for up to five consecutive quarters – tracking four fifths for one quarter, three fifths for two, two fifths for three and one fifth for five quarters – thereby identifying if and when they change job status. In section two we discuss how this feature enabled us to estimate hazard functions of moving out of a job status.

In the following table we present retention rates, which give the probability that workers with a particular level of tenure today will have an additional t years of tenure in t years hence.

Our calculations are for four and six years intervals. Hence, the six year retention rate is calculated for an artificial cohort of workers who are of age x in 1991 and age $x+6$ in 1997. We therefore obtain the ratio of the number of workers who are age $x+6$ with tenure $t+6$ in 1997 to the number of workers who are age x with tenure t in 1991. The percentage of those workers who remained with their employer for a further four years, is similarly calculated.

The results indicate that job relationships in Mexico, compared to those in other OECD countries, are short (some developed countries have corresponding figures which double those obtained here¹³).

areas (less than 100 000 inhabitants). In turn the 1995 ENEU survey covered some 16 million persons, representing more than 90 per cent of the population of large urban areas and 60 per cent of the population in all urban areas.

¹¹ How long have you worked in your life? Once you start working, how many times did you quit for a period longer than one month? Of those periods in which you stopped working, How long was the period with longest duration in which you did not work? How many jobs have you had in your life, including your current or last job?

¹² To determine the importance of training we have ten questions: Have you taken training courses and if so how many? If you did, what was its length? In which year did you take it? Where are you taking it (or took it)? Who (gave) is giving it to you (specialized teacher, fellow workers, bosses)? Where did you received the training, was it during working hours? How much did you pay for it? Which is (was) the main reason to take it (eight possible answers)? Is the course related with your current job? What use has the course had (eleven answers)?

¹³ See OECD (1997) p.141-142.

Four and Six Years Retention Rates Percentages

	Urban Working population	Formal sector	Informal sector	Self- employment	
1991-95	21.0	27.6	20.6	49.7	
1993-97	20.8	29.7	22.1	43.4	
1991-97	12.3	17.6	13.3	30.3	
	Gender		Age		
	Men	Women	15-24	25-44	45+
1991-95	26.6	16.0	10.1	29.3	30.7
1993-97	25.2	16.7	10.3	28.7	30.4
1991-97	15.7	9.3	5.4	18.1	17.8
<u>95 mean tenure years</u>	<u>6.64</u>	<u>3.78</u>	<u>1.77</u>	<u>5.74</u>	<u>11.55</u>
	Level of education				
	Primary	Secondary	Tertiary	Univer	
1991-95	20.3	16.2	19.2	6.2	
1993-97	19.9	17.5	19.8	6.3	
1991-97	12.0	9.8	11.5	3.8	
<u>95 mean tenure years</u>	<u>5.16</u>	<u>3.83</u>	<u>3.80</u>	<u>3.43</u>	

Source: Own calculations based on data from INEGI, Enece surveys 1991, 1993, 1995, 1997

*Datasets were adjusted to avoid calculation biases due to geographical enlargement of surveys with time (17 cities for comparisons with 1991 and 34 cities for comparisons with 1993)

Distribution of employment by employee tenure, 1995

	Under 6 months	6 months and under 1 year	1 and under 2 years	2 and under 5 years	Under 5 years	5 and under 10 years	10 and under 20 years	20 years and over	Mean Tenure	Median Tenure
Working population	13.8	7.1	11.8	25.4	58.1	17.3	15.3	9.2	6.73	3.00
Formal sector	8.7	7.0	11.7	26.5	54.0	18.8	18.2	9.0	7.12	4.00
Informal sector	24.8	10.0	15.0	24.2	74.0	13.7	7.8	4.5	4.23	1.75
Self employed	9.9	4.9	7.7	23.1	45.5	18.6	19.6	16.3	9.28	5.00
OECD unweighted average	10.6	6.9	10.2	17.9	44.2	19.1	20.5	16.3	8.8	6.7
OECD unweighted std. Dev.	4.9	2.4	4.9	4.4	10.0	3.1	4.2	7.2	2.2	3.1

Source: INEGI 1995 and OECD 1997, Table 5.5.

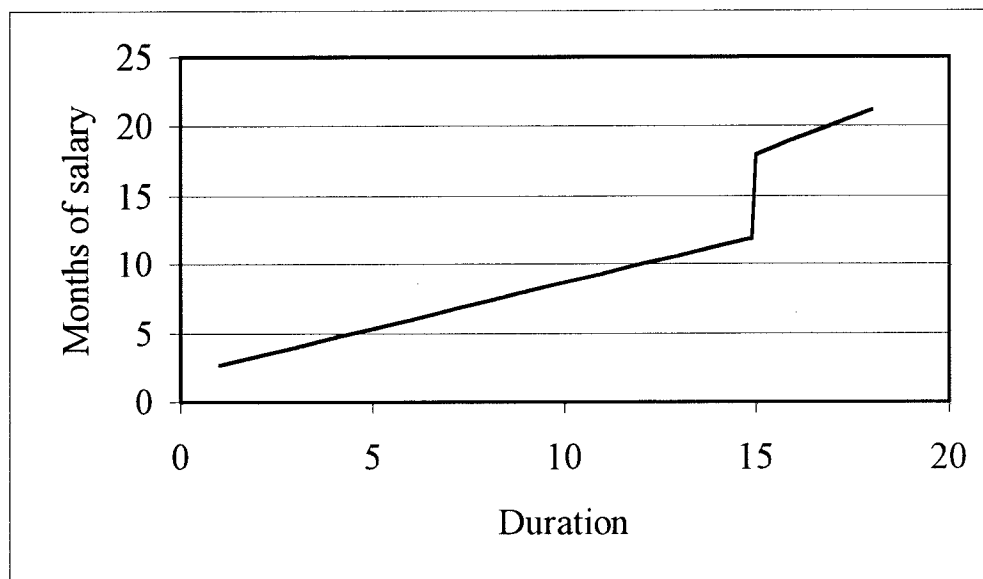
Four years retention rates are slightly higher during the period including 1995-1997, than those including the years 1991-93. This result partly reflects that labour market adjustments associated to the severe economic recession of 1994-95, and to the major structural changes that occurred in Mexico due to the NAFTA agreement signed in 1993, are registered before the second quarter of 1995.

The comparison of six and four year retention rates, suggest the extent to which the probability of job changes declines with tenure¹⁴. At this level of aggregation the hazard of leaving the formal sector during the two year period after four years of work with the same employer does not appear to be statistically different than the hazard implied in the previous two years: Of 50 workers holding a job in the formal sector, 14 lasted four additional years in it. Out of those 14, 5 will not be working with the same employer two years later; which gives -approximately- the same figure as the odds implied for the previous two years by the four year retention rate.

I.3 Non-wage cost: Severance Payments.

According to the Mexican labour legislation, in the case of individual dismissals without "just cause" (redundancy or low productivity are not legal grounds to dismiss) the employer has to pay severance payments equivalent to 3 months' pay plus 20 days' salary per year of service. In addition, the employer has to pay a seniority premium of 12 days of salary per year of service rendered with a ceiling of two minimum wages to workers with more than 15 years of service.

Graph 2



¹⁴ This result is more explicit when, as in Anderson Schaffner (1997), retention rates are calculated for disaggregated levels of initial tenure.

We present below estimates of severance payments cost and rate of firing in the manufacturing sector for 1992 and 1995 to give an idea of their importance and in section II we estimate the implications of the seniority premium such as the one specified for Mexican employment relations.

Cost of firing in the manufacturing sector and other related indicators

		Year	Glass industry	Steel industry	Automobile	In bons industry	Manufacturing sector
A	Monthly	1992	1.0%	1.0%	1.3%	3.4%	1.9%
	Quitting rate	1995	-	-	-	-	-
B	Monthly	1992	0.6%	0.9%	0.6%	0.3%	0.5%
	Firing rate	1995	-	-	-	-	-
C=A+B	Monthly	1992	1.7%	2.0%	1.8%	3.7%	2.4%
	Layoffs rate	1995	0.9%	2.2%	3.4%	-	2.8%
D	Monthly	1992	1.8%	1.2%	1.5%	3.7%	2.2%
	Hiring rate	1995	1.0%	1.4%	1.6%	-	2.4%
E=C+D	Turnover	1992	3.5%	3.2%	3.4%	7.4%	4.5%
	Rate	1995	1.9%	3.6%	5.0%	-	5.2%
	Monthly labour	1992	2,293	2,203	2,598	1,389	1,970
	payments (per worker)	1995	3,019	3,089	2,752	-	2,394
	Percentage of workers	1992	49.5%	73.6%	42.4%	46.3%	42.9%
	trained by firm	1995	83.7%	56.2%	85.3%	-	63.3%
Average Tenure	(in years)	1992	4.9	5.2	4.5	3.3	4.9
		1995	-	-	-	-	-
Total Firing Costs	(percentage of wages)	1992	4.4%	6.9%	3.9%	1.8%	3.4%
		1995	-	-	-	-	-

Source: Calculated with data from Enestyc Establishment Surveys INEGI, (1992) and (1995).

Regarding temporary contracts, these are allowed by law only for those jobs which are proved to be temporary in nature. Also, since there are no apprenticeship periods, training cost must be absorbed by the employer: these have to be within working hours¹⁵.

Severance payments are a potential source of conflict: workers who resign voluntarily have no right for severance payments at all. In addition, it is not until the year fifteen of work 15 years no right for antiquity premium, they have as an incentive to force their dismissal. In addition, it inhibits mobility.

The so-called "reinstalment clause" and "fallen wages" together with a relative high degree of discretionality for labour authorities substantially increase the transaction cost for firms and workers. Dávila (1996) suggest that up to 40% has to be paid to a lawyer by a worker. Data show that up to 5000 "unjustified" cases were presented each year for consideration of labour authorities.

¹⁵ Raw data point out that, the share of persons in the informal sector is reduced as one controls for experience, which might imply that low productivity workers must acquire experience in the informal sector, before joining the formal sector.

I.4 Transition among sectors: Are workers just playing 'musical chairs'?

Maloney (1997), sketching patterns of mobility among sectors by considering panels for 1987-1991 posits that a high degree of mobility of workers characterised the labour market in Mexico. His analysis is based on a transition matrix that enabled him to compare a person's job status at a point of time with the status that he or she had twelve months earlier. His analysis excluded women and persons with a level of education above high school.

Table 1. Quarterly ENEU Panel, movers and stayers one quarter later.

II-93 to III-93	FS	IS	Un	OLF	SE	Comm	UnP	Total	
FS	80.3%	8.8%	1.5%	4.4%	2.4%	2.3%	0.4%	100.0%	22.5%
IS	19.4%	50.4%	3.0%	12.3%	8.1%	4.7%	2.1%	100.0%	11.1%
Un	14.5%	17.4%	19.7%	33.7%	7.8%	4.7%	2.2%	100.0%	1.8%
OLF	2.0%	3.7%	1.8%	86.3%	3.0%	0.9%	2.4%	100.0%	46.0%
SE	4.5%	7.3%	1.3%	11.5%	69.5%	3.8%	2.1%	100.0%	12.1%
Comm	13.6%	14.7%	2.2%	10.3%	12.4%	45.4%	1.4%	100.0%	3.6%
UnP	2.9%	9.0%	1.6%	31.8%	9.4%	2.2%	43.1%	100.0%	2.8%
Total	22.5%	11.3%	2.1%	45.3%	12.1%	3.7%	3.0%	100.0%	
II-95 to III-95	FS	IS	Un	OLF	SE	Comm	UnP	Total	
FS	81.0%	8.4%	2.3%	3.3%	2.5%	2.3%	0.3%	100.0%	20.5%
IS	14.2%	52.9%	5.2%	12.0%	8.5%	5.2%	2.1%	100.0%	11.0%
Un	10.1%	18.5%	28.1%	25.4%	10.6%	5.0%	2.3%	100.0%	3.4%
OLF	1.4%	3.6%	2.7%	85.3%	3.3%	1.0%	2.7%	100.0%	45.7%
SE	3.5%	7.5%	2.8%	11.0%	68.9%	4.1%	2.2%	100.0%	12.6%
Comm	11.3%	13.6%	4.6%	9.9%	12.4%	46.6%	1.6%	100.0%	3.8%
UnP	1.9%	8.1%	2.6%	32.4%	9.4%	1.9%	43.7%	100.0%	3.1%
Total	20.1%	11.5%	3.8%	44.6%	12.8%	4.0%	3.3%	100.0%	
II-97 to III-97	FS	IS	Un	OLF	SE	Comm	UnP	Total	
FS	83.0%	7.4%	1.3%	3.5%	2.4%	2.1%	0.3%	100.0%	21.7%
IS	15.6%	55.0%	2.6%	12.5%	7.8%	4.5%	1.9%	100.0%	12.3%
Un	15.8%	19.7%	17.6%	32.1%	8.8%	3.9%	2.1%	100.0%	1.9%
OLF	1.9%	4.0%	1.6%	86.0%	3.2%	0.9%	2.4%	100.0%	44.2%
SE	4.2%	7.7%	1.1%	11.0%	70.0%	3.7%	2.2%	100.0%	13.0%
Comm	13.4%	15.5%	1.8%	9.9%	12.5%	45.7%	1.1%	100.0%	3.9%
UnP	2.4%	9.5%	1.4%	32.6%	9.8%	1.8%	42.5%	100.0%	3.0%
Total	22.2%	12.4%	1.9%	43.7%	12.9%	3.8%	3.0%	100.0%	

In order to assess the validity of Maloney's remarks for a more comprehensive set of data, for a more recent period of time and within a shorter span, we analyse quarterly transitions for 1993, 1995 and 1997 in our transitions matrices of tables 1.¹⁶

The letters in the left hand side column of the matrices indicate the job status in which the person was located in the second quarter of the year. The ones in the upper row indicate the job status in which they were found three months latter. The cells of the main diagonal represent the share of workers in that job status that not moved (i.e. are stayers) and the other cells indicate to which of the 6 possible sectors or job status they moved to (formal and informal sectors, unemployment, out of the labour force, self-employment, paid by comision or percentage, and unpaid jobs).

These matrices show the high frequency movement by workers from one job status to another one, within a time span of one quarter. The figures are specially high for wage earners in the informal sector and for self-employed: between 45% and 55% of those in these status were no longer there three months latter. In turn, , between 15% and 20% of formal workers move out, in only one quarter, to another job status.¹⁷

Consider what happens with those who were trying to find a job in June 1995. According to the employment surveys those unemployed persons who found a job during the third quarter of 1995 spent, on average, nine months looking for it. In turn, as shown in the corresponding matrix, almost half of those who were trying to find a job in June 1995, were already working by September. As many as those who found a job in the formal sector became self-employed: one out of ten to each job status and about twice as many in the informal sector. These figures contrast with those of the years of economic expansion –1993 and 1997- in which around half of those who found a job in the formal sector became self-employed.

The likelihood that an unemployed person does not spend a long time trying to find a job depends on the availability and speed of creation of vacancies, which in turn depends on how long it takes to persons who have a job to move out of it. That is, it depends on the frequency of movements by workers who have a job, which as pointed out, appears to be high in the urban market.

The matrices represent those 'earmarked' persons interviewed in two consecutive quarters those years represented in table 1. The final column of our matrices indicates persons at the second quarter in each job status, as a percentage of the

¹⁶ Additional considerations could be added with corresponding matrices for the years 1991, 1994 and 1996, which can be found in the appendix.

¹⁷ The definition of formal sector in these matrices is workers registered in the social security system (IMSS and ISSTE). In the appendix of this paper we present corresponding matrices for 1995, 1996 and 1997 using as a definition of formal worker the person who declares having a written contract either longer than six months or for an indefinite period. It is interesting to stress that results are not very different with this alternative definition of formality.

sum of persons in the seven status. In turn, the final rows refer to how were corresponding percentages after one quarter –i.e. persons found during the third quarter in each job status as a percentage of the sum. By comparing cells in final column with corresponding cells in final row, an interesting stylised fact arises: the shares that each job status represents within total population does not vary significantly from one quarter to another one, in spite of significant movements of persons among job status. This implies that the spaces left by the flow of persons out of one job status into another one are to a great extent filled by a flow of persons moving in the opposite direction.

This last stylised fact explains why, in spite of relative frequent movements in and out of formal and informal sectors, the shares of workers in total active population represented in graph 1 remain relatively constant across quarters.

For a more explicit relationship between the shares represented in graph 1, and those appearing in the matrices, it is possible to re-express these latter ones by excluding from the analysis those persons which are out of the labour force¹⁸. When this is done, it is possible to consider the flows of workers and persons searching for jobs between one job status and other one. When we focus on those wage earners initiating our panel in 1993, we get that, as a share of total economic active population (i.e. excluding OLF), formal and informal workers represented 41.7% and 20.6% respectively. Out of those persons followed from the second to the third quarter of 1993, more than 8.5% of formal workers –i.e. 3.67% of total economic active population- moved to the informal sector. During the same period, 3.99% of total active population which was in the informal sector (almost one out of five informal workers) moved to the formal sector. That is, in spite of the high frequency of movements by workers, in net terms only 0.32% of total active population moved from the informal to the formal sector. As a result the share of formal and informal sectors in total active population does not change in a significant way.

In turn, during 1997, another year of economic expansion, the net increase in formal sector was 0.54% of economic active population, whereas during 1995, corresponding figure was a net decline of 0.29%. That is, during the period associated to a severe recession, 14.2% of those working in the informal sector during the second quarter of 1995 found a job in the formal sector (2.88% of the economic active population), but at the same time 3.17% of the economic active population that was in the formal sector moved to the informal sector.

There are at least three reasons why our results reveal a higher frequency of changes among job status in Mexico, when compared with those presented by Maloney (1997). Firstly, as suggested by previous studies along these lines,

¹⁸ This is equivalent to divide the numbers in the cells of the matrices by one minus the share that OLF represents in total population. Resulting figures do not necessarily coincide with those in graph 1, since the numbers appearing in the cells are not adjusted with the corresponding 'factor of expansion', whereas those used in the graph are.

particularly Cruz (1994), women change more often their job status than men – which is the only group considered by him. Secondly major structural changes (e.g. NAFTA agreement) and a more volatile macroeconomic environment characterise the period 1993-1997, compared to the one analysed by him, 1987-1991. Thirdly, and more important, by comparing initial state with a state twelve months latter, Maloney's study allows for the following result: persons who moved out of a job status but returned to that initial status within the time span of three, six or nine months are considered as workers who were in that status for the whole year.

To illustrate the importance that the last kinds of change have, we present two different transition matrices, both of them compare worker's initial states with their job status two quarters latter. The first one, table 2a, compares job status at the end of the year relative to the status two quarters earlier, ignoring changes registered between June and September and between September and December. The second matrix, table 2b, considers as stayers of a job status only those who remained in the same job status during the three quarters in which they were interviewed. In this latter matrix movers are only those that changed between the third and fourth quarters (those changing between the second and third quarters were excluded from the matrix).

**Table 2a. Quarterly ENEU Panel, movers and stayers two quarters later.
Comparing status initial and six months later only.**

II-93 / IV-93	FS	IS	Un	OLF	SE	Comm	UnP	Total
FS	20,138	2,359	395	1,365	735	640	84	25,716
IS	2,556	5,953	353	1,733	1,099	661	254	12,609
II-95 / IV-95	FS	IS	Un	OLF	SE	Comm	UnP	Total
FS	19,937	2,348	526	970	670	608	75	25,134
IS	1,981	6,762	507	1,651	1,185	664	255	13,005
II-97 / IV-97	FS	IS	Un	OLF	SE	Comm	UnP	Total
FS	24,008	2,045	376	1,144	737	618	107	29,035
IS	2,882	8,406	425	2,144	1,341	711	283	16,192

Consider, for example, what happens two quarters latter with those 'earmarked' workers who were in the formal and informal sectors in the II quarter of 1993. Comparing the numbers of table 2b with those of table 1a, we deduce that results in table 2a overestimated the number of persons not moving out of the formal and informal sectors by 1530 and 1688 respectively¹⁹. This overestimation is due to the workers who moved out of the sector between the second and third quarter and with a further movement between the third and fourth quarter ended up in their initial sector when interviewed in the IV quarter.

Table 2b. Quarterly ENEU Panel, movers and stayers two quarters later.

¹⁹ This figure refers to numbers before applying the factors of expansion to the survey.

Comparing status initial and six months later excluding those which changed, but returned three months later.

II-93 / IV-93	FS	IS	Un	OLF	SE	Comm	UnP	Total
FS	18,608	1,274	199	646	334	305	31	21,397
IS	852	4,265	137	538	337	243	77	6,449
II-95 / IV-95	FS	IS	Un	OLF	SE	Comm	UnP	Total
FS	18,230	1,141	231	385	228	261	18	20,494
IS	725	4,788	174	474	388	261	79	6,889
II-97 / IV-97	FS	IS	Un	OLF	SE	Comm	UnP	Total
FS	21,929	978	194	511	275	310	35	24,232
IS	1,030	6,208	186	643	441	268	81	8,857

The analysis of these features of the labour market requires of a multiple cycle semi-markovian model- as it is suggested by Hopenhayn (1998) in his study of turnover rates in Argentina. In the next section we concentrate on single cycle survival models to estimate hazard rates and the mean time spent by workers in each job status and in section III we present a first approximation to the multiple cycle specification of the problem.

I.5 Transitions of workers in and out of the manufacturing and services sectors.

By identifying workers in their activity sector, it is possible to use our panel structure to consider how workers move within type of activity. The corresponding results are relegated to the appendix (table 12) where corresponding transitions for the year 1995 are presented, considering formal-informal sectors divisions as well.

II Duration Models.

II.1 Testing whether severance payments regulations influence the time to dismiss a worker: spikes in the hazard rates of being fired.

Although Mexican labour legislation -which dates back to the late 1930's- has as its explicit purpose to protect workers and ensure job security, studies are yet to be conducted to consider if, current application of it is not having opposite effects to those which were intended to be achieved -as it has happened in other countries. That is, a job match offers advantages for both employer and employees and a question arises if there are reasons to believe that labour market regulations could lead to destroy a match due to disincentives implied by them.

One aspect of the Mexican labour legislation, which might be inducing good job

matches to last shorter than what it would in its absence is the one associated to the “antiquity rights for promotion”. According to article 159 of the labour legislation, the employer must promote the worker with longest tenure of those which have been trained, not the one which got better marks. This regulation generates disincentives for employers to offer training and workers to demand it. In addition, it can have as a result that workers with low tenure with high potential productive capacity leave the firm due to lack of upward-mobil opportunities. In section III we consider this issue and in what follows we consider another aspect of labour legislation which might be inducing the above mentioned type of effects.

Labour legislations, such as the Mexican one, in which severance labour costs increase automatically with tenure could be a candidate for a case in which labour market regulations could lead to destroy a match due to disincentives implied by them. As it is mentioned in subsection 1.3 above, because firing cost in Mexico jump discretely at the year 15th (see graph 2), this raises the question of whether this feature induces a degree of flexibility above that needed for an efficient reallocation of workers.

To address this question we consider those cases identified as completed spells of employment in formal and informal sectors, for the years 1991, 1993, 1995 and 1997, which ended in unemployment due to an unilateral decision of the employer²⁰ (i.e. those who were employed in the second quarter of these years, but became unemployed while being followed in the panel and those who were identified as unemployed but answered how long was their job tenure in their last job). The parametric hazard functions estimated in the following section (Weibull, logisitic) do not allow for the calculation of spikes. Hence a step to follow for a proper estimation of this problem would be to estimate by maximum likelihood a continuous time flexible hazard model which allows for spikes.

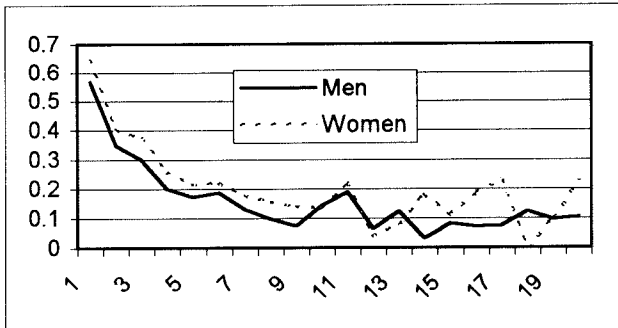
The conditional probability for ending a job entitled to severance payments due to job dismissal is presented in graph 3a-c. These were calculated with two different procedures. One of them is by means of the stratified Kaplan-Maier estimators (see Kiefer (1988), Lee (1992) & Greene (1995). The second one is by means of logit type regression model –as suggested in Allison (1990)²¹ - in which hazard rates are estimated as depending on co-variables age, sex, experience and dummy variables for each different year, thereby enabling us to capture the effects attributed to spikes. This is presented in graph 3c and the results in the appendix in table 11.

²⁰ Our definition of unemployed correspond to individuals without a job within the twelve months previous to the date in which the survey was conducted and refers to those who, having previously worked, were not working the week before they were interviewed, due to reasons other than holidays or sickness, -whether searching for a job or not. The answered the question, Why did you left your last job? The answer to this question enabled us to identify two groups, according to whether they voluntarily left their job or not.

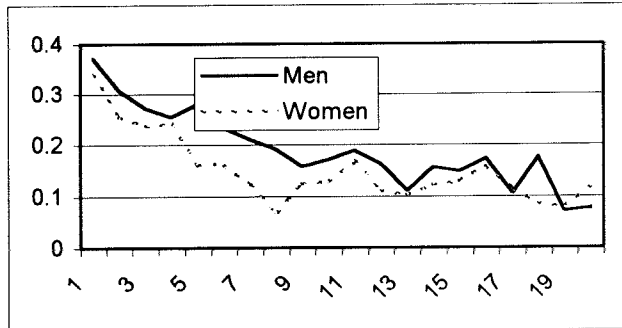
²¹ Allison, P. (1990). For a more elabourate method see Macurdy & Garber (1993). In this paper they develop a method for estimating hazard functions with spikes that arise because Medicare pays the full cost for the first 20 days of stays in nursing homes by the elderly. Then pays just some fraction for the next 80 days, and then pays nothing, so that the cost to the patient rises discretely at 20 and 100 days.

Spikes in the hazard of being fired

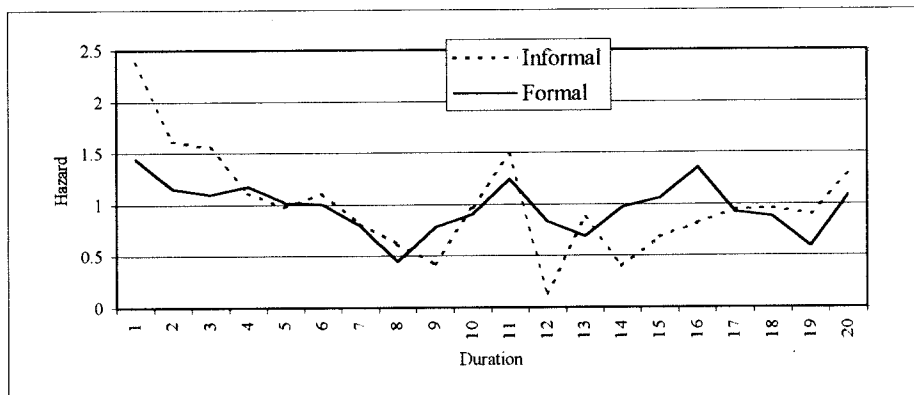
Graph 3a Kaplan-Meier for Formal Salaried Workers



Graph 3b Kaplan-Meier for Informal Salaried workers



Spikes in the hazard of being fired Graph 3c Allison (1996) suggested method



When we compare hazards of being fired in the formal sector for those workers with a tenure close to 15 years, no relevant spike suggests that firing rules of Mexican legislation are having counterproductive effects in the case of men. However, the results are not so conclusive for the case of women.

Among the reasons that suggest that employers having to pay a seniority premium of 12 days of salary per year of service rendered does not have such a distortioning effect is that the level of salaries (both the 20 days per year and the 12 days of seniority premium after fifteen years) is capped to be at most two minimum wages which are established by the government. Since minimum wages have declined in real terms substantially in Mexico since 1987, adjustment costs for firms in terms of severance payments has fallen *pari passu*. Notice that this cap reduces financial incentives that employers could otherwise have to avoid actions which increase wages to employees with high tenure, such as on-the job training.

II. 2 Parametric estimation of time dependent hazard functions.

Two different specifications, weibull and logistic models, were estimated on the one hand, for wage earners in the manufacturing sector and on the other hand for total urban employees (divided in formal and informal sectors) and for self-employed persons.²²

The Weibull function can be represented by:

$$h(t) = \alpha t^{\alpha-1} \exp(\beta' x) \quad (1)$$

where $h(t)$ is the rate at which spells will be ended at duration t , given that they last until t (i.e. a conditional probability- that is, the proportion of those who survived up to that duration who leave within the period) and x a set of co-variates. It is a function that can capture positive ($\alpha > 1$) or negative time dependence, but is always monotonic.

In turn the logistic function:

$$h(t) = \left(\frac{\lambda^\alpha \alpha t^{\alpha-1}}{1 + \lambda^\alpha t^\alpha} \right) \quad (2)$$

where $\lambda = \exp(\beta' x)$

has a more general specification that can capture a non monotonic behaviour.²³ Theoretical arguments suggest that hazard functions of employed wage earners are not expected to be monotonic. For example, Jovanovic's (1979) turnover model predicts that an initial positive duration dependence is eventually followed by negative duration dependence. In turn, most of the empirical studies (which use yearly data) have found that the hazard declines sharply with tenure, hence finding weibull specifications satisfactory (see Farber (1998)). However, when information is available for shorter periods (for the Mexican case we have tenure responses on a monthly basis), authors such as McCall (1990) & Farber (1994) have found that the hazard of job ending increases with tenure early in jobs before beginning a long-term decline.

²²Weibull hazard functions corrected for heterogeneity using gamma distribution, have also been calculated and some of the results are presented in Calderón-Madrid, A. (1998).

²³ But this specification is no longer a member of the proportional hazard functions family.

II.3 Hazard functions for the manufacturing sector.

Along with major commercial reforms and liberalisation measures in areas other than laws regulating labour hiring and firing, the functioning of the labour market in Mexico has gone through changes during the present decade. The relative strength of the enforcement of the labour law has been changing –notwithstanding that no explicit modification has occurred. These changes have been pointed out at least since the early 1990's, as exemplified by the following statement of the leader of the influential telephone company union workers:

“While we have been fighting for the labour federal job not to be modified, firms in practice have been modifying the collective contracts according to their interests to face the trade liberalisation. It is there where the change is taking place”²⁴

There is indeed a number of indicators pointing out that the degree of labour law enforcement differs at the same time across industries (e.g. some industry specific trade unions have been more prone to accept ‘modernisation’) and depending on firms’ size (e.g. smaller ones are difficult to monitor, in addition to the fact that a minimum of 20 workers is required to constitute a trade union).

Comparisons of different degree of labour flexibility can be established even between new and old factories of the same firm, -e.g. Ford factories in different states of the country.²⁵ In this section we rely on establishment based surveys as a way to capture changes which might have affected turnover of workers in the manufacturing sector. The co-variables specified in the hazard functions combine on the one hand data from household surveys, namely ENECE and ENEU together with data obtained from the so-called National Survey of Employment, Salaries, Technology and Training (Encuesta Nacional de Empleo, Salarios, Tecnología y Capacitación, ENESTYC).

This latter one is a national survey of firms in the manufacturing sector carried out in 1992 and again in 1995 (5071 and 5242 establishments respectively). Their results are representative at a national level for 52 branches of industrial activity and of four sizes according to number of workers (Large 251 or more, Median 101 to 250, Small 16 to 100 and Micro 1 to 15).

²⁴ Quotted by Zápata, F. (1995) “El Sindicalismo Mexicano Frente a la Reestructuración”. Editorial El Colegio de México. p.132, from a statement appearing in ‘La Jornada’ newspaper february 1992.

²⁵ In Mexico, for example, trade unions can and do stipulate additional severance payments to those required by law. Since 1992 a number of changes in these and other issues have been registered. (See. De la Garza (1990) STPSS (1993) , OECD (1996) and Bouzas, A . y de la Garza, E. (1998)).

Table 3

Survival models applied to manufacturing sector combining household and establishment surveys.

	1995						1991					
	Formal salaried				Informal salaried		Formal salaried				Informal salaried	
	Weibull		Logistic		Exponential		Weibull		Logistic		Exponential	
	Coef.	P> z	Coef.	P> z	Coef.	P> z	Coef.	P> z	Coef.	P> z	Coef.	P> z
Constant	-2.21	0.00	2.076	0.000	-2.29	0.00	-2.17	0.00	-1.86	0.00	-2.40	0.00
Age	-0.02	0.62	-0.001	0.797	0.17	0.25	-0.02	0.00	-0.01	0.21	-0.02	0.00
Woman	0.00	0.83	-0.023	0.584	0.00	0.80	0.05	0.06	-0.03	0.61	0.12	0.20
Breadwinner	-0.20	0.00	0.252	0.000	-0.01	0.96	-0.05	0.15	-0.44	0.00	-0.02	0.85
Sopuse (2nd aboard)	-0.09	0.12	0.168	0.018	-0.51	0.09	-0.05	0.38	0.24	0.01	0.09	0.69
Elementary S 1	0.00	0.98	-0.026	0.832	-0.14	0.66	NA	NA	NA	NA	NA	NA
Elementary S 2	-0.05	0.68	0.064	0.579	-0.04	0.90	-0.17	0.00	-0.28	0.00	0.06	0.60
Secondary School	-0.06	0.64	0.092	0.426	-0.13	0.67	-0.20	0.00	-0.36	0.00	-0.12	0.25
High School	-0.14	0.28	0.225	0.063	-0.27	0.43	-0.18	0.00	-0.36	0.00	-0.06	0.70
Tecnological F.	-0.18	0.15	0.324	0.008	-0.70	0.05	-0.15	0.00	-0.62	0.00	-0.24	0.10
College	-0.19	0.36	0.313	0.189	0.00	1.00	-0.17	0.00	-0.47	0.00	-0.20	0.17
Single	0.05	0.28	0.000	0.997	-0.15	0.36	0.15	0.00	0.30	0.00	0.28	0.02
Jobs life	0.11	0.00	-0.186	0.000	0.07	0.00	0.11	0.00	0.21	0.00	0.12	0.00
Course last year	-0.04	0.16	0.081	0.028	0.17	0.34	0.01	0.78	-0.14	0.04	-0.32	0.02
Contract	-0.16	0.00	0.211	0.000	-0.11	0.48	NA	NA	NA	NA	NA	NA
Work experience	-0.06	0.00	0.066	0.000	-0.06	0.00	-0.05	0.00	-0.07	0.00	-0.04	0.00
Enestyc: Contract regulates firing	NA	NA	NA	NA	NA	NA	-0.86	0.00	0.91	0.02	1.63	0.09
Enestyc: Contract regulates hiring of temporary personnel	-0.26	0.07	0.134	0.209	-0.27	0.71	NA	NA	NA	NA	NA	NA
Enestyc: Implemented personnel rotation	1.69	0.08	-2.666	0.017	16.89	0.01	1.01	0.02	1.50	0.04	2.74	0.08
Enestyc: Incremented number of duties per worker	0.63	0.06	-0.327	0.435	4.10	0.08	0.79	0.43	1.19	0.48	-6.46	0.07
Enestyc: Personnel adjustment due to excess capacity	0.27	0.16	-0.542	0.010	-1.14	0.21	0.60	0.01	-1.76	0.00	-5.32	0.00
Enestyc: Training provided by firm	0.49	0.00	-0.319	0.007	-1.19	0.10	0.21	0.33	-0.56	0.19	2.94	0.00
Enestyc: Antiquity rights	NA	NA	NA	NA	NA	NA	0.37	0.03	-1.09	0.00	-1.38	0.04
Enestyc: Percentage of firms that consider their products as mature	NA	NA	NA	NA	NA	NA	0.35	0.03	-0.07	0.77	-0.18	0.58
Alpha parameter	1.3326	0.000	1.764	0.000	1.0000	Fixed	1.2899	0.00	1.2448	0.00	1.1584	0.00

Source: Individuals from the manufacturing sector (ENECE 91 & 95).

Note: The negative sign of the coefficients must be interpreted as lowering the hazard.

In order to link the ENESTYC and household surveys, we firstly consider only the subset of workers and unemployed persons which belong to the manufacturing sector in the ENECE-ENEU survey. We then constructed "industry-size of firm" cells and classified each interviewed person within his/her corresponding categories (nine main manufacturing branches, four different sizes). Then, in addition to variables related to workers' characteristics (provided by household surveys), we also included co-variables obtained from the ENESTYC survey. This latter one provides the information corresponding to the "industry-size of firm" cells.

This procedure enables us to use the information contained in the ENESTYC survey as a co-variate in our duration analysis. (specially those related with labour contracts, labour organisation and production changes, training programs carried out for groups of workers) For example, one of the co-variables was constructed using the answer to the following question:

"Since you have answered yes, to the question of the firm having had at least one month with excess personal in relation to production since 1994, has this excess of workers led to an adjustment in the number of persons working in your firm?"²⁶

Other potential co-variables for the analysis were related to changes in labour organisation and effects of the introduction of machinery and equipment; also interesting to consider are explicit questions about whether labour contract, internal regulations or special arrangements regulate issues such as temporary hiring, subcontracting, workers dismissals and promotions.

The co-variables used in our duration models for 1992 and 1995, and the corresponding results for 1992 and 1995 are presented in table 3.

II.4 Hazard functions for formal and informal sectors and for self-employed persons.

With the matching of the ENECE and ENEU surveys we constructed four five-quarter panels with 'ear-marked' persons whose job-tenure is known. These, in turn, have been merged in two sets for estimation purposes: the year 1991 cum 1993 (therefore including from 1991-II to 1992-II together with 1993-II to 1994-II) and the year 1995 cum 1997 (i.e. 1995-II to 1996-II together with 1997-II to 1998-II).

²⁶ This question is helpful for the purposes of this research because in Mexican labour law, adverse economic shocks to a firm are not within the reasons considered as "justified" to lay off workers. It is also asked which measures were taken to avoid this readjustment. Among possible answers to this questions the survey included inducing voluntarily resignations, salary reductions, and transfers.

The covariates included in the estimation and the results are presented in Table 4 and corresponding figures.

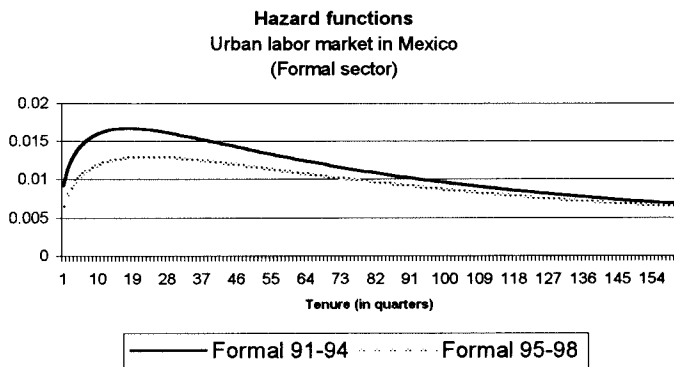
The results in table 4 point out that the log-logistic specification appears to be more consistent with the a priori expected signs.

Table 4a														
Hazard Functions														
Urban labour market in Mexico 1991-1994														
	Formal				Unemployed		Self Employed				Informal			
	Weibull		Logistic		Weibull		Weibull		Logistic		Weibull		Logistic	
	Coef	P-Val	Coef	P-Val	Coef	P-Val	Coef	P-Val	Coef	P-Val	Coef	P-Val	Coef	P-Val
Constant	-0.805	0.00	-1.036	0.00	-0.416	0.00	0.021	0.03	-0.086	0.00	0.352	0.00	-0.352	0.00
Man	-0.107	0.00	-0.069	0.00	-0.354	0.00	0.540	0.00	0.277	0.00	0.240	0.00	0.648	0.00
Age	0.205	0.00	0.214	0.00	0.119	0.00	0.172	0.00	0.137	0.00	0.134	0.00	0.179	0.00
Age ^2	-0.001	0.00	-0.002	0.00	-0.001	0.00	-0.001	0.00	-0.001	0.00	-0.001	0.00	-0.001	0.00
Breadwinner	0.415	0.00	0.489	0.00	-0.543	0.00	0.215	0.00	-0.067	0.00	-0.081	0.00	0.232	0.00
Spouse (2nd aboard)	0.193	0.00	0.213	0.00	0.268	0.00	-0.198	0.00	-0.445	0.00	-0.398	0.00	-0.264	0.00
Son	0.199	0.00	0.199	0.00	-0.032	0.00	-0.041	0.00	-0.324	0.00	-0.295	0.00	-0.095	0.00
Elementary School Inc.	0.195	0.00	0.087	0.00	0.005	0.61	-0.079	0.00	0.190	0.00	0.098	0.00	-0.098	0.00
Elementary School Comp.	0.416	0.00	0.322	0.00	0.152	0.00	0.016	0.00	0.098	0.00	0.011	0.00	-0.056	0.00
Secondary	0.517	0.00	0.418	0.00	0.181	0.00	-0.055	0.00	-0.030	0.00	-0.107	0.00	-0.087	0.00
High School	0.424	0.00	0.290	0.00	0.458	0.00	-0.134	0.00	-0.216	0.00	-0.302	0.00	-0.179	0.00
College & Higher	0.267	0.00	0.142	0.00	0.128	0.00	-0.085	0.00	-0.139	0.00	-0.233	0.00	-0.080	0.00
Married	0.040	0.00	0.064	0.00	0.108	0.00	0.048	0.00	-0.001	0.53	0.000	0.66	-0.005	0.04
Jobs in life	-0.054	0.00	-0.146	0.00	-0.031	0.00	-0.068	0.00	-0.152	0.00	-0.075	0.00	-0.111	0.00
Trainning course last 2 years	0.228	0.00	0.257	0.00	0.013	0.00	-0.140	0.00	0.246	0.00	0.250	0.00	-0.196	0.00
Work experience	0.006	0.00	0.008	0.00	-0.005	0.00	0.002	0.00	0.023	0.00	0.015	0.00	0.005	0.00
Services	0.190	0.00	0.231	0.00	-0.364	0.00	-0.029	0.00	0.365	0.00	0.316	0.00	-0.047	0.00
Micro	-0.440	0.00	-0.490	0.00	-0.646	0.00	-0.342	0.00	0.180	0.00	0.182	0.00	-0.342	0.00
Alpha	1.081	0.00	1.298	0.00	1.110	0.00	1.067	0.00	1.302	0.00	0.963	0.00	1.307	0.00
Lambda	0.07	0.00	0.022	0.00	0.104	0.00	0.064	0.00	0.07	0.00	-0.03	0.00	0.020	0.00

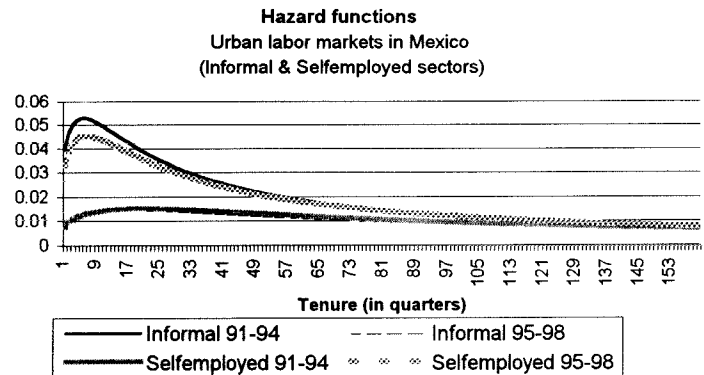
Table 4b														
Hazard Functions														
Urban labour market in Mexico 1995-1998														
	Formal				Unemployed		Self Employed				Informal			
	Weibull		Logistic		Weibull		Weibull		Logistic		Weibull		Logistic	
	Coef	P-Val	Coef	P-Val	Coef	P-Val	Coef	P-Val	Coef	P-Val	Coef	P-Val	Coef	P-Val
Constant	-0.646	0.00	-0.961	0.00	0.643	0.00	0.315	0.01	0.112	0.00	1.158	0.00	0.953	0.00
Man	0.007	0.00	0.034	0.00	-0.225	0.00	0.422	0.00	0.510	0.00	0.178	0.00	0.158	0.00
Age	0.185	0.00	0.192	0.00	0.054	0.00	0.160	0.00	0.159	0.00	0.114	0.00	0.105	0.00
Age ^2	-0.001	0.00	-0.001	0.00	-0.000	0.00	-0.001	0.00	-0.001	0.00	-0.001	0.00	-0.000	0.00
Breadwinner	0.198	0.00	0.242	0.00	-0.085	0.00	0.368	0.00	0.403	0.00	-0.437	0.00	-0.292	0.00
Spouse (2nd aboard)	0.065	0.00	0.075	0.00	0.689	0.00	-0.304	0.00	-0.393	0.00	-0.807	0.00	-0.786	0.00
Son	-0.063	0.00	-0.100	0.00	0.038	0.00	-0.118	0.00	-0.128	0.00	-0.653	0.00	-0.644	0.00
Elementary School Inc.	0.155	0.00	0.019	0.00	0.118	0.00	0.002	0.34	-0.055	0.00	0.081	0.00	0.058	0.00
Elementary School Comp.	0.231	0.00	0.112	0.00	0.247	0.00	-0.146	0.00	-0.204	0.00	-0.072	0.00	-0.055	0.00
Secondary	0.407	0.00	0.339	0.00	0.376	0.00	-0.074	0.00	-0.122	0.00	-0.241	0.00	-0.245	0.00
High School	0.174	0.00	0.103	0.00	0.303	0.00	0.002	0.51	-0.015	0.00	-0.365	0.00	-0.327	0.00
Technological F.	0.186	0.00	0.105	0.00	0.328	0.00	-0.094	0.00	-0.127	0.00	-0.323	0.00	-0.349	0.00
College & Higher	-0.081	0.00	-0.155	0.00	0.445	0.00	-0.022	0.00	-0.022	0.00	-0.548	0.00	-0.512	0.00
Married	0.019	0.01	-0.001	0.37	-0.176	0.00	-0.026	0.00	-0.001	0.54	0.009	0.00	-0.041	0.00
Jobs in life	-0.057	0.00	0.117	0.00	-0.016	0.00	-0.052	0.00	-0.101	0.00	-0.076	0.00	-0.143	0.00
Trainning course last 2 years	0.258	0.00	0.273	0.00	-0.057	0.00	-0.138	0.00	-0.204	0.00	0.106	0.00	0.130	0.00
Contract	0.799	0.00	0.937	0.00	-0.671	0.00	-----	-----	-----	-----	0.772	0.00	0.834	0.00
Work experience	0.003	0.00	0.003	0.00	-0.004	0.00	0.000	0.05	0.001	0.00	0.010	0.00	0.013	0.00
Services	0.025	0.00	0.028	0.00	-0.325	0.00	-0.003	0.02	0.016	0.00	0.115	0.00	0.169	0.00
Micro	-0.247	0.00	-0.297	0.00	-0.867	0.00	-0.249	0.00	-0.303	0.00	0.294	0.00	0.299	0.00
Alpha	1.103	0.00	1.300	0.00	1.275	0.00	1.014	0.00	1.233	0.00	0.956	0.00	1.294	0.00
Lambda	0.06	0.00	0.017	0.00	0.10	0.00	0.03	0.00	0.019	0.00	0.07	0.00	0.06	0.00

As shown in Graphs 4a & 4b, hazard rates first increase and after two years start declining monotonically.

Graph 4a



Graph 4b



A consistent result through the period 1991- 1998 is that hazard rates out of the formal sector are reduced with education²⁷, with secondary education having the most significant effect in reducing the odds of leaving a job in the formal sector. The opposite effect is registered in the cases of employees in the informal sector and in the self-employment: persons with an education are more likely to leave these job status.

The co-variate which has the most important weight in explaining the reduction in hazard of leaving the formal sector is having a signed contract for more than six months. (It is not possible to consider if the hazard of leaving the formal sector increases to a person that has no definite contract for the period 1991-94, since the question was not asked before 1994). In turn, working in a firm of less than 15 workers increases the likelihood of not staying in the formal sector. Although this latter effect is more important in the period 1995-1998. In both periods of time, hazard rates are higher for single persons and increase according to the number of jobs in life a person has had.

Comparing changes across periods, the results point out that breadwinners were less likely to leave the formal sector during the period 1991-1994 than during 1995-1997. The same result is obtained regarding the case of spouses (i.e. second aboard) however the effect is more pronounced with this latter group. Having received a training course within a period smaller than fifteen months reduces the hazard of leaving the formal sector in both periods. Different effects are registered when we consider the signs of this variable for the case of informal workers: Whereas taking a training course would have helped a worker leave the informal sector during the period 1991-1994, it did not helped at all during the period 1995-1998.

²⁷ Except for college in the period 1995-1998, which actually increases the hazard of leaving the formal sector.

The results can also be interpreted in terms of survival probabilities for different groups, as in table 5 below.

Table 5
Survival models
Urban labour market (1995-1998)

	Weibull Models				Logistic Models			
	Survival S(t)		Hazard Rate h(t)		Survival S(t)		Hazard rate h(t)	
	1 year	5 years	10 years	1 year	1 year	5 years	10 years	1 year
Woman, Age=30, Spouse (2nd aboard), High School, 2 jobs in life and 5 years of work experience, written contract, course training								
Formal salaried	0.974	0.849	0.700	0.013	0.995	0.964	0.916	0.001
Informal salaried	0.817	0.446	0.230	0.028	0.951	0.711	0.501	0.015
Unemployed	0.610	0.036	0.000	0.210				
OLF	0.886	0.484	0.210	0.048				
Self employed	0.854	0.480	0.242	0.032	0.900	0.554	0.345	0.030
Comission	0.762	0.306	0.107	0.049				
Unpaid	0.705	0.170	0.028	0.089				

Man, Age=45, Breadwinner, High School, 5 jobs in life and 25 years of work experience, written contract, course training.

Formal salaried	0.990	0.942	0.878	0.005	0.999	0.998	0.995	0.000
Informal salaried	0.921	0.719	0.549	0.000	0.996	0.972	0.935	0.001
Unemployed	0.305	0.000	0	0.440				
OLF	0.651	0.076	0.004	0.151				
Self employed	0.972	0.877	0.776	0.005	0.993	0.954	0.898	0.002
Comission	0.924	0.711	0.527	0.012				
Unpaid	0.736	0.2128	0.044	0.078				

II.5 Hazard functions with multiple destinations:

How to test if severance payments regulations influence the sector or job status to which a person who moves out of the formal sector will go?: The importance of considering differences in time dependence of transitions intensities in hazard functions.

According to a survey to self-employed persons (ENAMIN) a large percentage of them went to this sector because they were fired, having been previously salaried workers. In addition, to start their business, they relied more on their severance payment and own savings than on any other source of financing. (See Samaniego

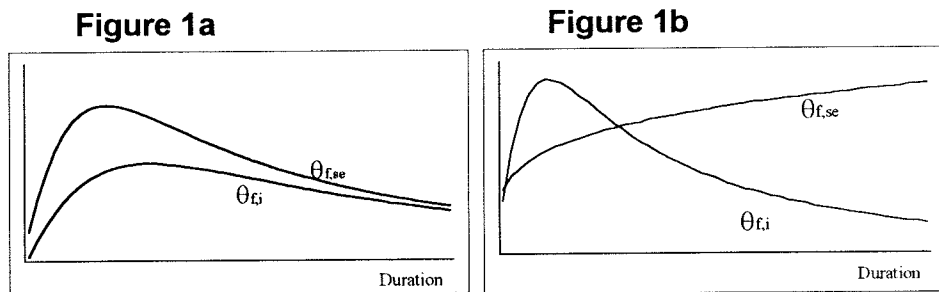
1998). This information suggests that a flexible hazard model is required to estimate a number of hypothesis related to the effects that severance payments regulation could for the dynamics of the labour market in Mexico.

For example, this kind of data has given place to the following conjecture, which has been stated- among others - by Hernandez Licona (1997), according to whom, it is paradoxical that, in view of liquidity constraints, dismissals makes initiating a job easier. Hence, in recessions, individuals start their own business in view of the impossibility of finding a job and the lack of liquidity.

In survival models with more than one destination (also called 'competing risks models') it is common to assume that different hazard functions (called transition intensities functions when there is more than one destination) have a constant time dependence relationship. For example, the functions which represent exits from the formal sector into the self employment and from formal sector into informal sector, $\theta_{f,se}$ and $\theta_{f,i}$ respectively, in figure 1a. However, to test the above mentioned hypothesis, transition intensities functions such as those of figure 1b must not be discarded by construction. Because of this, in future research, and by means of the CTM computing package, a Heckman-Flinn (1982) flexible Box-Cox hazard with scalar heterogeneity will be estimated, namely :

$$h(t|x, \theta) = \exp \left(\beta' x(t) + \left(\frac{t^{\lambda_1 - 1} - 1}{\lambda_1} \right) \cdot \gamma_1 + \left(\frac{t^{\lambda_2 - 1} - 1}{\lambda_2} \right) \cdot \gamma_2 + c\theta \right), \lambda_1 < \lambda_2 \quad (3)$$

where $\beta, \gamma_1, \gamma_2, \lambda_1, \lambda_2$ and c are permitted to depend on the origin state and the destination state.



Our data set, once processed in the CTM software package should enable us to consider possibilities such as the one represented in figure 1a. In principle we should have been able to estimate properly our transition intensities, using the flexible Box-Cox hazards (3), since our competing model is already specified and the data requirements present no problem.

At this stage of the research, and as a first approximation to the problem, we

concentrate on the particular case in which proportional intensities is assumed. That is, following Lancaster (1990), we have that under the assumption that at all times the intensities of transition to any pair of destination states are in the same ratio, the following equation applies:

$$\pi_{ij} = \frac{h_{ij}(t)}{h_i(t)} = m_{ik} = \frac{\alpha_i t^{\alpha_i-1} \exp(\beta_j'x)}{\sum_l \alpha_i t^{\alpha_i-1} \exp(\beta_l'x)} = \frac{\alpha_i t^{\alpha_i-1} \exp(\beta_j'x)}{\alpha_i t^{\alpha_i-1} \sum_l \exp(\beta_l'x)} = \frac{\exp(\beta_j'x)}{\sum_l \exp(\beta_l'x)}$$

where $\sum_j h_{ij}(t) = h_i(t)$.

Which implies that, given that departure occurs at t , the probability that it is to state k does not depend upon t . Relying on this assumption has the empirical advantage that the m_{ik} component can be estimated with the multinomial logit method, which is not dependent on time.

The results for the multinomial logit estimations for 1995-1998 are presented in table 6 and those for 1991-1994 relegated to the appendix in table 10. With these results it is possible to estimate transition intensities for each of the job status as a destination, since the denominator of the above equation, which gives the hazard of moving out of each job status is given by the weibull hazard functions estimated in the previous subsections.

III. Long run state occupancy probabilities.

The analysis of urban labour market requires not only to consider for multiple destinations when leaving on job status, it must also consider that persons move through a sequence of states (e.g. start being an unpaid worker, move to self-employment, then to the informal sector before entering to formal sector. Moreover, once in the formal sector some move back to the informal sector only to go back to the formal sector again and finally move to the self-employment, with some periods of unemployment and out of the labour force). That is, it is possible to specify the analysis of labour market dynamics in terms of a continuous time semi-Markov process.

In this section we followed closely Lancaster (1990) chapter 5 section 6 in order to specify the long run results of such a process. We concentrate on estimating the probability that the process is in a given state, when observed at an arbitrary point of time remote from the origin, i.e. on estimating the equilibrium state occupancy probabilities.

Having defined the transition intensities when dealing with competing-risks models in the previous subsection, we can state that, once state i is entered, the duration of stay in it is determined by the hazard function $h(t)$ and the destination j is chosen with probability equal to:

$$\pi_{ij} = \frac{h_{ij}(t)}{h_i(t)}$$

where $\sum_j h_{ij}(t) = h_i(t)$.

which represent the transition probabilities of the process.

A procedure to estimate the equilibrium state occupancy probabilities is to obtain a fixed point of the transition probabilities matrix. That is let π_{ij} be the transition probability, as defined above for $i \neq j$ and zero otherwise, then $\bar{\pi} = \bar{\pi} \cdot \Pi$ define the equilibrium state occupancy probabilities satisfying $\sum_i \bar{\pi}_i = 1$.

For the case of 3 states the equilibrium state occupancy probabilities are obtained by solving:

$$\begin{bmatrix} \bar{\pi}_1 & \bar{\pi}_2 & \bar{\pi}_3 \end{bmatrix} = \begin{bmatrix} \bar{\pi}_1 & \bar{\pi}_2 & \bar{\pi}_3 \end{bmatrix} \cdot \begin{bmatrix} 0 & \pi_{12} & \pi_{13} \\ \pi_{21} & 0 & \pi_{23} \\ \pi_{31} & \pi_{32} & 0 \end{bmatrix}$$

This enable us to obtain the long run state occupancy probabilities, P_i , (probability of the process being in the state i at an arbitrary time remote from the origin) by:

$$P_i = \frac{\bar{\pi}_i \mu_i}{\sum_j \bar{\pi}_j \mu_j},$$

where $\mu_i = \int_0^\infty S_i(u) du$ is the average length of time spent in each state once it is entered.

Table 6

MultiLogit output of transition probabilities (1995-1998)

The coefficients with a p-value greater than 0.11 were set equal to zero. The grey line indicates the comparison group

Initial State	Final State	Constant	Sex	Age	Age^2	Elementary 1	Elementary 2	Secondary School	High School	Technological Formation	College or higher	Contract	Married	Experience Jobs in life	Course last two years Work	Breadwinner	Spouse (2nd)	Son	Service	Micro
FS	FS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
FS	IS	0.72	0.15	-0.04	0.00	-0.19	-0.27	-0.35	-0.56	-0.37	-0.13	-0.37	-0.32	0.00	0.00	0.17	-1.58	0.10	-0.38	-0.13
FS	Un	0.00	0.40	-0.04	0.00	0.00	-0.32	-0.30	-0.38	-0.71	0.13	-0.37	-0.32	0.00	0.00	0.17	-1.58	0.10	-0.38	-0.13
FS	OLF	2.45	-0.98	-0.20	0.00	0.60	0.74	0.44	0.78	-0.28	1.08	-0.19	-0.45	-0.05	-0.02	-0.21	1.03	0.00	-0.36	-0.17
FS	SE	-4.32	0.83	0.07	0.00	-0.10	-0.26	-0.44	-0.43	0.36	-0.08	0.00	0.04	-0.01	0.01	-0.24	1.23	0.24	-0.26	0.74
FS	Cm	-4.34	0.88	0.09	0.00	0.33	0.74	0.39	0.58	-0.05	0.32	0.06	0.19	-0.02	0.01	0.21	0.87	-0.35	0.34	-0.79
FS	UP	-1.73	0.72	-0.11	0.00	0.60	-0.16	0.16	0.74	0.62	0.00	-0.63	-1.07	-0.07	0.05	-0.70	1.94	0.21	-0.26	0.59
IS	FS	-1.52	-0.18	0.08	0.00	0.28	1.00	0.98	0.95	1.16	1.60	0.21	-0.35	0.01	0.02	0.17	-0.05	-0.34	-0.27	-0.31
IS	IS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
IS	Un	-1.32	0.28	-0.01	0.00	0.63	0.50	0.50	0.18	0.53	0.25	-0.76	-0.73	0.03	0.01	-0.02	0.26	-0.03	0.08	-0.04
IS	OLF	2.47	-0.83	-0.15	0.00	-0.10	-0.29	-0.13	0.14	-0.40	0.95	-0.60	-0.16	-0.02	0.00	0.13	-1.03	0.85	-0.20	-0.03
IS	SE	-4.42	0.52	0.19	0.00	-0.42	-0.46	-0.65	-0.52	0.35	-0.12	-0.85	-0.19	-0.03	0.01	-0.22	0.30	0.03	-0.63	0.12
IS	Cm	-4.68	1.18	0.14	0.00	0.24	0.35	0.30	0.15	-0.01	0.30	-1.03	-0.24	-0.03	0.02	-0.20	0.58	0.38	0.17	-0.33
IS	UP	-0.26	-0.05	-0.09	0.00	-0.96	-0.51	0.08	0.28	-0.59	1.19	-0.35	-0.09	-0.23	0.03	-0.83	-2.76	-0.04	0.01	-1.40
Un	FS	-5.44	0.63	0.39	-0.01	-1.37	-0.94	-1.15	-1.39	-1.55	-1.91	1.19	-0.46	0.10	0.02	0.52	0.11	-1.56	-0.14	0.09
Un	IS	-2.57	0.86	0.22	0.00	-0.55	-0.93	-1.46	-2.04	-1.84	-2.50	0.56	-0.24	0.09	0.02	0.21	0.29	-1.79	0.06	0.03
Un	Un	-5.28	0.88	0.26	0.00	-0.39	-0.24	-0.33	-0.47	-0.28	-1.23	0.60	-0.72	0.07	0.02	0.24	1.38	0.24	0.73	-0.04
Un	OLF	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Un	SE	-10.79	1.37	0.47	-0.01	-0.23	-0.12	-0.30	-0.26	-0.05	-1.07	0.43	0.38	0.08	0.01	0.18	0.56	-1.37	0.24	0.07
Un	Cm	-8.54	1.22	0.31	0.00	0.00	1.02	0.14	-0.30	0.00	-1.54	1.02	0.58	0.09	0.02	0.18	0.41	-1.11	0.75	-0.72
Un	UP	-24.35	1.72	0.24	0.00	14.93	14.73	15.06	14.04	15.52	14.87	0.68	-1.65	-0.09	0.02	-0.94	3.72	3.99	2.73	0.47
OLF	FS	-4.33	0.00	0.11	0.00	1.20	1.46	2.03	1.82	2.56	1.55	1.14	-0.20	-0.02	0.02	0.13	-0.74	-1.10	-0.66	0.23
OLF	IS	-0.44	0.31	0.02	0.00	-0.09	-0.30	-0.35	-0.46	-0.61	-0.73	-0.05	-0.37	0.03	0.01	-0.21	-0.30	-0.60	-0.18	0.42
OLF	Un	-2.65	-0.05	0.09	0.00	-0.07	0.62	0.87	0.95	0.90	0.49	0.48	-0.53	0.08	0.01	0.26	0.04	-1.03	-0.38	-0.43
OLF	OLF	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
OLF	SE	-5.19	0.49	0.20	0.00	0.20	-0.09	0.24	-0.09	-0.12	-0.27	-0.45	0.13	-0.02	-0.01	-0.14	0.25	-0.20	-0.20	0.20
OLF	Cm	-6.13	0.98	0.13	0.00	1.74	1.22	1.40	1.30	0.49	1.00	-0.43	-0.05	0.02	-0.01	-0.21	-0.11	0.46	-0.29	0.19
OLF	UP	-1.34	0.11	-0.04	0.00	0.39	0.69	0.54	0.68	0.52	0.45	-0.34	-0.28	-0.14	0.00	-0.36	-1.11	0.47	0.12	-1.03
SE	FS	-1.48	0.72	-0.01	0.00	0.00	0.58	0.81	1.03	1.56	0.43	NA	0.09	-0.02	0.01	-0.16	0.33	-0.37	0.00	0.29
SE	IS	1.47	-0.05	-0.03	0.00	-0.32	-0.56	-0.73	-0.93	-1.29	-1.73	NA	-0.36	0.00	0.01	-0.13	0.96	-0.05	0.53	0.48
SE	Un	-4.50	0.21	0.14	0.00	0.32	0.49	0.07	0.95	0.47	-0.30	NA	0.08	0.08	0.02	-0.06	-0.08	-1.61	0.15	0.31
SE	OLF	3.57	-1.45	-0.18	0.00	-0.12	-0.03	-0.07	0.02	-0.84	0.06	NA	-0.23	-0.01	0.01	0.23	-0.62	0.25	-0.31	-0.02
SE	SE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	NA	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
SE	Cm	-1.10	0.43	0.01	0.00	-0.54	-0.19	-0.12	-0.09	-0.68	-0.21	NA	-0.03	0.00	0.00	0.33	0.46	0.05	0.21	0.30
SE	UP	4.12	-0.78	-0.21	0.00	0.03	0.06	0.18	-0.26	0.45	0.11	NA	-0.11	-0.12	0.01	-0.82	-1.31	0.52	0.20	-1.39
Cm	FS	-0.34	0.15	0.00	0.82	1.27	1.09	0.94	1.18	1.94	1.33	0.44	0.01	-0.01	0.92	-0.87	-1.64	-0.78	-0.86	-0.95
Cm	OLF	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Cm	Un	-0.18	-0.12	0.00	0.31	-0.11	0.15	-0.95	1.00	1.25	-0.90	-0.24	0.05	0.00	1.43	-0.28	0.26	0.11	-0.75	-0.28
Cm	OLF	-1.94	-0.11	0.00	0.48	1.03	1.16	1.62	0.96	2.64	0.00	-0.19	0.00	-0.03	0.78	-1.60	1.01	-0.30	-0.98	-0.33
Cm	SE	0.12	0.09	0.00	0.23	0.83	0.85	1.20	1.13	1.32	-0.07	0.31	-0.02	-0.01	0.39	-0.16	0.73	-0.44	-0.41	0.13
Cm	Cm	-0.35	0.11	0.00	-0.25	0.36	0.00	0.00	-0.15	0.85	0.76	0.24	-0.01	-0.01	0.42	-0.45	-0.09	-0.23	-0.53	-0.43
Cm	UP	-1.02	-0.07	0.00	20.43	23.68	24.06	23.86	23.68	24.69	-0.08	-0.53	-0.05	-0.02	0.79	-2.63	1.40	0.58	-0.34	0.35
UP	FS	-1.45	1.28	0.10	0.00	-2.14	-1.02	-1.27	-1.51	0.31	-1.62	NA	0.53	-0.05	0.05	0.54	0.00	-1.51	-0.30	-0.08
UP	IS	-4.08	1.63	0.25	0.00	1.29	0.98	0.55	0.45	1.17	-0.32	NA	-0.37	0.11	-0.02	0.94	-2.46	-2.06	-0.65	-0.26
UP	Un	-20.84	1.33	0.19	0.00	17.78	16.77	16.96	16.59	18.44	14.42	NA	-1.40	-0.05	0.09	0.40	-0.07	-1.58	-1.67	-1.00
UP	OLF	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	NA	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
UP	SE	-7.66	1.80	0.32	0.00	-0.37	0.00	0.13	-0.87	0.00	-1.88	NA	0.24	-0.05	0.02	0.59	-0.70	-0.94	-0.17	-0.80
UP	Cm	-22.88	2.31	0.08	0.00	16.42	17.67	16.95	16.05	17.15	15.87	NA	1.84	0.14	-0.03	0.41	1.15	1.53	2.33	1.24
UP	UP	-2.80	0.65	0.14	0.00	-0.88	-0.40	-0.57	-0.81	-0.52	-1.23	NA	-0.62	0.02	-0.01	0.06	-0.38	-0.35	-0.57	0.16

Hence, by means of the weibull models calculated in the previous section we obtain the values of the average length of time spent in each job status once it is entered. In turn, by means of the multinomial logit estimations we can calculate the transition probabilities required to obtain the values of the equilibrium state occupancy probabilities, when it is assumed that, given that departure occurs at t , the probability that it is to state k does not depend upon t , viz:

$$\pi_{ij} = \frac{h_j(t)}{h_i(t)} = m_{ik} = \frac{\alpha_i t^{\alpha_i-1} \exp(\beta_j'x)}{\sum_l \alpha_l t^{\alpha_l-1} \exp(\beta_l'x)} = \frac{\alpha_i t^{\alpha_i-1} \exp(\beta_j'x)}{\alpha_i t^{\alpha_i-1} \sum_l \exp(\beta_l'x)} = \frac{\exp(\beta_j'x)}{\sum_l \exp(\beta_l'x)} \quad (4)$$

In table 7 we present our calculation for the long run state occupancy probabilities for different groups for the case of 1995-1998 and in table 11, relegated to the appendix we present corresponding results for 1991-1994.

Table 7
(1995-1998)

(1995-1998)

	*Transition probabilities π_j							**Equilibrium state occupancy probability $\bar{\pi}_j$	***Mean duration μ	****Long run state occupancy probabilities p_i
--	--------------------------------------	--	--	--	--	--	--	---	------------------------------	--

Woman, Age=30, Spouse (2nd aboard), High School, 2 jobs in life and 5 years of work
 experience, written contract, course training

	FS	IS	Un	OLF	SE	Com	UP			
FS	0	0.22	0.02	0.64	0.02	0.06	0.01	0.24	23.80	0.58
IS	0.53	0	0.01	0.39	0.02	0.01	0.01	0.11	6.88	0.08
Un	0.27	0.06	0	0.57	0.05	0.03	0.00	0.14	1.71	0.02
OLF	0.36	0.10	0.29	0	0.10	0.04	0.08	0.34	6.42	0.22
SE	0.03	0.00	0.66	0.00	0	0.28	0	0.05	7.07	0.04
Com	0.16	0.02	0.00	0.67	0.10	0	0.02	0.05	4.33	0.02
UP	0.04	0.31	0.00	0.51	0.05	0.06	0	0.04	2.83	0.01

Man, Age=45, Breadwinner, High School, 5 jobs in life and 25 years of work
 experience, written contract, course training

	FS	IS	Un	OLF	SE	Com	UP			
FS	0	0.28	0.13	0.04	0.17	0.37	0.00	0.32	58.34	0.57
IS	0.81	0	0.02	0.03	0.07	0.07	0.00	0.12	19.50	0.07
Un	0.25	0.15	0	0.07	0.43	0.09	0.00	0.06	0.82	0.00
OLF	0.27	0.08	0.42	0	0.19	0.02	0.00	0.03	2.06	0.00
SE	0.25	0.20	0.14	0.07	0	0.31	0.00	0.16	43.26	0.20
Com	0.68	0.07	0.01	0.02	0.21	0	0.00	0.29	16.98	0.15
UP	0.18	0.29	0.05	0.15	0.26	0.05	0	0.00	3.23	0.00

* Probability of entering state j given that the state i was left.

** Long run probability that the state j is entered at any transition.

*** Average length of time spent in each state, once it is entered (calculated with Weibull model).

**** Probability of the process being in each of the seven states at an arbitrary timeremote from the origin (do not depend upon which state was occupied at time 0).

Preliminary results.

The long-run equilibrium state occupancy probability in the formal sector estimated for a man 45 years old with the characteristics stated in table 7, was 0.57 for the sample period 1995-1998. This result can be compared with the corresponding figure for the estimated models with the sample period 1991-1994, (which was 0.62 as shown in the appendix, Table 11). With comparisons like this, we can identify those groups in urban labour force which became less likely to stay long in the formal sector due to changes occurring after 1994 in the Mexican economy.

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Table 1a

ENEU 1991, quarterly linked panel structure

Formal = Social Security

ENEU 1991, quarterly linked panel structure											
Formal = Social Security											
II-91	%										
FS	28,847	22.95									
IS	13,671	10.88									
Un	1,463	1.16									
OLF	61,076	48.60									
SE	14,132	11.24									
Comm	4,009	3.19									
UnP	2,482	1.97									
Total	125,680										
II-91 to III-91	FS	IS	Un	OLF	SE Comm	UnP	Total	FS	IS	Un	Total
FS	16,167	1,853	258	1,101	671	444	59 20,553	78.7%	9.0%	1.3%	100.0%
IS	1,976	4,774	195	1,254	835	420	192 9,646	20.5%	49.5%	2.0%	100.0%
Un	200	181	154	340	99	46	15 1,035	19.3%	17.5%	14.9%	100.0%
OLF	1,153	1,669	540	38,375	1,215	309	885 44,146	2.6%	3.8%	1.2%	100.0%
SE	638	833	115	1,127	6,991	384	164 10,252	6.2%	8.1%	1.1%	100.0%
Comm	479	427	52	277	387	1,217	31 2,870	16.7%	14.9%	1.8%	100.0%
UnP	72	196	14	673	150	23	721 1,849	3.9%	10.6%	0.8%	100.0%
Total	20,685	9,933	1,328	43,147	10,348	2,843	2,067 90,351	22.9%	11.0%	1.5%	100.0%
III-91 to IV-91	FS	IS	Un	OLF	SE Comm	UnP	Total	FS	IS	Un	Total
FS	9,533	720	98	381	223	180	19 11,154	85.5%	6.5%	0.9%	100.0%
IS	483	2,054	45	294	204	119	49 3,248	14.9%	63.2%	1.4%	100.0%
Total	10,016	2,774	143	675	427	299	68 14,402	69.5%	19.3%	1.0%	100.0%
Comparing status initial and six months later only											
II-91 to IV-91	FS	IS	Un	OLF	SE Comm	UnP	Total	FS	IS	Un	Total
FS	10,769	1,360	179	864	549	333	41 14,095	76.4%	9.6%	1.3%	100.0%
IS	1,405	3,007	115	965	610	334	121 6,557	21.4%	45.9%	1.8%	100.0%
Un	164	132	83	211	53	27	11 681	24.1%	19.4%	12.2%	100.0%
OLF	973	1,198	397	26,061	978	258	628 30,493	3.2%	3.9%	1.3%	100.0%
SE	526	631	62	827	4,654	280	127 7,107	7.4%	8.9%	0.9%	100.0%
Comm	376	305	27	167	272	780	24 1,951	19.3%	15.6%	1.4%	100.0%
UnP	57	130	6	499	111	26	503 1,332	4.3%	9.8%	0.5%	100.0%
Total	14,270	6,763	869	29,594	7,227	2,038	1,455 62,216	22.9%	10.9%	1.4%	100.0%

Table 1b
ENEU 1993, quarterly linked panel structure
Formal = Social Security

ENEU 1993, quarterly linked panel structure																	
Formal = Social Security																	
II-93			%														
FS	53,140	22.46															
IS	27,020	11.42															
Un	4,295	1.81															
OLF	107,881	45.59															
SE	28,389	12.00															
Comm	8,612	3.64															
UnP	6,409	2.71															
Total	235,746																
II-93 to III-93	FS	IS	Un	OLF	SE	Comm	UnP	Total	FS	IS	Un	OLF	SE	Comm	UnP	Total	
FS	30,141	3,286	558	1,637	896	866	150	37,534	80.3%	8.8%	1.5%	4.4%	2.4%	2.3%	0.4%	100.0%	22.5%
IS	3,611	9,394	550	2,299	1,502	881	392	18,629	19.4%	50.4%	3.0%	12.3%	8.1%	4.7%	2.1%	100.0%	11.1%
Un	443	531	600	1,026	237	142	66	3,045	14.5%	17.4%	19.7%	33.7%	7.8%	4.7%	2.2%	100.0%	1.8%
OLF	1,515	2,824	1,396	66,328	2,311	694	1,817	76,885	2.0%	3.7%	1.8%	86.3%	3.0%	0.9%	2.4%	100.0%	46.0%
SE	915	1,472	271	2,320	14,035	774	415	20,202	4.5%	7.3%	1.3%	11.5%	69.5%	3.8%	2.1%	100.0%	12.1%
Comm	830	898	131	629	755	2,766	83	6,092	13.6%	14.7%	2.2%	10.3%	12.4%	45.4%	1.4%	100.0%	3.6%
UnP	136	425	75	1,506	446	106	2,037	4,731	2.9%	9.0%	1.6%	31.8%	9.4%	2.2%	43.1%	100.0%	2.8%
Total	37,591	18,830	3,581	75,745	20,182	6,229	4,960	167,118	22.5%	11.3%	2.1%	45.3%	12.1%	3.7%	3.0%	100.0%	
III-93 to IV-93	FS	IS	Un	OLF	SE	Comm	UnP	Total	FS	IS	Un	OLF	SE	Comm	UnP	Total	
FS	18,608	1,274	199	646	334	305	31	21,397	87.0%	6.0%	0.9%	3.0%	1.6%	1.4%	0.1%	100.0%	
IS	852	4,265	137	538	337	243	77	6,449	13.2%	66.1%	2.1%	8.3%	5.2%	3.8%	1.2%	100.0%	
Total	19,460	5,539	336	1,184	671	548	108	27,846	69.9%	19.9%	1.2%	4.3%	2.4%	2.0%	0.4%	100.0%	
Comparing status initial and six months later only																	
II-93 to IV-93	FS	IS	Un	OLF	SE	Comm	UnP	Total	FS	IS	Un	OLF	SE	Comm	UnP	Total	
FS	20,138	2,359	395	1,365	735	640	84	25,716	78.3%	9.2%	1.5%	5.3%	2.9%	2.5%	0.3%	100.0%	22.3%
IS	2,556	5,953	353	1,733	1,099	661	254	12,609	20.3%	47.2%	2.8%	13.7%	8.7%	5.2%	2.0%	100.0%	10.9%
Un	408	388	321	675	177	89	43	2,101	19.4%	18.5%	15.3%	32.1%	8.4%	4.2%	2.0%	100.0%	1.8%
OLF	1,262	2,158	785	45,671	1,703	527	1,286	53,392	2.4%	4.0%	1.5%	85.5%	3.2%	1.0%	2.4%	100.0%	46.3%
SE	701	1,046	169	1,773	9,406	558	296	13,949	5.0%	7.5%	1.2%	12.7%	67.4%	4.0%	2.1%	100.0%	12.1%
Comm	638	636	87	500	517	1,768	70	4,216	15.1%	15.1%	2.1%	11.9%	12.3%	41.9%	1.7%	100.0%	3.7%
UnP	111	324	49	1,139	328	67	1,208	3,226	3.4%	10.0%	1.5%	35.3%	10.2%	2.1%	37.4%	100.0%	2.8%
Total	25,814	12,864	2,159	52,856	13,965	4,310	3,241	115,209	22.4%	11.2%	1.9%	45.9%	12.1%	3.7%	2.8%	100.0%	

ENEU 1994, quarterly linked panel structure
Format = Social Security

ENEU 1994, quarterly linked panel structure														
Formal = Social Security														
		%												
II-94														
FS	53,825	22.0												
IS	28,013	11.4												
Un	4,732	1.9												
OLF	113,421	46.3												
SE	29,119	11.9												
Comm	9,253	3.8												
UnP	6,859	2.8												
Total	245,222													
II-94 to III-94	FS	IS	Un	OLF	SE Comm	UnP	Total	FS	IS	Un	OLF	SE Comm	UnP	Total
FS	30,852	3,015	580	1,458	1,018	918	37,971	81.3%	7.9%	1.5%	3.8%	2.7%	2.4%	100.0%
IS	3,474	9,776	606	2,368	1,462	983	19,043	18.2%	51.3%	3.2%	12.4%	7.7%	5.2%	100.0%
Un	549	575	687	1,017	309	155	3,356	16.4%	17.1%	20.5%	30.3%	9.2%	4.6%	100.0%
OLF	1,613	2,897	1,549	69,243	2,402	782	80,429	2.0%	3.6%	1.9%	86.1%	3.0%	1.0%	100.0%
SE	922	1,483	301	2,271	14,535	802	20,717	4.5%	7.2%	1.5%	11.0%	70.2%	3.9%	100.0%
Comm	833	945	158	643	908	2,834	6,402	13.0%	14.8%	2.5%	10.0%	14.2%	44.3%	100.0%
UnP	127	456	88	1,636	442	81	4,917	2.6%	9.3%	1.8%	33.3%	9.0%	1.6% 42.4%	100.0%
Total	38,370	19,147	3,969	78,636	21,076	6,555	172,835	22.2%	11.1%	2.3%	45.5%	12.2%	3.8%	100.0%
III-94 to IV-94	FS	IS	Un	OLF	SE Comm	UnP	Total	FS	IS	Un	OLF	SE Comm	UnP	Total
FS	18,746	998	205	578	360	309	21,224	88.3%	4.7%	1.0%	2.7%	1.7%	1.5%	100.0%
IS	806	4,542	133	495	351	234	6,635	12.1%	68.5%	2.0%	7.5%	5.3%	3.5%	100.0%
Total	19,552	5,540	338	1,073	711	543	27,859	70.2%	19.9%	1.2%	3.9%	2.6%	1.9%	100.0%
Comparing status initial and six months later only														
II-94 to IV-94	FS	IS	Un	OLF	SE Comm	UnP	Total	FS	IS	Un	OLF	SE Comm	UnP	Total
FS	20,615	2,154	407	1,242	845	668	26,030	79.2%	8.3%	1.6%	4.8%	3.2%	2.6%	100.0%
IS	2,463	6,384	366	1,733	1,106	660	12,959	19.0%	49.3%	2.8%	13.4%	8.5%	5.1%	100.0%
Un	477	436	368	694	195	112	2,328	20.5%	18.7%	15.8%	29.8%	8.4%	4.8%	100.0%
OLF	1,391	2,260	872	47,707	1,638	560	55,645	2.5%	4.1%	1.6%	85.7%	2.9%	1.0%	100.0%
SE	744	1,019	223	1,687	9,779	573	14,335	5.2%	7.1%	1.6%	11.8%	68.2%	4.0%	100.0%
Comm	606	679	97	466	611	1,901	4,413	13.7%	15.4%	2.2%	10.6%	13.8%	43.1%	100.0%
UnP	114	322	53	1,224	328	66	3,505	3.3%	9.2%	1.5%	34.9%	9.4%	1.9% 39.9%	100.0%
Total	26,410	13,254	2,386	54,753	14,502	4,540	119,215	22.2%	11.1%	2.0%	45.9%	12.2%	3.8%	100.0%

Table 1d
ENEU 1995, quarterly linked panel structure
 Formal = Social Security

ENEU 1995, quarterly linked panel structure																
Formal = Social Security																
II-95	%															
FS	52,488	20.67														
IS	28,573	11.25														
Un	8,537	3.36														
OLF	115,190	45.36														
SE	31,774	12.51														
Comm	9,740	3.84														
UnP	7,666	3.02														
Total	253,968															
II-95 to III-95	FS	IS	Un	OLF	SE	Comm	UnP	Total	FS	IS	Un	OLF	SE	Comm	UnP	Total
FS	29,673	3,070	840	1,203	907	834	112	36,639	81.0%	8.4%	2.3%	3.3%	2.5%	2.3%	0.3%	100%
IS	2,780	10,359	1,010	2,342	1,675	1,027	403	19,596	14.2%	52.9%	5.2%	12.0%	8.5%	5.2%	2.1%	100%
Un	604	1,109	1,682	1,523	637	300	140	5,995	10.1%	18.5%	28.1%	25.4%	10.6%	5.0%	2.3%	100%
OLF	1,173	2,923	2,171	69,633	2,735	788	2,225	81,648	1.4%	3.6%	2.7%	85.3%	3.3%	1.0%	2.7%	100%
SE	798	1,692	620	2,470	15,500	918	496	22,494	3.5%	7.5%	2.8%	11.0%	68.9%	4.1%	2.2%	100%
Comm	774	931	315	680	851	3,196	108	6,855	11.3%	13.6%	4.6%	9.9%	12.4%	46.6%	1.6%	100%
UnP	103	444	143	1,779	519	107	2,403	5,498	1.9%	8.1%	2.6%	32.4%	9.4%	1.9%	43.7%	100%
Total	35,905	20,528	6,781	79,630	22,824	7,170	5,887	178,725	20.1%	11.5%	3.8%	44.6%	12.8%	4.0%	3.3%	100%
III-95 to IV-95	FS	IS	Un	OLF	SE	Comm	UnP	Total	FS	IS	Un	OLF	SE	Comm	UnP	Total
FS	18,230	1,141	231	385	228	261	18	20,494	89.0%	5.6%	1.1%	1.9%	1.1%	1.3%	0.1%	100%
IS	725	4,788	174	474	388	261	79	6,889	10.5%	69.5%	2.5%	6.9%	5.6%	3.8%	1.1%	100%
Total	18,955	5,929	405	859	616	522	97	27,383	69.2%	21.7%	1.5%	3.1%	2.2%	1.9%	0.4%	100%
Comparing status initial and six months later only																
II-95 to IV-95	FS	IS	Un	OLF	SE	Comm	UnP	Total	FS	IS	Un	OLF	SE	Comm	UnP	Total
FS	19,937	2,348	526	970	670	608	75	25,134	79.3%	9.3%	2.1%	3.9%	2.7%	2.4%	0.3%	100%
IS	1,981	6,762	507	1,651	1,185	664	255	13,005	15.2%	52.0%	3.9%	12.7%	9.1%	5.1%	2.0%	100%
Un	539	805	895	1,001	478	250	83	4,051	13.3%	19.9%	22.1%	24.7%	11.8%	6.2%	2.0%	100%
OLF	1,138	2,321	1,287	47,571	1,938	639	1,476	56,370	2.0%	4.1%	2.3%	84.4%	3.4%	1.1%	2.6%	100%
SE	648	1,272	310	1,728	10,412	587	307	15,264	4.2%	8.3%	2.0%	11.3%	68.2%	3.8%	2.0%	100%
Comm	581	665	147	507	622	2,102	64	4,688	12.4%	14.2%	3.1%	10.8%	13.3%	44.8%	1.4%	100%
UnP	118	358	87	1,208	387	78	1,567	3,803	3.1%	9.4%	2.3%	31.8%	10.2%	2.1%	41.2%	100%
Total	24,949	14,534	3,760	57,615	15,693	4,930	3,827	125,308	19.9%	11.6%	3.0%	46.0%	12.5%	3.9%	3.1%	100%

Table 1c

ENEU 1996, quarterly linked panel structure

Formal = Social Security

ENEU 1996, quarterly linked panel structure																	
Formal = Social Security																	
II-96	%																
FS	54,169	20.43															
IS	32,825	12.38															
Un	7,308	2.76															
OLF	#####	44.07															
SE	33,441	12.61															
Comm	10,294	3.88															
UnP	7,848	2.96															
Total	#####																
II-96 to III-96	FS	IS	Un	OLF	SE	Comm	UnP	Total	FS	IS	Un	OLF	SE	Comm	UnP	Total	
FS	32,000	2,979	620	1,322	983	849	99	38,852	82.4%	7.7%	1.6%	3.4%	2.5%	2.2%	0.3%	100.0%	20.3%
IS	3,484	12,604	734	2,714	2,002	1,037	463	23,038	15.1%	54.7%	3.2%	11.8%	8.7%	4.5%	2.0%	100.0%	12.1%
Un	669	925	1,137	1,495	537	246	85	5,094	13.1%	18.2%	22.3%	29.3%	10.5%	4.8%	1.7%	100.0%	2.7%
OLF	1,358	3,113	1,670	74,597	2,761	784	2,152	86,435	1.6%	3.6%	1.9%	86.3%	3.2%	0.9%	2.5%	100.0%	45.2%
SE	951	1,718	409	2,798	17,107	918	529	24,430	3.9%	7.0%	1.7%	11.5%	70.0%	3.8%	2.2%	100.0%	12.8%
Comm	908	1,059	195	720	947	3,485	90	7,404	12.3%	14.3%	2.6%	9.7%	12.8%	47.1%	1.2%	100.0%	3.9%
UnP	160	486	79	1,930	546	106	2,539	5,846	2.7%	8.3%	1.4%	33.0%	9.3%	1.8%	43.4%	100.0%	3.1%
Total	39,530	22,884	4,844	85,576	24,883	7,425	5,957	191,099	20.7%	12.0%	2.5%	44.8%	13.0%	3.9%	3.1%	100.0%	

III-96 to IV-96	FS	IS	Un	OLF	SE	Comm	UnP	Total	FS	IS	Un	OLF	SE	Comm	UnP	Total
FS	19,848	939	214	482	227	274	26	22,010	90.2%	4.3%	1.0%	2.2%	1.0%	1.2%	0.1%	100.0%
IS	968	5,979	178	520	409	291	88	8,433	11.5%	70.9%	2.1%	6.2%	4.8%	3.5%	1.0%	100.0%
Total	20,816	6,918	392	1,002	636	565	114	30,443	68.4%	22.7%	1.3%	3.3%	2.1%	1.9%	0.4%	100.0%

Comparing status initial and six months later only

II-96 to IV-96	FS	IS	Un	OLF	SE	Comm	UnP	Total	FS	IS	Un	OLF	SE	Comm	UnP	Total
FS	21,706	2,028	433	1,035	712	619	80	26,613	81.6%	7.6%	1.6%	3.9%	2.7%	2.3%	0.3%	100.0%
IS	2,623	8,255	477	1,909	1,358	745	276	15,643	16.8%	52.8%	3.0%	12.2%	8.7%	4.8%	1.8%	100.0%
Un	591	723	562	979	384	170	75	3,484	17.0%	20.8%	16.1%	28.1%	11.0%	4.9%	2.2%	100.0%
OLF	1,251	2,609	1,073	51,027	1,986	616	1,528	60,090	2.1%	4.3%	1.8%	84.9%	3.3%	1.0%	2.5%	100.0%
SE	769	1,320	235	2,059	11,528	630	404	16,945	4.5%	7.8%	1.4%	12.2%	68.0%	3.7%	2.4%	100.0%
Comm	696	724	105	543	701	2,211	62	5,042	13.8%	14.4%	2.1%	10.8%	13.9%	43.9%	1.2%	100.0%
UnP	139	361	57	1,309	421	79	1,720	4,086	3.4%	8.8%	1.4%	32.0%	10.3%	1.9%	42.1%	100.0%
Total	27,775	16,020	2,942	58,861	17,090	5,070	4,145	131,903	21.1%	12.1%	2.2%	44.6%	13.0%	3.8%	3.1%	100.0%

Table 1f
ENEU 1997, quarterly linked panel structure
 Formal = Social Security

ENEU 1997, quarterly linked panel structure																	
Formal = Social Security																	
II-97	%																
FS	59,080	21.67															
IS	34,472	12.64															
Un	5,345	1.96															
OLF	119,894	43.97															
SE	35,101	12.87															
Comm	10,692	3.92															
UnP	8,083	2.96															
Total	272,668																
II-97 to III-97	FS	IS	Un	OLF	SE	Comm	UnP	Total	FS	IS	Un	OLF	SE	Comm	UnP	Total	
FS	34,800	3,113	563	1,483	989	877	113	41,938	83.0%	7.4%	1.3%	3.5%	2.4%	2.1%	0.3%	100%	
IS	3,729	13,123	614	2,982	1,871	1,070	463	23,852	15.6%	55.0%	2.6%	12.5%	7.8%	4.5%	1.9%	100%	
Un	582	726	649	1,184	326	142	77	3,686	15.8%	19.7%	17.6%	32.1%	8.8%	3.9%	2.1%	100%	
OLF	1,581	3,378	1,364	73,345	2,747	801	2,076	85,293	1.9%	4.0%	1.6%	86.0%	3.2%	0.9%	2.4%	100%	
SE	1,055	1,938	264	2,764	17,536	926	556	25,039	4.2%	7.7%	1.1%	11.0%	70.0%	3.7%	2.2%	100%	
Comm	1,018	1,178	136	750	951	3,466	81	7,580	13.4%	15.5%	1.8%	9.9%	12.5%	45.7%	1.1%	100%	
UnP	137	548	78	1,873	563	105	2,443	5,747	2.4%	9.5%	1.4%	32.6%	9.8%	1.8%	42.5%	100%	
Total	42,902	24,004	3,668	84,381	24,983	7,387	5,809	193,135	22.2%	12.4%	1.9%	43.7%	12.9%	3.8%	3.0%	100%	
III-97 to IV-97	FS	IS	Un	OLF	SE	Comm	UnP	Total	FS	IS	Un	OLF	SE	Comm	UnP	Total	
FS	21,929	978	194	511	275	310	35	24,232	90.5%	4.0%	0.8%	2.1%	1.1%	1.3%	0.1%	100%	
IS	1,030	6,208	186	643	441	268	81	8,857	11.6%	70.1%	2.1%	7.3%	5.0%	3.0%	0.9%	100%	
Total	22,959	7,186	380	1,154	716	578	116	33,089	69.4%	21.7%	1.1%	3.5%	2.2%	1.7%	0.4%	100%	
Comparing status initial and six months later only																	
II-97 to IV-97	FS	IS	Un	OLF	SE	Comm	UnP	Total	FS	IS	Un	OLF	SE	Comm	UnP	Total	
FS	24,008	2,045	376	1,144	737	618	107	29,035	82.7%	7.0%	1.3%	3.9%	2.5%	2.1%	0.4%	100%	
IS	2,882	8,406	425	2,144	1,341	711	283	16,192	17.8%	51.9%	2.6%	13.2%	8.3%	4.4%	1.7%	100%	
Un	502	477	348	840	211	128	38	2,544	19.7%	18.8%	13.7%	33.0%	8.3%	5.0%	1.5%	100%	
OLF	1,411	2,581	861	50,351	1,957	598	1,368	59,127	2.4%	4.4%	1.5%	85.2%	3.3%	1.0%	2.3%	100%	
SE	842	1,329	171	1,986	12,015	647	358	17,348	4.9%	7.7%	1.0%	11.4%	69.3%	3.7%	2.1%	100%	
Comm	745	773	80	572	643	2,271	72	5,156	14.4%	15.0%	1.6%	11.1%	12.5%	44.0%	1.4%	100%	
UnP	136	405	52	1,294	419	84	1,655	4,045	3.4%	10.0%	1.3%	32.0%	10.4%	2.1%	40.9%	100%	
Total	30,526	16,016	2,313	58,331	17,323	5,057	3,881	133,447	22.9%	12.0%	1.7%	43.7%	13.0%	3.8%	2.9%	100%	

FNEU 1995, quarterly linked panel structure

Formal = Contract

FNEU 1995, quarterly linked panel structure																
Formal = Contract																
II-95	%															
FS	51,781	20.39														
IS	29,280	11.53														
Un	8,537	3.36														
OLF	115,190	45.36														
SE	31,774	12.51														
Comm	9,740	3.84														
UnP	7,666	3.02														
Total	253,968															
II-95 to III-95	FS	IS	Un	OLF	SE	Comm	UnP	Total	FS	IS	Un	OLF	SE	Comm	UnP	Total
FS	29,052	3,453	734	1,156	871	743	100	36,109	80.5%	9.6%	2.0%	3.2%	2.4%	2.1%	0.3%	100.0%
IS	3,747	9,630	1,116	2,389	1,711	1,118	415	20,126	18.6%	47.8%	5.5%	11.9%	8.5%	5.6%	2.1%	100.0%
Un	463	1,250	1,682	1,523	637	300	140	5,995	7.7%	20.9%	28.1%	25.4%	10.6%	5.0%	2.3%	100.0%
OLF	1,089	3,007	2,171	69,633	2,735	788	2,225	81,648	1.3%	3.7%	2.7%	85.3%	3.3%	1.0%	2.7%	100.0%
SE	730	1,760	620	2,470	15,500	918	496	22,494	3.2%	7.8%	2.8%	11.0%	68.9%	4.1%	2.2%	100.0%
Comm	689	1,016	315	680	851	3,196	108	6,855	10.1%	14.8%	4.6%	9.9%	12.4%	46.6%	1.6%	100.0%
UnP	94	453	143	1,779	519	107	2,403	5,498	1.7%	8.2%	2.6%	32.4%	9.4%	1.9%	43.7%	100.0%
Total	35,864	20,569	6,781	79,630	22,824	7,170	5,887	178,725	20.1%	11.5%	3.8%	44.6%	12.8%	4.0%	3.3%	100.0%
III-95 to IV-95	FS	IS	Un	OLF	SE	Comm	UnP	Total	FS	IS	Un	OLF	SE	Comm	UnP	Total
FS	17,937	1,072	188	366	223	211	12	20,009	89.6%	5.4%	0.9%	1.8%	1.1%	1.1%	0.1%	100.0%
IS	915	4,065	206	469	382	288	88	6,413	14.3%	63.4%	3.2%	7.3%	6.0%	4.5%	1.4%	100.0%
Total	18,852	5,137	394	835	605	499	100	26,422	71.3%	19.4%	1.5%	3.2%	2.3%	1.9%	0.4%	100.0%
Without taking into account intermediate states																
II-95 to IV-95	FS	IS	Un	OLF	SE	Comm	UnP	Total	FS	IS	Un	OLF	SE	Comm	UnP	Total
FS	19,882	2,153	456	943	645	527	59	24,665	80.6%	8.7%	1.8%	3.8%	2.6%	2.1%	0.2%	100.0%
IS	2,675	6,318	577	1,678	1,210	745	271	13,474	19.9%	46.9%	4.3%	12.5%	9.0%	5.5%	2.0%	100.0%
Un	422	922	895	1,001	478	250	83	4,051	10.4%	22.8%	22.1%	24.7%	11.8%	6.2%	2.0%	100.0%
OLF	1,044	2,415	1,287	47,571	1,938	639	1,476	56,370	1.9%	4.3%	2.3%	84.4%	3.4%	1.1%	2.6%	100.0%
SE	621	1,299	310	1,728	10,412	587	307	15,264	4.1%	8.5%	2.0%	11.3%	68.2%	3.8%	2.0%	100.0%
Comm	520	726	147	507	622	2,102	64	4,688	11.1%	15.5%	3.1%	10.8%	13.3%	44.8%	1.4%	100.0%
UnP	92	384	87	1,208	387	78	1,567	3,803	2.4%	10.1%	2.3%	31.8%	10.2%	2.1%	41.2%	100.0%
Total	25,256	14,217	3,759	54,636	15,692	4,928	3,827	122,315	20.6%	11.6%	3.1%	44.7%	12.8%	4.0%	3.1%	100.0%

Table 1h

ENE-ENECE-ENEU match 1991, quarterly linked panel structure
 Formal = Social Security

II-91 to III-91	FS	IS	Un	OLF	SE	Comm	UnP	Total	FS	IS	Un	OLF	SE	Comm	UnP	Total	
FS	16,156	1,850	257	1,089	661	443	692	21,148	0.76	0.09	0.01	0.05	0.03	0.02	0.03	1.00	0.23
IS	1,974	4,771	197	1,251	832	420	601	10,046	0.20	0.47	0.02	0.12	0.08	0.04	0.06	1.00	0.11
Un	200	180	155	339	99	47	64	1,084	0.18	0.17	0.14	0.31	0.09	0.04	0.06	1.00	0.01
OLF	1,144	1,661	550	37,844	1,203	305	1,851	44,558	0.03	0.04	0.01	0.85	0.03	0.01	0.04	1.00	0.48
Comm	628	830	115	1,107	6,975	381	381	10,417	0.06	0.08	0.01	0.11	0.67	0.04	0.04	1.00	0.11
SE	479	426	52	273	384	1,216	118	2,948	0.16	0.14	0.02	0.09	0.13	0.41	0.04	1.00	0.03
UnP	84	206	15	768	162	28	1,055	2,318	0.04	0.09	0.01	0.33	0.07	0.01	0.46	1.00	0.03
Total	20,665	9,924	1,341	42,671	10,316	2,840	4,762	92,519	0.22	0.11	0.01	0.46	0.11	0.03	0.05	1.00	
III-91 to IV-91	FS	IS	Un	OLF	SE	Comm	UnP	Total	FS	IS	Un	OLF	SE	Comm	UnP	Total	
FS	9,534	720	92	277	218	180	424	11,445	83.3%	6.3%	0.8%	2.4%	1.9%	1.6%	3.7%	1.00	
IS	484	2,054	41	153	204	119	336	3,391	14.3%	60.6%	1.2%	4.5%	6.0%	3.5%	9.9%	1.00	
Total	10,018	2,774	133	430	422	299	760	14,836	67.5%	18.7%	0.9%	2.9%	2.8%	2.0%	5.1%	1.00	
IV-91 to I-92	FS	IS	Un	OLF	SE	Comm	UnP	Total	FS	IS	Un	OLF	SE	Comm	UnP	Total	
FS	5,308	255	43	120	69	71	188	6,054	87.7%	4.2%	0.7%	2.0%	1.1%	1.2%	3.1%	1.00	
IS	153	928	19	45	60	35	78	1,318	11.6%	70.4%	1.4%	3.4%	4.6%	2.7%	5.9%	1.00	
Un																	
OLF	5,461	1,183	62	165	129	106	266	7,372	74.1%	16.0%	0.8%	2.2%	1.7%	1.4%	3.6%	1.00	
I-92 to II-92	FS	IS	Un	OLF	SE	Comm	UnP	Total	FS	IS	Un	OLF	SE	Comm	UnP	Total	
FS	2,250	108	16	39	19	28	59	2,519	89.3%	4.3%	0.6%	1.5%	0.8%	1.1%	2.3%	1.00	
IS	47	340	4	13	13	5	21	443	10.6%	76.7%	0.9%	2.9%	2.9%	1.1%	4.7%	1.00	
Un																	
OLF	2,297	448	20	52	32	33	80	2,962	77.5%	15.1%	0.7%	1.8%	1.1%	1.1%	2.7%	1.00	
Comparing status initial and six months later only																	
II-91 to IV-91	FS	IS	Un	OLF	SE	Comm	UnP	Total	FS	IS	Un	OLF	SE	Comm	UnP	Total	
FS	10,774	1,363	179	861	541	333	457	14,508	0.74	0.09	0.01	0.06	0.04	0.02	0.03	1.00	0.23
IS	1,407	3,008	117	965	609	334	380	6,820	0.21	0.44	0.02	0.14	0.09	0.05	0.06	1.00	0.11
Un	164	132	83	211	53	27	47	717	0.23	0.18	0.12	0.29	0.07	0.04	0.07	1.00	0.01
OLF	973	1,196	404	25,693	973	255	1,276	30,770	0.03	0.04	0.01	0.84	0.03	0.01	0.04	1.00	0.48
Comm	522	631	61	817	4,640	281	264	7,216	0.07	0.09	0.01	0.11	0.64	0.04	0.04	1.00	0.11
SE	377	306	27	166	270	780	75	2,001	0.19	0.15	0.01	0.08	0.13	0.39	0.04	1.00	0.03
UnP	62	134	8	569	120	29	720	1,642	0.04	0.08	0.00	0.35	0.07	0.02	0.44	1.00	0.03
Total	14,279	6,770	879	29,282	7,206	2,039	3,219	63,674	0.22	0.11	0.01	0.46	0.11	0.03	0.05	1.00	
II-91 to I-92	FS	IS	Un	OLF	SE	Comm	UnP	Total	FS	IS	Un	OLF	SE	Comm	UnP	Total	
FS	6,683	758	124	554	283	237	292	8,931	0.75	0.08	0.01	0.06	0.03	0.03	0.03	1.00	0.23
IS	924	1,793	77	611	366	184	206	4,161	0.22	0.43	0.02	0.15	0.09	0.04	0.05	1.00	0.10
Un	118	84	47	128	30	18	25	450	0.26	0.19	0.10	0.28	0.07	0.04	0.06	1.00	0.01
OLF	709	794	244	15,892	605	151	801	19,196	0.04	0.04	0.01	0.83	0.03	0.01	0.04	1.00	0.48
Comm	311	438	47	515	2,955	184	144	4,594	0.07	0.10	0.01	0.11	0.64	0.04	0.03	1.00	0.12
SE	234	150	20	124	157	506	44	1,235	0.19	0.12	0.02	0.10	0.13	0.41	0.04	1.00	0.03
UnP	41	104	8	340	81	12	476	1,062	0.04	0.10	0.01	0.32	0.08	0.01	0.45	1.00	0.03
Total	9,020	4,121	567	18,164	4,477	1,292	1,988	39,629	0.23	0.10	0.01	0.46	0.11	0.03	0.05	1.00	
II-91 to II-92	FS	IS	Un	OLF	SE	Comm	UnP	Total	FS	IS	Un	OLF	SE	Comm	UnP	Total	
FS	3,003	370	47	238	131	127	116	4,032	0.74	0.09	0.01	0.06	0.03	0.03	0.03	1.00	0.23
IS	430	789	38	281	175	72	91	1,876	0.23	0.42	0.02	0.15	0.09	0.04	0.05	1.00	0.11
Un	51	45	21	56	17	8	9	207	0.25	0.22	0.10	0.27	0.08	0.04	0.04	1.00	0.01
OLF	392	376	105	6,966	282	91	355	8,567	0.05	0.04	0.01	0.81	0.03	0.01	0.04	1.00	0.48
Comm	147	201	23	263	1,309	75	89	2,107	0.07	0.10	0.01	0.12	0.62	0.04	0.04	1.00	0.12
SE	95	87	5	60	71	218	17	553	0.17	0.16	0.01	0.11	0.13	0.39	0.03	1.00	0.03
UnP	29	31	2	160	38	14	175	449	0.06	0.07	0.00	0.36	0.08	0.03	0.39	1.00	0.03
Total	4,147	1,899	241	8,024	2,023	605	852	17,791	0.23	0.11	0.01	0.45	0.11	0.03	0.05	1.00	

Table 1i

ENE-ENECE-ENEU match 1993, quarterly linked panel structure
 Formal = Social Security

II-93 to III-93	FS	IS	Un	OLF	SE	Comm	UnP	Total	FS	IS	Un	OLF	SE	Comm	UnP	Total	
FS	16,129	1,836	344	937	513	531	97	20,367	0.79	0.09	0.02	0.05	0.03	0.03	0.00	1.00	0.23
IS	1,978	4,852	280	1,183	836	403	222	9,754	0.20	0.50	0.03	0.12	0.09	0.04	0.02	1.00	0.11
Un	238	280	318	520	139	60	30	1,585	0.15	0.18	0.20	0.33	0.09	0.04	0.02	1.00	0.02
OLF	823	1,440	666	34,790	1,155	336	982	40,194	0.02	0.04	0.02	0.87	0.03	0.01	0.02	1.00	0.45
Comm	529	815	137	1,215	7,422	371	236	10,725	0.05	0.08	0.01	0.11	0.69	0.03	0.02	1.00	0.12
SE	468	463	69	310	372	1,493	47	3,220	0.15	0.14	0.02	0.10	0.12	0.46	0.01	1.00	0.04
UnP	85	217	32	796	239	41	1,300	2,710	0.03	0.08	0.01	0.29	0.09	0.02	0.48	1.00	0.03
Total	20,250	9,903	1,846	39,731	10,676	3,233	2,934	88,553	0.23	0.11	0.02	0.45	0.12	0.04	0.03	1.00	
III-93 to IV-93	FS	IS	Un	OLF	SE	Comm	UnP	Total	FS	IS	Un	OLF	SE	Comm	UnP	Total	
FS	9,631	670	116	335	164	178	14	11,108	0.87	0.06	0.01	0.03	0.01	0.02	0.00	1.00	
IS	470	2,126	54	267	187	123	35	3,262	0.14	0.65	0.02	0.08	0.06	0.04	0.01	1.00	
Total	10,101	2,796	170	602	351	301	49	14,370	0.70	0.19	0.01	0.04	0.02	0.02	0.00	1.00	
IV-93 to I-94	FS	IS	Un	OLF	SE	Comm	UnP	Total	FS	IS	Un	OLF	SE	Comm	UnP	Total	
FS	5,322	264	59	134	46	79	6	5,930	0.90	0.04	0.01	0.02	0.01	0.01	0.00	1.00	
IS	125	961	24	80	36	28	11	1,265	0.10	0.76	0.02	0.06	0.03	0.02	0.01	1.00	
Total	5,447	1,225	83	214	82	107	17	7,175	0.76	0.17	0.01	0.03	0.01	0.01	0.00	1.00	
I-94 to II-94	FS	IS	Un	OLF	SE	Comm	UnP	Total	FS	IS	Un	OLF	SE	Comm	UnP	Total	
FS	2,262	89	28	43	19	22	5	2,468	0.92	0.04	0.01	0.02	0.01	0.01	0.00	1.00	
IS	41	378	8	22	9	8	3	469	0.09	0.81	0.02	0.05	0.02	0.02	0.01	1.00	
Total	2,303	467	36	65	28	30	8	2,937	0.78	0.16	0.01	0.02	0.01	0.01	0.00	1.00	
Comparing status initial and six months later only																	
II-93 to IV-93	FS	IS	Un	OLF	SE	Comm	UnP	Total	FS	IS	Un	OLF	SE	Comm	UnP	Total	
FS	10,785	1,285	242	748	422	369	49	13,900	0.78	0.09	0.02	0.05	0.03	0.03	0.00	1.00	0.23
IS	1,428	3,054	181	893	597	330	140	6,621	0.22	0.46	0.03	0.13	0.09	0.05	0.02	1.00	0.11
Un	239	202	177	340	89	44	25	1,116	0.21	0.18	0.16	0.30	0.08	0.04	0.02	1.00	0.02
OLF	694	1,101	449	23,716	857	245	757	27,817	0.02	0.04	0.02	0.85	0.03	0.01	0.03	1.00	0.46
Comm	401	581	89	946	4,951	260	154	7,362	0.05	0.08	0.01	0.13	0.67	0.04	0.02	1.00	0.12
SE	385	298	48	218	266	956	37	2,208	0.17	0.13	0.02	0.10	0.12	0.43	0.02	1.00	0.04
UnP	60	174	24	577	162	35	793	1,825	0.03	0.10	0.01	0.32	0.09	0.02	0.43	1.00	0.03
Total	13,990	6,695	1,210	27,416	7,344	2,239	1,955	60,849	0.23	0.11	0.02	0.45	0.12	0.04	0.03	1.00	
II-93 to I-94	FS	IS	Un	OLF	SE	Comm	UnP	Total	FS	IS	Un	OLF	SE	Comm	UnP	Total	
FS	6,508	793	174	460	244	261	44	8,484	0.77	0.09	0.02	0.05	0.03	0.03	0.01	1.00	0.23
IS	853	1,816	114	542	298	165	80	3,868	0.22	0.47	0.03	0.14	0.08	0.04	0.02	1.00	0.10
Un	143	123	116	209	59	24	9	683	0.21	0.18	0.17	0.31	0.09	0.04	0.01	1.00	0.02
OLF	505	733	303	14,449	514	158	457	17,119	0.03	0.04	0.02	0.84	0.03	0.01	0.03	1.00	0.46
Comm	279	385	81	594	2,876	180	111	4,506	0.06	0.09	0.02	0.13	0.64	0.04	0.02	1.00	0.12
SE	244	210	39	161	130	554	20	1,358	0.18	0.15	0.03	0.12	0.10	0.41	0.01	1.00	0.04
UnP	41	111	9	355	93	28	519	1,154	0.04	0.10	0.01	0.31	0.08	0.02	0.45	1.00	0.03
Total	8,573	4,171	836	16,770	4,212	1,370	1,240	37,172	0.23	0.11	0.02	0.45	0.11	0.04	0.03	1.00	
II-93 to II-94	FS	IS	Un	OLF	SE	Comm	UnP	Total	FS	IS	Un	OLF	SE	Comm	UnP	Total	
FS	2,931	376	80	236	119	129	21	3,894	0.75	0.10	0.02	0.06	0.03	0.03	0.01	1.00	0.22
IS	394	877	42	254	148	83	46	1,844	0.21	0.48	0.02	0.14	0.08	0.05	0.02	1.00	0.11
Un	82	54	33	79	24	13	6	293	0.28	0.18	0.11	0.27	0.08	0.04	0.02	1.00	0.02
OLF	284	375	114	6,669	263	94	231	8,028	0.04	0.05	0.01	0.83	0.03	0.01	0.03	1.00	0.46
Comm	131	194	32	293	1,335	80	46	2,109	0.06	0.09	0.02	0.14	0.63	0.04	0.02	1.00	0.12
SE	125	107	12	77	63	262	4	650	0.19	0.16	0.02	0.12	0.10	0.40	0.01	1.00	0.04
UnP	23	57	6	185	40	11	225	547	0.04	0.10	0.01	0.34	0.07	0.02	0.41	1.00	0.03

Table 1j

ENE-ENECE-ENEU match 1995, quarterly linked panel structure
 Formal = Social Security

II-95 to III-95	FS	IS	Un	OLF	SE	Comm	UnP	Total	FS	IS	Un	OLF	SE	Comm	UnP	Total
FS	10,723	1,148	309	492	369	349	44	13,434	0.80	0.09	0.02	0.04	0.03	0.03	0.00	1.00
IS	1,029	3,673	334	879	592	344	158	7,009	0.15	0.52	0.05	0.13	0.08	0.05	0.02	1.00
Un	241	441	631	541	241	108	40	2,243	0.11	0.20	0.28	0.24	0.11	0.05	0.02	1.00
OLF	449	1,004	757	24,679	953	243	700	28,785	0.02	0.03	0.03	0.86	0.03	0.01	0.02	1.00
Comm	326	666	210	910	5,581	316	160	8,169	0.04	0.08	0.03	0.11	0.68	0.04	0.02	1.00
SE	293	304	108	229	277	1,127	37	2,375	0.12	0.13	0.05	0.10	0.12	0.47	0.02	1.00
UnP	28	181	52	610	168	36	770	1,845	0.02	0.10	0.03	0.33	0.09	0.02	0.42	1.00
Total	13,089	7,417	2,401	28,340	8,181	2,523	1,909	63,860	0.20	0.12	0.04	0.44	0.13	0.04	0.03	1.00
III-95 to IV-95	FS	IS	Un	OLF	SE	Comm	UnP	Total	FS	IS	Un	OLF	SE	Comm	UnP	Total
FS	6,623	355	78	169	86	100	5	7,416	0.89	0.05	0.01	0.02	0.01	0.01	0.00	1.00
IS	265	1,756	52	174	129	98	22	2,496	0.11	0.70	0.02	0.07	0.05	0.04	0.01	1.00
Total	6,888	2,111	130	343	215	198	27	9,912	0.69	0.21	0.01	0.03	0.02	0.02	0.00	1.00
IV-95 to I-96	FS	IS	Un	OLF	SE	Comm	UnP	Total	FS	IS	Un	OLF	SE	Comm	UnP	Total
FS	3,728	130	43	75	26	48	3	4,053	0.92	0.03	0.01	0.02	0.01	0.01	0.00	1.00
IS	86	819	27	64	37	28	6	1,067	0.08	0.77	0.03	0.06	0.03	0.03	0.01	1.00
Total	3,814	949	70	139	63	76	9	5,120	0.74	0.19	0.01	0.03	0.01	0.01	0.00	1.00
I-96 to II-96	FS	IS	Un	OLF	SE	Comm	UnP	Total	FS	IS	Un	OLF	SE	Comm	UnP	Total
FS	1,641	57	15	45	19	18	0	1,795	0.91	0.03	0.01	0.03	0.01	0.01	0.00	1.00
IS	36	300	10	26	15	3	3	393	0.09	0.76	0.03	0.07	0.04	0.01	0.01	1.00
Total	1,677	357	25	71	34	21	3	2,188	0.77	0.16	0.01	0.03	0.02	0.01	0.00	1.00
Comparing status initial and six months later only																
II-95 to IV-95	FS	IS	Un	OLF	SE	Comm	UnP	Total	FS	IS	Un	OLF	SE	Comm	UnP	Total
FS	7,360	795	169	414	281	234	23	9,276	0.79	0.09	0.02	0.04	0.03	0.03	0.00	1.00
IS	752	2,442	159	624	419	240	90	4,726	0.16	0.52	0.03	0.13	0.09	0.05	0.02	1.00
Un	209	317	337	368	198	92	24	1,545	0.14	0.21	0.22	0.24	0.13	0.06	0.02	1.00
OLF	433	836	414	16,947	684	234	474	20,022	0.02	0.04	0.02	0.85	0.03	0.01	0.02	1.00
Comm	255	492	98	649	3,793	200	104	5,591	0.05	0.09	0.02	0.12	0.68	0.04	0.02	1.00
SE	215	237	40	171	196	761	27	1,647	0.13	0.14	0.02	0.10	0.12	0.46	0.02	1.00
UnP	46	145	24	380	128	31	539	1,293	0.04	0.11	0.02	0.29	0.10	0.02	0.42	1.00
Total	9,270	5,264	1,241	19,553	5,699	1,792	1,281	44,100	0.21	0.12	0.03	0.44	0.13	0.04	0.03	1.00
II-95 to I-96	FS	IS	Un	OLF	SE	Comm	UnP	Total	FS	IS	Un	OLF	SE	Comm	UnP	Total
FS	4,394	493	140	289	155	170	19	5,660	0.78	0.09	0.02	0.05	0.03	0.03	0.00	1.00
IS	478	1,445	117	451	238	145	68	2,942	0.16	0.49	0.04	0.15	0.08	0.05	0.02	1.00
Un	148	187	182	232	98	70	16	933	0.16	0.20	0.20	0.25	0.11	0.08	0.02	1.00
OLF	307	587	259	10,464	367	125	314	12,423	0.02	0.05	0.02	0.84	0.03	0.01	0.03	1.00
Comm	170	352	74	466	2,307	152	67	3,588	0.05	0.10	0.02	0.13	0.64	0.04	0.02	1.00
SE	147	173	27	105	103	442	10	1,007	0.15	0.17	0.03	0.10	0.10	0.44	0.01	1.00
UnP	25	89	15	245	80	18	315	787	0.03	0.11	0.02	0.31	0.10	0.02	0.40	1.00
Total	5,669	3,326	814	12,252	3,348	1,122	809	27,340	0.21	0.12	0.03	0.45	0.12	0.04	0.03	1.00
II-95 to II-96	FS	IS	Un	OLF	SE	Comm	UnP	Total	FS	IS	Un	OLF	SE	Comm	UnP	Total
FS	2,009	249	60	169	99	83	8	2,677	0.75	0.09	0.02	0.06	0.04	0.03	0.00	1.00
IS	275	642	48	209	130	49	22	1,375	0.20	0.47	0.03	0.15	0.09	0.04	0.02	1.00
Un	77	100	86	108	37	25	8	441	0.17	0.23	0.20	0.24	0.08	0.06	0.02	1.00
OLF	180	259	101	4,848	198	66	142	5,794	0.03	0.04	0.02	0.84	0.03	0.01	0.02	1.00
Comm	81	154	24	237	1,067	67	28	1,658	0.05	0.09	0.01	0.14	0.64	0.04	0.02	1.00
SE	78	80	13	65	50	193	1	480	0.16	0.17	0.03	0.14	0.10	0.40	0.00	1.00
UnP	14	46	9	145	50	14	123	401	0.03	0.11	0.02	0.36	0.12	0.03	0.31	1.00
Total	2,714	1,530	341	5,781	1,631	497	332	12,826	0.21	0.12	0.03	0.45	0.13	0.04	0.03	1.00

Table 1k
ENE-ENECE-ENEU match 1997, quarterly linked panel structure
 Formal = Social Security

II-97 to III-97	FS	IS	Un	OLF	SE	Comm	UnP	Total	FS	IS	Un	OLF	SE	Comm	UnP	Total	
FS	10,342	952	161	453	296	285	30	12,519	0.83	0.08	0.01	0.04	0.02	0.02	0.00	1.00	0.26
IS	1,122	3,638	159	716	561	297	106	6,599	0.17	0.55	0.02	0.11	0.09	0.05	0.02	1.00	0.14
Un	167	181	156	319	77	34	18	952	0.18	0.19	0.16	0.34	0.08	0.04	0.02	1.00	0.02
OLF	493	746	349	14,165	613	163	387	16,916	0.03	0.04	0.02	0.84	0.04	0.01	0.02	1.00	0.36
Comm	328	567	69	737	4,860	301	152	7,014	0.05	0.08	0.01	0.11	0.69	0.04	0.02	1.00	0.15
SE	327	301	35	182	271	954	22	2,092	0.16	0.14	0.02	0.09	0.13	0.46	0.01	1.00	0.04
UnP	35	120	15	365	150	26	544	1,255	0.03	0.10	0.01	0.29	0.12	0.02	0.43	1.00	0.03
Total	12,814	6,505	944	16,937	6,828	2,060	1,259	47,347	0.27	0.14	0.02	0.36	0.14	0.04	0.03	1.00	
III-97 to IV-97	FS	IS	Un	OLF	SE	Comm	UnP	Total	FS	IS	Un	OLF	SE	Comm	UnP	Total	
FS	6,490	308	49	154	91	104	13	7,209	0.90	0.04	0.01	0.02	0.01	0.01	0.00	1.00	
IS	326	1,688	46	166	125	88	29	2,468	0.13	0.68	0.02	0.07	0.05	0.04	0.01	1.00	
Total	6,816	1,996	95	320	216	192	42	9,677	0.70	0.21	0.01	0.03	0.02	0.02	0.00	1.00	
IV-97 to I-98	FS	IS	Un	OLF	SE	Comm	UnP	Total	FS	IS	Un	OLF	SE	Comm	UnP	Total	
FS	3,642	124	33	164	40	54	3	4,060	0.90	0.03	0.01	0.04	0.01	0.01	0.00	1.00	
IS	100	754	21	89	36	27	4	1,031	0.10	0.73	0.02	0.09	0.03	0.03	0.00	1.00	
Total	3,742	878	54	253	76	81	7	5,091	0.74	0.17	0.01	0.05	0.01	0.02	0.00	1.00	
I-98 to II-98	FS	IS	Un	OLF	SE	Comm	UnP	Total	FS	IS	Un	OLF	SE	Comm	UnP	Total	
FS	1573	45	9	76	22	13	1	1739	0.90	0.03	0.01	0.04	0.01	0.01	0.00	1.00	
IS	33	235		24	15	6	6	319	0.10	0.74	0.00	0.08	0.05	0.02	0.02	1.00	
Total	1,606	280	9	100	37	19	7	2,058	0.78	0.14	0.00	0.05	0.02	0.01	0.00	1.00	
Comparing status initial and six months later only																	
II-97 to IV-97	FS	IS	Un	OLF	SE	Comm	UnP	Total	FS	IS	Un	OLF	SE	Comm	UnP	Total	
FS	7120	637	98	357	240	198	39	8689	0.82	0.07	0.01	0.04	0.03	0.02	0.00	1.00	0.27
IS	895	2284	95	554	381	217	85	4511	0.20	0.51	0.02	0.12	0.08	0.05	0.02	1.00	0.14
Un	123	119	91	226	64	36	10	669	0.18	0.18	0.14	0.34	0.10	0.05	0.01	1.00	0.02
OLF	424	565	204	9646	483	130	250	11702	0.04	0.05	0.02	0.82	0.04	0.01	0.02	1.00	0.36
Comm	268	400	44	539	3344	182	84	4861	0.06	0.08	0.01	0.11	0.69	0.04	0.02	1.00	0.15
SE	237	217	17	145	184	614	22	1436	0.17	0.15	0.01	0.10	0.13	0.43	0.02	1.00	0.04
UnP	39	100	10	234	112	13	379	887	0.04	0.11	0.01	0.26	0.13	0.01	0.43	1.00	0.03
Total	9,106	4,322	559	11,701	4,808	1,390	869	32,755	0.28	0.13	0.02	0.36	0.15	0.04	0.03	1.00	
II-97 to I-98	FS	IS	Un	OLF	SE	Comm	UnP	Total	FS	IS	Un	OLF	SE	Comm	UnP	Total	
FS	4266	386	73	376	152	139	15	5407	0.79	0.07	0.01	0.07	0.03	0.03	0.00	1.00	0.17
IS	564	1286	98	440	250	124	39	2801	0.20	0.46	0.03	0.16	0.09	0.04	0.01	1.00	0.09
Un	83	73	52	142	43	23	6	422	0.20	0.17	0.12	0.34	0.10	0.05	0.01	1.00	0.01
OLF	293	327	137	5958	311	94	146	7266	0.04	0.05	0.02	0.82	0.04	0.01	0.02	1.00	0.22
Comm	166	257	22	421	2047	116	45	3074	0.05	0.08	0.01	0.14	0.67	0.04	0.01	1.00	0.09
SE	145	126	22	122	96	381	9	901	0.16	0.14	0.02	0.14	0.11	0.42	0.01	1.00	0.03
UnP	27	40	10	166	63	10	244	560	0.05	0.07	0.02	0.30	0.11	0.02	0.44	1.00	0.02
Total	5,544	2,495	414	7,625	2,962	887	504	20,431	0.27	0.12	0.02	0.37	0.14	0.04	0.02	1.00	
II-97 to II-98	FS	IS	Un	OLF	SE	Comm	UnP	Total	FS	IS	Un	OLF	SE	Comm	UnP	Total	
FS	1954	164	31	191	79	71	5	2495	0.78	0.07	0.01	0.08	0.03	0.03	0.00	1.00	0.08
IS	277	544	33	197	124	67	25	1267	0.22	0.43	0.03	0.16	0.10	0.05	0.02	1.00	0.04
Un	45	35	29	67	20	5	1	202	0.22	0.17	0.14	0.33	0.10	0.02	0.00	1.00	0.01
OLF	166	178	53	2654	140	34	78	3303	0.05	0.05	0.02	0.80	0.04	0.01	0.02	1.00	0.10
Comm	76	104	11	207	926	58	29	1411	0.05	0.07	0.01	0.15	0.66	0.04	0.02	1.00	0.04
SE	66	45	3	54	52	174	3	397	0.17	0.11	0.01	0.14	0.13	0.44	0.01	1.00	0.01
UnP	16	27	3	72	31	2	99	250	0.06	0.11	0.01	0.29	0.12	0.01	0.40	1.00	0.01

Table 11

ENE-ENECE-ENEU match 1995, quarterly linked panel structure
 Formal = Contract

II-95 to III-95	FS	IS	Un	OLF	SE	Comm	UnP	Total	FS	IS	Un	OLF	Comm	SE	UnP	Total	
FS	10,649	1,233	269	329	372	312	196	13,360	0.80	0.09	0.02	0.02	0.03	0.02	0.01	1.00	0.21
IS	1,376	3,315	350	525	587	381	549	7,083	0.19	0.47	0.05	0.07	0.08	0.05	0.08	1.00	0.11
Un	174	458	558	353	236	106	140	2,025	0.09	0.23	0.28	0.17	0.12	0.05	0.07	1.00	0.03
OLF	248	521	404	8,852	671	129	2,134	12,959	0.02	0.04	0.03	0.68	0.05	0.01	0.16	1.00	0.20
Comm	293	697	206	669	5,571	314	405	8,155	0.04	0.09	0.03	0.08	0.68	0.04	0.05	1.00	0.13
SE	247	350	106	150	276	1,127	119	2,375	0.10	0.15	0.04	0.06	0.12	0.47	0.05	1.00	0.04
UnP	230	715	199	2,162	456	154	13,987	17,903	0.01	0.04	0.01	0.12	0.03	0.01	0.78	1.00	0.28
Total	13,217	7,289	2,092	13,040	8,169	2,523	17,530	63,860	0.21	0.11	0.03	0.20	0.13	0.04	0.27	1.00	
III-95 to IV-95	FS	IS	Un	OLF	SE	Comm	UnP	Total	FS	IS	Un	OLF	Comm	SE	UnP	Total	
FS	6,553	379	58	113	86	86	51	7,326	0.89	0.05	0.01	0.02	0.01	0.01	0.01	1.00	
IS	314	1,448	66	115	128	107	85	2,263	0.14	0.64	0.03	0.05	0.06	0.05	0.04	1.00	
Total	6,867	1,827	124	228	214	193	136	9,589	0.72	0.19	0.01	0.02	0.02	0.02	0.01	1.00	
IV-95 to I-96	FS	IS	Un	OLF	SE	Comm	UnP	Total	FS	IS	Un	OLF	Comm	SE	UnP	Total	
FS	3,664	168	27	54	25	40	28	4,006	0.91	0.04	0.01	0.01	0.01	0.01	0.01	1.00	
IS	102	634	22	43	33	35	24	893	0.11	0.71	0.02	0.05	0.04	0.04	0.03	1.00	
Total	3,766	802	49	97	58	75	52	4,899	0.77	0.16	0.01	0.02	0.01	0.02	0.01	1.00	
I-96 to II-96	FS	IS	Un	OLF	SE	Comm	UnP	Total	FS	IS	Un	OLF	Comm	SE	UnP	Total	
FS	1,606	54	11	27	22	11	19	1,750	0.92	0.03	0.01	0.02	0.01	0.01	0.01	1.00	
IS	32	213	10	16	14	5	9	299	0.11	0.71	0.03	0.05	0.05	0.02	0.03	1.00	
Total	1,638	267	21	43	36	16	28	2,049	0.80	0.13	0.01	0.02	0.02	0.01	0.01	1.00	
Comparing status initial and six months later only																	
II-95 to IV-95	FS	IS	Un	OLF	SE	Comm	UnP	Total	FS	IS	Un	OLF	Comm	SE	UnP	Total	
FS	7,322	802	141	296	264	208	130	9,163	0.80	0.09	0.02	0.03	0.03	0.02	0.01	1.00	0.21
IS	968	2,257	167	414	435	266	332	4,839	0.20	0.47	0.03	0.09	0.09	0.05	0.07	1.00	0.11
Un	166	331	286	246	194	87	84	1,394	0.12	0.24	0.21	0.18	0.14	0.06	0.06	1.00	0.03
OLF	222	431	210	6,031	483	130	1,424	8,931	0.02	0.05	0.02	0.68	0.05	0.01	0.16	1.00	0.20
Comm	253	493	95	479	3,787	198	277	5,582	0.05	0.09	0.02	0.09	0.68	0.04	0.05	1.00	0.13
SE	187	265	37	113	196	761	88	1,647	0.11	0.16	0.02	0.07	0.12	0.46	0.05	1.00	0.04
UnP	215	622	130	1,501	336	142	9,598	12,544	0.02	0.05	0.01	0.12	0.03	0.01	0.77	1.00	0.28
Total	9,333	5,201	1,066	9,080	5,695	1,792	11,933	44,100	0.21	0.12	0.02	0.21	0.13	0.04	0.27	1.00	
II-95 to I-96	FS	IS	Un	OLF	SE	Comm	UnP	Total	FS	IS	Un	OLF	Comm	SE	UnP	Total	
FS	4,373	489	114	218	158	165	89	5,606	0.78	0.09	0.02	0.04	0.03	0.03	0.02	1.00	0.21
IS	601	1,347	134	301	234	150	229	2,996	0.20	0.45	0.04	0.10	0.08	0.05	0.08	1.00	0.11
Un	106	203	153	159	96	69	53	839	0.13	0.24	0.18	0.19	0.11	0.08	0.06	1.00	0.03
OLF	152	282	111	3,674	243	75	936	5,473	0.03	0.05	0.02	0.67	0.04	0.01	0.17	1.00	0.20
Comm	174	348	71	345	2,303	152	191	3,584	0.05	0.10	0.02	0.10	0.64	0.04	0.05	1.00	0.13
SE	128	192	26	74	103	442	42	1,007	0.13	0.19	0.03	0.07	0.10	0.44	0.04	1.00	0.04
UnP	173	427	90	946	206	69	5,924	7,835	0.02	0.05	0.01	0.12	0.03	0.01	0.76	1.00	0.29
Total	5,707	3,288	699	5,717	3,343	1,122	7,464	27,340	0.21	0.12	0.03	0.21	0.12	0.04	0.27	1.00	
II-95 to II-96	FS	IS	Un	OLF	SE	Comm	UnP	Total	FS	IS	Un	OLF	Comm	SE	UnP	Total	
Total																	
FS	2,040	235	53	127	104	69	47	2,675	0.76	0.09	0.02	0.05	0.04	0.03	0.02	1.00	0.21
IS	299	601	51	136	124	63	103	1,377	0.22	0.44	0.04	0.10	0.09	0.05	0.07	1.00	0.11
Un	59	102	78	79	36	23	16	393	0.15	0.26	0.20	0.20	0.09	0.06	0.04	1.00	0.03
OLF	91	127	41	1,690	145	46	457	2,597	0.04	0.05	0.02	0.65	0.06	0.02	0.18	1.00	0.20
Comm	74	161	23	177	1,065	66	89	1,655	0.04	0.10	0.01	0.11	0.64	0.04	0.05	1.00	0.13
SE	64	94	12	48	50	193	19	480	0.13	0.20	0.03	0.10	0.10	0.40	0.04	1.00	0.04
UnP	87	210	35	459	105	37	2,716	3,649	0.02	0.06	0.01	0.13	0.03	0.01	0.74	1.00	0.28
Total	2,714	1,530	293	2,716	1,629	497	3,447	12,826	0.21	0.12	0.02	0.21	0.13	0.04	0.27	1.00	

Table 1m

ENE-ENECE-ENEU match 1997, quarterly linked panel structure
 Formal = Contract

II-97 to III-97	FS	IS	Un	OLF	SE	Comm	UnP	Total	FS	IS	Un	OLF	SE	Comm	UnP	Total	
FS	10,324	1,172	121	318	304	252	189	12,680	0.81	0.09	0.01	0.03	0.02	0.02	0.01	1.00	0.27
IS	1,409	3,149	182	439	551	330	378	6,438	0.22	0.49	0.03	0.07	0.09	0.05	0.06	1.00	0.14
Un	135	188	124	187	76	30	75	815	0.17	0.23	0.15	0.23	0.09	0.04	0.09	1.00	0.02
OLF	251	468	193	6,304	417	115	1,604	9,352	0.03	0.05	0.02	0.67	0.04	0.01	0.17	1.00	0.20
Comm	305	589	65	518	4,857	300	374	7,008	0.04	0.08	0.01	0.07	0.69	0.04	0.05	1.00	0.15
SE	278	350	33	123	269	954	85	2,092	0.13	0.17	0.02	0.06	0.13	0.46	0.04	1.00	0.04
UnP	235	466	66	1,409	348	79	6,359	8,962	0.03	0.05	0.01	0.16	0.04	0.01	0.71	1.00	0.19
Total	12,937	6,382	784	9,298	6,822	2,060	9,064	47,347	0.27	0.13	0.02	0.20	0.14	0.04	0.19	1.00	
III-97 to IV-97	FS	IS	Un	OLF	SE	Comm	UnP	Total	FS	IS	Un	OLF	SE	Comm	UnP	Total	
FS	6,480	365	39	132	86	81	50	7,233	0.90	0.05	0.01	0.02	0.01	0.01	0.01	1.00	
IS	358	1,297	39	106	120	90	73	2,083	0.17	0.62	0.02	0.05	0.06	0.04	0.04	1.00	
Total	6,838	1,662	78	238	206	171	123	9,316	0.73	0.18	0.01	0.03	0.02	0.02	0.01	1.00	
IV-97 to I-98	FS	IS	Un	OLF	SE	Comm	UnP	Total	FS	IS	Un	OLF	SE	Comm	UnP	Total	
FS	3,599	155	24	41	44	38	125	4,026	0.89	0.04	0.01	0.01	0.01	0.01	0.03	1.00	
IS	95	511	28	41	34	30	51	790	0.12	0.65	0.04	0.05	0.04	0.04	0.06	1.00	
Total	3,694	666	52	82	78	68	176	4,816	0.77	0.14	0.01	0.02	0.02	0.01	0.04	1.00	
I-98 to II-98	FS	IS	Un	OLF	SE	Comm	UnP	Total	FS	IS	Un	OLF	SE	Comm	UnP	Total	
FS	1,509	55	6	27	20	10	50	1,677	0.90	0.03	0.00	0.02	0.01	0.01	0.03	1.00	
IS	26	148	-	7	14	6	19	220	0.12	0.67	0.00	0.03	0.06	0.03	0.09	1.00	
Total	1,535	203	6	34	34	16	69	1,897	0.81	0.11	0.00	0.02	0.02	0.01	0.04	1.00	
Comparing status initial and six months later only																	
II-97 to IV-97	FS	IS	Un	OLF	SE	Comm	UnP	Total	FS	IS	Un	OLF	SE	Comm	UnP	Total	
FS	7,151	764	91	287	242	173	136	8,844	0.81	0.09	0.01	0.03	0.03	0.02	0.02	1.00	0.27
IS	1,042	1,979	90	352	379	242	272	4,356	0.24	0.45	0.02	0.08	0.09	0.06	0.06	1.00	0.13
Un	98	126	71	140	62	33	54	584	0.17	0.22	0.12	0.24	0.11	0.06	0.09	1.00	0.02
OLF	231	319	106	4,205	349	85	1,190	6,485	0.04	0.05	0.02	0.65	0.05	0.01	0.18	1.00	0.20
Comm	245	422	41	388	3,340	182	239	4,857	0.05	0.09	0.01	0.08	0.69	0.04	0.05	1.00	0.15
SE	207	247	15	105	184	614	64	1,436	0.14	0.17	0.01	0.07	0.13	0.43	0.04	1.00	0.04
UnP	210	387	60	974	248	61	4,253	6,193	0.03	0.06	0.01	0.16	0.04	0.01	0.69	1.00	0.19
Total	9,184	4,244	474	6,451	4,804	1,390	6,208	32,755	0.28	0.13	0.01	0.20	0.15	0.04	0.19	1.00	
II-97 to I-98	FS	IS	Un	OLF	SE	Comm	UnP	Total	FS	IS	Un	OLF	SE	Comm	UnP	Total	
FS	4,292	456	67	177	166	119	220	5,497	0.78	0.08	0.01	0.03	0.03	0.02	0.04	1.00	0.17
IS	670	1,084	96	224	235	144	258	2,711	0.25	0.40	0.04	0.08	0.09	0.05	0.10	1.00	0.08
Un	64	73	40	78	42	23	43	363	0.18	0.20	0.11	0.21	0.12	0.06	0.12	1.00	0.01
OLF	156	203	60	2,532	228	71	804	4,054	0.04	0.05	0.01	0.62	0.06	0.02	0.20	1.00	0.12
Comm	170	252	21	255	2,047	115	212	3,072	0.06	0.08	0.01	0.08	0.67	0.04	0.07	1.00	0.09
SE	128	143	22	73	96	381	58	901	0.14	0.16	0.02	0.08	0.11	0.42	0.06	1.00	0.03
UnP	146	202	38	595	147	34	2,671	3,833	0.04	0.05	0.01	0.16	0.04	0.01	0.70	1.00	0.12
Total	5,626	2,413	344	3,934	2,961	887	4,266	20,431	0.28	0.12	0.02	0.19	0.14	0.04	0.21	1.00	
II-97 to II-98	FS	IS	Un	OLF	SE	Comm	UnP	Total	FS	IS	Un	OLF	SE	Comm	UnP	Total	
FS	1,923	201	28	108	90	56	106	2,512	0.77	0.08	0.01	0.04	0.04	0.02	0.04	1.00	0.08
IS	342	473	36	95	113	82	109	1,250	0.27	0.38	0.03	0.08	0.09	0.07	0.09	1.00	0.04
Un	40	25	22	31	18	5	26	167	0.24	0.15	0.13	0.19	0.11	0.03	0.16	1.00	0.01
OLF	77	106	24	1,170	104	25	364	1,870	0.04	0.06	0.01	0.63	0.06	0.01	0.19	1.00	0.06
Comm	63	117	11	121	924	57	117	1,410	0.04	0.08	0.01	0.09	0.66	0.04	0.08	1.00	0.04
SE	56	55	3	32	52	174	25	397	0.14	0.14	0.01	0.08	0.13	0.44	0.06	1.00	0.01
UnP	86	133	23	272	69	12	1,124	1,719	0.05	0.08	0.01	0.16	0.04	0.01	0.65	1.00	0.05
Total	2,587	1,110	147	1,829	1,370	411	1,871	9,325	0.28	0.12	0.02	0.20	0.15	0.04	0.20	1.00	

Table 8
Allison's suggested mover-stayer method of duration analysis in search for spikes

	Formal	Informal
Constant	0.89	1.01
Duration=2	-0.77	-0.29
Duration=3	-0.83	-0.35
Duration=4	-1.27	-0.27
Duration=5	-1.40	-0.42
Duration=6	-1.27	-0.44
Duration=7	-1.56	-0.64
Duration=8	-1.75	-1.00
Duration=9	-1.96	-0.66
Duration=10	-1.40	-0.54
Duration=11	-0.89	-0.20
Duration=12	-2.26	-0.60
Duration=13	-1.51	-0.75
Duration=14	-1.98	-0.47
Duration=15	-1.70	-0.39
Duration=16	-1.57	-0.09
Duration=17	-1.44	-0.52
Duration=18	-1.42	-0.56
Duration=19	-1.48	-0.85
Duration=20	-1.10	-0.36
Duration=21	-1.39	-0.19
Duration=22	-1.55	0.20
Duration=23	-1.90	-0.79
Duration=24	-1.01	-0.12
Duration=25	-2.36	-0.19
Woman	0.42	0.06
Age	-0.05	-0.06
Experience	0.10	0.01

Source: ENECE fired workers of 91, 93, 95 and 97 and ENEU panel structure

Table 9. Distribution of workers among sectors (ENEU)
% of total workers

Quarter	Formal salaried	Informal salaried	Self-Employed	Commision	Unpaid	Total
I-87	49.85	20.33	19.83	6.09	3.90	100
II-87	46.74	22.92	20.71	5.73	3.90	100
III-87	47.13	23.08	20.01	5.74	4.04	100
IV-87	46.83	22.53	20.42	6.04	4.19	100
I-88	46.77	22.27	20.64	6.08	4.24	100
II-88	46.34	22.80	20.67	6.11	4.07	100
III-88	45.58	22.06	21.38	6.70	4.28	100
IV-88	45.17	22.51	21.20	6.61	4.50	100
I-89	45.69	22.83	21.11	6.32	4.05	100
II-89	45.73	22.25	21.68	6.23	4.11	100
III-89	44.73	23.21	22.19	5.96	3.91	100
IV-89	45.19	22.71	21.96	5.83	4.30	100
I-90	45.45	23.11	22.09	5.36	3.99	100
II-90	46.90	22.60	21.21	5.48	3.81	100
III-90	46.94	22.46	21.36	5.36	3.88	100
IV-90	47.28	22.35	20.74	5.69	3.94	100
I-91	48.10	21.66	20.60	5.96	3.68	100
II-91	47.93	21.48	20.80	6.18	3.60	100
III-91	46.21	22.24	20.96	6.65	3.95	100
IV-91	46.00	22.22	21.04	6.38	4.36	100
I-92	46.20	22.01	20.82	6.49	4.48	100
II-92	46.36	21.79	21.17	6.53	4.14	100
III-92	46.07	22.30	21.14	6.39	4.11	100
IV-92	46.03	22.23	21.35	6.39	4.00	100
I-93	46.17	21.33	21.36	6.88	4.26	100
II-93	45.37	21.99	21.24	7.07	4.33	100
III-93	44.99	22.03	21.45	7.01	4.51	100
IV-93	44.83	22.00	21.65	7.12	4.41	100
I-94	45.33	22.22	20.46	7.45	4.55	100
II-94	45.34	22.11	20.95	7.26	4.35	100
III-94	44.84	21.75	21.69	7.47	4.25	100
IV-94	45.08	21.68	21.38	7.49	4.36	100
I-95	45.18	21.26	21.63	7.40	4.53	100
II-95	43.89	21.69	22.33	7.54	4.55	100
III-95	41.92	22.83	22.77	7.60	4.89	100
IV-95	41.62	23.71	22.55	7.54	4.57	100
I-96	41.88	23.64	22.11	7.66	4.70	100
II-96	42.16	23.59	22.44	7.24	4.57	100
III-96	41.54	23.08	23.18	7.47	4.73	100
IV-96	41.56	23.92	22.57	7.20	4.76	100
I-97	41.74	23.83	22.43	7.31	4.70	100
II-97	42.16	23.52	22.67	7.04	4.61	100
III-97	42.52	23.73	22.45	7.09	4.21	100
IV-97	42.94	23.44	22.56	6.78	4.29	100

Source: ENEU I-87 to IV-97.

Table 10

MultiLogit output of transition probabilities (1991-1994)

The coefficients with a p-value greater than 0.11 were set equal to zero. The grey line indicates the comparison group

Initial State	Final State	Constant	Sex	Age	Age ²	Elementary 1	Elementary 2	Secondary School	High School	College or higher	Married	Jobs in life	Work Experience	Course last two years	Breadwinner	Spouse (2nd)	Son	Service
FS	FS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
FS	IS	-0.40	0.06	-0.03	0.00	0.82	0.29	0.27	0.28	0.35	-0.39	0.00	0.01	-0.07	0.18	0.30	0.05	0.46
FS	Un	-2.07	0.22	-0.03	0.00	0.39	0.21	0.57	0.77	0.40	-0.68	0.06	-0.01	0.02	0.16	-0.44	0.52	-0.33
FS	OLF	2.26	-0.81	-0.21	0.00	0.78	0.44	0.56	0.88	0.57	-0.58	-0.05	0.01	-0.34	-0.52	1.38	-0.12	-0.08
FS	SE	-7.66	1.01	0.21	0.00	-0.06	0.04	0.31	0.29	0.72	-0.11	0.00	0.00	-0.23	0.85	0.22	0.00	0.11
FS	Cm	-4.47	0.89	0.08	0.00	0.66	0.48	0.67	0.50	0.11	0.02	-0.01	0.01	-0.12	0.39	-0.09	0.00	-0.68
FS	UP	-3.12	-0.09	0.08	0.00	0.84	0.32	0.66	0.61	0.34	0.13	0.00	-0.01	0.09	-1.99	-1.14	-0.40	0.00
IS	FS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
IS	IS	1.38	0.26	-0.09	0.00	-0.40	-0.69	-1.06	-0.92	-0.85	-0.09	0.01	0.00	-0.20	0.18	0.76	0.15	0.27
IS	Un	-1.81	0.59	-0.06	0.00	0.20	0.00	-0.28	-0.26	-0.33	-0.27	0.02	-0.01	-0.03	-0.11	1.16	0.80	-0.21
IS	OLF	3.41	-0.52	-0.26	0.00	-0.33	-0.56	-0.96	-0.56	-0.43	-0.26	0.00	-0.01	-0.35	-0.28	1.78	0.35	0.13
IS	SE	-4.95	1.19	0.09	0.00	0.00	-0.35	-0.79	-0.55	-0.47	0.81	-0.02	0.01	-0.71	0.32	1.07	0.62	0.05
IS	Cm	-3.47	1.62	0.01	0.00	0.49	0.22	-0.22	-0.65	-0.33	-0.09	-0.01	0.01	-0.16	0.40	0.68	0.40	-0.47
IS	UP	0.29	0.65	-0.13	0.00	0.35	0.32	-0.52	-0.29	0.09	-0.29	-0.06	0.00	-0.78	-1.96	-0.51	-0.75	0.06
Un	FS	-5.90	0.58	0.24	0.00	0.30	0.97	1.44	1.61	1.64	0.29	0.10	0.06	-0.04	0.79	-1.50	0.12	0.39
Un	IS	-4.72	0.58	0.15	0.00	0.70	1.10	1.34	0.98	1.07	0.60	0.17	0.05	-0.67	0.68	-1.17	0.55	0.23
Un	Un	-3.12	0.18	0.03	0.00	-0.35	0.73	1.51	0.55	1.88	0.27	0.19	0.00	-0.52	1.05	-1.32	0.00	0.12
Un	OLF	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Un	SE	-10.17	0.94	0.38	0.00	0.11	0.05	0.00	0.40	-0.15	0.22	0.08	0.01	-0.34	1.84	0.64	1.09	0.77
Un	Cm	-12.44	1.63	0.44	-0.01	1.95	2.09	1.91	2.02	2.33	0.37	0.12	0.02	0.00	0.78	-0.90	0.60	0.69
Un	UP	-22.54	0.61	0.12	0.00	15.49	17.52	17.83	16.92	17.57	1.16	-0.10	0.00	-1.13	-1.46	-0.91	0.33	0.06
OLF	FS	-4.06	0.29	0.10	0.00	0.89	1.38	1.38	1.13	1.46	-0.20	0.06	0.01	-0.48	0.38	-0.31	0.21	0.51
OLF	IS	-0.13	0.50	0.00	0.00	-0.32	-0.30	-0.48	-0.86	-0.84	-0.30	0.03	-0.01	-0.10	0.27	-0.38	0.03	0.50
OLF	Un	-3.35	0.05	0.07	0.00	0.68	0.64	1.18	1.15	1.05	-0.78	0.07	0.01	0.00	0.57	-0.04	0.13	0.26
OLF	OLF	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
OLF	SE	-5.27	0.54	0.17	0.00	-0.08	0.29	0.03	0.08	0.31	0.59	0.04	-0.01	0.04	0.27	-0.09	0.00	0.03
OLF	Cm	-4.40	0.79	0.05	0.00	0.10	0.60	0.59	0.00	0.51	0.06	0.09	-0.01	-0.06	0.41	0.56	0.24	-0.31
OLF	UP	-0.56	0.32	-0.02	0.00	0.07	0.12	0.04	-0.02	0.09	0.19	-0.09	-0.01	-0.15	-1.03	-0.80	-0.33	-1.10
SE	FS	-3.33	0.59	0.06	0.00	0.23	0.87	0.99	0.77	1.19	0.44	-0.02	0.00	0.65	0.31	-0.71	0.51	0.39
SE	IS	0.26	0.02	-0.05	0.00	0.00	-0.19	-0.37	-0.75	-0.41	0.48	0.02	0.00	0.43	-0.03	-0.69	0.41	0.45
SE	Un	-6.04	0.30	-0.03	0.00	0.27	0.43	0.79	0.58	0.70	-0.41	0.07	0.01	0.66	0.19	-0.59	0.74	0.00
SE	OLF	2.69	-1.42	-0.17	0.00	-0.30	-0.06	-0.41	-0.65	-0.45	0.00	0.02	0.00	0.70	-0.23	0.72	0.58	-0.14
SE	SE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
SE	Cm	-3.15	1.18	-0.06	0.00	-0.59	-0.43	-0.49	0.00	-0.37	0.48	0.04	0.00	0.85	0.04	-0.16	0.08	-0.13
SE	UP	0.42	-0.16	-0.07	0.00	-0.33	-0.05	-0.52	-0.65	-0.55	0.23	0.06	0.00	-0.12	-1.61	-0.45	0.43	-0.71
Cm	FS	-0.45	-0.37	0.08	0.00	-0.19	0.23	-0.10	0.07	-0.14	0.20	-0.02	0.00	0.60	0.00	-1.07	-0.13	-0.56
Cm	OLF	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Cm	Un	-3.94	0.24	0.15	0.00	-0.62	-0.15	-0.13	-0.69	-1.24	-0.22	-0.04	-0.04	0.56	-0.39	1.11	0.47	-0.58
Cm	OLF	4.94	-1.03	-0.23	0.00	-1.36	-1.41	-1.83	-1.50	-1.19	0.07	0.02	0.01	0.36	-0.37	2.06	0.37	0.10
Cm	SE	-3.35	0.27	0.12	0.00	0.32	0.07	0.12	0.14	0.58	0.51	0.02	0.00	-0.14	-0.88	-0.68	-0.63	-0.06
Cm	Cm	-2.55	0.15	0.11	0.00	0.00	0.17	0.00	0.21	-0.12	0.49	0.04	0.00	0.27	0.00	0.27	0.19	-1.24
Cm	UP	-2.16	0.00	0.08	0.00	-1.64	-1.16	-0.95	-1.14	-1.21	0.91	-0.21	0.01	0.71	-1.77	0.16	0.47	-0.09
UP	FS	-8.77	1.25	0.31	0.00	0.93	1.87	2.28	2.37	2.39	-0.91	0.11	0.02	-0.63	0.88	-0.85	-0.10	0.00
UP	IS	-7.66	1.81	0.20	0.00	0.78	1.13	0.96	0.74	-0.67	-0.06	0.15	0.01	-0.42	-1.81	-1.61	1.01	-0.24
UP	Un	-32.74	1.31	0.58	-0.01	18.36	17.18	18.30	17.90	17.25	-1.71	0.21	0.02	0.68	2.70	0.30	2.11	-0.47
UP	OLF	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
UP	SE	-8.83	1.62	0.33	0.00	-0.42	-0.62	-0.08	-0.42	-0.33	-0.06	0.06	0.01	-0.65	0.66	0.23	0.17	0.57
UP	Cm	-7.56	2.36	0.24	0.00	0.18	-0.10	-0.15	-1.83	-0.76	0.58	0.07	0.04	0.51	0.23	-0.29	-0.26	1.05
UP	UP	-2.17	0.79	0.08	0.00	-0.64	-0.15	-0.42	-0.40	-0.97	-0.46	0.01	0.01	-0.27	-0.18	0.393	0.22	0.44

Table 11
Survival models
Urban labour market (1991-1994)

	Weibull Models				Logistic Models			
	Survival S(t)			Hazard Rate h(t)	Survival S(t)			Hazard rate h(t)
	1 year	5 years	10 years		1 year	5 years	10 years	
Woman, Age = 30, Spouse (2nd aboard), High School, 2 jobs in life and 5 years of work experience, course training								
Formal salaried	0.967	0.826	0.667	0.013	0.973	0.818	0.647	0.008
Informal salaried	0.846	0.454	0.215	0.036	0.922	0.590	0.368	0.025
Unemployed	0.486	0.013	0.000	0.242				
OLF	0.906	0.631	0.409	0.020				
Self employed	0.955	0.772	0.581	0.016	0.814	0.349	0.179	0.060
Comission	0.884	0.518	0.258	0.036				
Unpaid	0.837	0.380	0.133	0.055				
Man, Age = 45, Breadwinner, High School, 5 jobs in life and 25 years of work experience, course training.								
Formal salaried	0.987	0.927	0.852	0.005	0.991	0.934	0.853	0.002
Informal salaried	0.913	0.652	0.434	0.019	0.996	0.973	0.936	0.001
Unemployed	0.570	0.034	0.000	0.192				
OLF	0.883	0.559	0.323	0.025				
Self employed	0.979	0.891	0.785	0.007	0.971	0.809	0.633	0.009
Comission	0.940	0.720	0.508	0.019				
Unpaid	0.926	0.656	0.417	0.025				

Table 12
(1991-1994)

*Transition probabilities π_j								**Equilibrium state occupancy probability π_j	***Mean duration μ	****Long run state occupancy probabilities p_i
Woman, Age = 30, Spouse (2nd aboard), High School, 2 jobs in life and 5 years of work experience, written, course training										
	FS	IS	Un	OLF	SE	Com	UP			
FS	0	0.37	0.11	0.05	0.17	0.24	0.04	0.37	22.3	0.60
IS	0.74	0	0.4	0.03	0.10	0.08	0.00	0.21	6.50	0.09
Un	0.41	0.13	0	0.18	0.17	0.11	0.00	0.06	1.28	0.00
OLF	0.13	0.19	0.15	0	0.38	0.06	0.08	0.06	11.45	0.05
SE	0.65	0.19	0.00	0.07	0	0.06	0.02	0.13	17.3	0.16
Com	0.68	0.115	0.03	0.03	0.08	0	0.02	0.13	7.36	0.07
UP	0.34	0.02	0.06	0.36	0.11	0.11	0	0.03	5.04	0.00

Man, Age=45, Breadwinner, High School, 5 jobs in life and 25 years of work experience,
course training

	FS	IS	Un	OLF	SE	Com	UP			
FS	0	0.36	0.08	0.06	0.25	0.24	0.02	0.37	52.7	0.62
IS	0.72	0	0.03	0.03	0.13	0.07	0.00	0.19	12.3	0.07
Un	0.34	0.13	0	0.17	0.29	0.06	0.00	0.05	1.61	0.00
OLF	0.11	0.10	0.14	0	0.54	0.05	0.05	0.06	8.98	0.02
SE	0.67	0.16	0.00	0.08	0	0.05	0.02	0.18	36.8	0.22
Com	0.62	0.14	0.01	0.04	0.17	0	0.01	0.12	14.3	0.05
UP	0.36	0.03	0.03	0.21	0.17	0.18	0	0.02	11.1	0.00

* Probability of entering state j given that the state i was left.

** Long run probability that the state j is entered at any transition.

*** Average length of time spent in each state, once it is entered (calculated with Weibull model).

**** Probability of the process being in each of the seven states at an arbitrary timeremote from the origin (do not depend upon which state was occupied at time 0).

Table 13
Transitions among economic sectors of salaried workers
Urban mexican labour market, 1995

Formal to Formal	1	2	3	4	5	6	7	8	9	10	Total	1	2	3	4	5	6	7	8	9	10	Total	
Agriculture	127	0	31	1	0	17	0	1	13	0	190	67%	0%	16%	1%	0%	9%	0%	1%	7%	0%	100%	1%
Extraction	0	103	17	5	1	5	1	0	8	0	140	0%	74%	12%	4%	1%	4%	1%	0%	6%	0%	100%	0%
Manufacturing	18	16	7657	62	1	319	15	7	178	1	8274	0%	0%	93%	1%	0%	4%	0%	0%	2%	0%	100%	27%
Construction	6	5	51	616	191	34	16	9	163	0	1091	1%	0%	5%	56%	18%	3%	1%	1%	15%	0%	100%	4%
Electricity	0	0	1	1	386	1	0	0	16	0	405	0%	0%	0%	0%	95%	0%	0%	0%	4%	0%	100%	1%
Commerce	17	5	311	34	7	5088	32	20	243	0	5757	0%	0%	5%	1%	0%	88%	1%	0%	4%	0%	100%	19%
Communications	1	1	28	6	3	39	1358	7	72	0	1515	0%	0%	2%	0%	0%	3%	90%	0%	5%	0%	100%	5%
Fin. And RS Services	2	0	8	13	1	23	5	351	60	0	463	0%	0%	2%	3%	0%	5%	1%	76%	13%	0%	100%	1%
Other services	12	3	192	124	46	233	84	59	12460	0	13213	0%	0%	1%	1%	0%	2%	1%	0%	94%	0%	100%	43%
Government	0	0	0	0	0	0	0	0	0	3	3	0%	0%	0%	0%	0%	0%	0%	0%	0%	100%	100%	0%
Total	183	133	8296	862	636	5759	1511	454	13213	4	31051	1%	0%	27%	3%	2%	19%	5%	1%	43%	0%	100%	

Formal to Informal	1	2	3	4	5	6	7	8	9	10	Total	1	2	3	4	5	6	7	8	9	10	Total	
Agriculture	21	0	2	0	0	4	1	0	3	0	31	68%	0%	6%	0%	0%	13%	3%	0%	10%	0%	100%	1%
Extraction	0	5	1	1	0	2	0	0	2	0	11	0%	45%	9%	9%	0%	18%	0%	0%	18%	0%	100%	0%
Manufacturing	7	3	349	28	1	60	5	3	99	14	569	1%	1%	61%	5%	0%	11%	1%	1%	17%	2%	100%	17%
Construction	2	2	11	144	22	15	5	2	49	0	252	1%	1%	4%	57%	9%	6%	2%	1%	19%	0%	100%	8%
Electricity	0	0	0	0	5	2	0	1	1	0	9	0%	0%	0%	0%	56%	22%	0%	11%	11%	0%	100%	0%
Commerce	11	3	35	20	1	469	11	2	100	11	663	2%	0%	5%	3%	0%	71%	2%	0%	15%	2%	100%	20%
Communications	1	0	7	3	0	14	76	0	16	3	120	1%	0%	6%	3%	0%	12%	63%	0%	13%	3%	100%	4%
Fin. And RS Services	0	0	2	4	0	8	1	165	9	0	189	0%	0%	1%	2%	0%	4%	1%	87%	5%	0%	100%	6%
Other services	5	1	36	26	7	59	10	13	1288	11	1456	0%	0%	2%	2%	0%	4%	1%	1%	88%	1%	100%	44%
Government	0	0	0	0	0	0	0	0	0	4	4	0%	0%	0%	0%	0%	0%	0%	0%	0%	100%	100%	0%
Total	47	14	443	226	36	633	109	186	1567	43	3304	1%	0%	13%	7%	1%	19%	3%	6%	47%	1%	100%	

Informal to Formal	1	2	3	4	5	6	7	8	9	10	Total	1	2	3	4	5	6	7	8	9	10	Total	
Agriculture	16	0	9	1	0	1	1	0	4	0	32	50%	0%	28%	3%	0%	3%	3%	0%	13%	0%	100%	1%
Extraction	0	9	3	2	0	1	0	0	3	0	18	0%	50%	17%	11%	0%	6%	0%	0%	17%	0%	100%	1%
Manufacturing	3	1	362	14	1	42	1	1	30	0	455	1%	0%	80%	3%	0%	9%	0%	0%	7%	0%	100%	15%
Construction	0	1	21	139	12	23	4	2	42	0	244	0%	0%	9%	57%	5%	9%	2%	1%	17%	0%	100%	8%
Electricity	0	0	0	0	3	0	0	0	0	0	3	0%	0%	0%	0%	100%	0%	0%	0%	0%	0%	100%	0%
Commerce	1	1	83	10	0	521	8	1	63	0	688	0%	0%	12%	1%	0%	76%	1%	0%	9%	0%	100%	23%
Communications	0	0	5	3	0	10	83	1	7	0	109	0%	0%	5%	3%	0%	9%	76%	1%	6%	0%	100%	4%
Fin. And RS Services	0	0	6	2	0	3	1	146	10	0	168	0%	0%	4%	1%	0%	2%	1%	87%	6%	0%	100%	6%
Other services	6	3	81	48	3	79	15	15	970	1	1221	0%	0%	7%	4%	0%	6%	1%	1%	79%	0%	100%	41%
Government	0	0	8	4	1	7	3	0	4	0	27	0%	0%	30%	15%	4%	26%	11%	0%	15%	0%	100%	1%
Total	26	15	578	223	20	687	116	166	1133	1	2965	1%	1%	19%	8%	1%	23%	4%	6%	38%	0%	100%	

Informal to Inform	1	2	3	4	5	6	7	8	9	10	Total	1	2	3	4	5	6	7	8	9	10	Total	
Agriculture	172	0	10	14	0	17	4	0	25	1	243	71%	0%	4%	6%	0%	7%	2%	0%	10%	0%	100%	2%
Extraction	0	77	25	2	0	4	1	0	1	0	110	0%	70%	23%	2%	0%	4%	1%	0%	1%	0%	100%	1%
Manufacturing	12	21	1144	28	0	72	17	1	100	4	1399	1%	2%	82%	2%	0%	5%	1%	0%	7%	0%	100%	13%
Construction	15	2	38	632	28	37	7	3	161	3	926	2%	0%	4%	68%	3%	4%	1%	0%	17%	0%	100%	9%
Electricity	15	6	83	30	0	1610	13	8	178	4	1947	1%	0%	4%	2%	0%	83%	1%	0%	9%	0%	100%	18%
Commerce	0	3	5	6	0	24	132	0	27	3	200	0%	2%	3%	3%	0%	12%	66%	0%	14%	2%	100%	2%
Communications	0	0	1	2	0	3	0	303	15	3	327	0%	0%	0%	1%	0%	1%	0%	93%	5%	1%	100%	3%
Fin. And RS Services	18	20	98	141	11	219	23	14	4948	8	5500	0%	0%	2%	3%	0%	4%	0%	0%	90%	0%	100%	51%
Other services	0	0	2	2	0	3	1	0	11	199	218	0%	0%	1%	1%	0%	1%	0%	0%	5%	91%	100%	2%
Government																							
Total	232	129	1406	857	39	1989	198	329	5466	225	10870	2%	1%	13%	8%	0%	18%	2%	3%	50%	2%	100%	

Source: ENECE 95 and ENEU panel structure

**In and Out of the Formal
and Informal Labour Markets
in Mexico: Transition Analysis
Using Duration Models**

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In and Out of the Formal and Informal Labour Markets in Mexico: Transition Analysis Using Duration Models

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Has growth of the formal sector in Mexico been inhibited by an obsolescent and rigid labour legislation or, if this is not the case, can the relative slow growth of this sector be attributed to structural changes in the economy? Is the increasing share of workers in the informal sector and of self-employed people evidence of market segmentation and hence a source of inequality and poverty? Or, as suggested by Maloney (1997), could the relative large and symmetric flows of workers among all sectors (formal, informal, self-employed, unemployed etc.) be "more consistent with a well-integrated market where workers search across sectors for job opportunities, than one where informal workers seek permanent status in the formal sector and stay until they retire"².

What characterizes the groups of the labour force which are less likely to stay for long in the formal sector, when they enter it, and why some groups stay there longer than others? Given the time that each group is likely to spend in the formal sector or in any other job status (including self-employment, unemployment and out of the labour force), what is the likelihood for each group to be found 'eventually' in the formal sector?

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² Maloney, W. (1997). p. 13.

Has the pattern of mobility between the formal and informal sectors and between these two sectors and the self-employment and other job status been modified by a relative flexibilization in labour contracts and by structural changes?

Employment surveys in Mexico are rich enough to provide the statistical inputs required to address these questions by means of an analysis based on duration models and continuous semi-markov processes. It is possible to identify the number of months spent by a person in the job in which he/she is currently working (i.e. incomplete spells) as well as the job tenure in their last job for those reported as unemployed (i.e. completed spells). In addition, this information can be matched with the data of the quarterly employment surveys, which in turn follow forward in time 'earmarked' persons by virtue of its five-quarter linked rotating panel structure. Hence, it is possible to know when (i.e. identify the moment in which a spell is completed) and how different groups of the labour force change from one job status to another.

Equipped with this information for years from 1991 to 1997 we set out to estimate hazard functions for the formal sector and the other six job status in which the labour force is commonly grouped in a semi-industrialized economy³. The results enable us to estimate a) the mean time spent by different groups in each job status, b) the factors which influence the probability of leaving a sector after a period of time, given that it has lasted up to that point in time, and c) what determines the more likely status to be arrived next when a person moves out of one job status.

By means of hazard and survival functions for different groups of workers, and transition probabilities of changing from one job status to another one, we assess the relative degree of mobility in the urban labour market. How long does it take to workers in the formal, informal and self-employment sectors before they move into another job status (including unemployment and out of the labour force)? What are the odds of this event happening with groups of different characteristics?

In studies of the dynamics of labour markets -e.g. Saint-Paul et al. (1998)- it has been analytically and empirically illustrated how job separation and hiring rates determine equilibrium unemployment rates for different groups in industrial economies. These studies showed how two countries may end up with the same employment/unemployment share, in total labour force, although the working of their labour markets might be quite different- due to different degrees of flexibility and mobility in their labour markets implying very different job separation and hiring rates.

Extending this argument along the same lines, follows that semi-industrialized countries may end up having a similar share of formal, informal and self-employed workers in total labour force, although they may have very different propensities of

³ These are: informal sector, self-employment, unemployment, unpaid jobs, comision or percentage and out of the labour force.

workers to move from (into) one sector of employment or job status to (from) another one. Addressing the Mexican case from this perspective, we explain relative shares in different sectors by means of the long run results of the semi-Markov process implied by the set of hazard functions and by their corresponding transition intensities.

The paper is structured in three sections. The first one discusses stylised facts of the Mexican labour market, among them variations in the relative shares of different job status, employment duration and retention rates and costs of firing workers. In addition, we analyse the high frequency movements from one job status to another one. By means of transition matrices elaborated with panel data sets explicitly processed for the purposes of this study we analyse the periods 1991-1994 and 1995-1998. Section II considers spikes in the hazard rates of being fired, presents the results of duration models for the manufacturing sector and hazard rates of leaving the formal, informal and self-employment sectors; finally, transition intensities implied by our six destination duration model are analysed. Section III deals with the long run equilibrium state occupancy probabilities obtained by considering the continuous time semi-Markov process specified in this study.

I Stylised facts in urban labour market.

I.1 Trends in different job status 1987-1997: 'The importance of being formal'

Although for many workers the formal sector implies more than having access to social security services⁴, here we define it as the set of workers registered in the social security institutions -IMSS and ISSSTE, as they are called in Mexico. As shown in graph 1, as a share of total workers in urban areas, wage earners in this sector have been within the range of 41% to 49% for the period 1987-97.

The only period in which the net generation of jobs in formal sector appeared to have grown relatively fast is during 1990-1991, characterised not only by relative high growth in GDP, but also by a more flexible application of wage norms to control inflation by means of tripartite price and wage norms⁵. By contrast, during the period 1987-89 the share of jobs in the formal sector diminished with a corresponding increase in the share of self-employment: by the end of 1989 this latter share increased to a figure of 22%, from 20% in 1987 – while the corresponding figure for the informal sector remained constant.

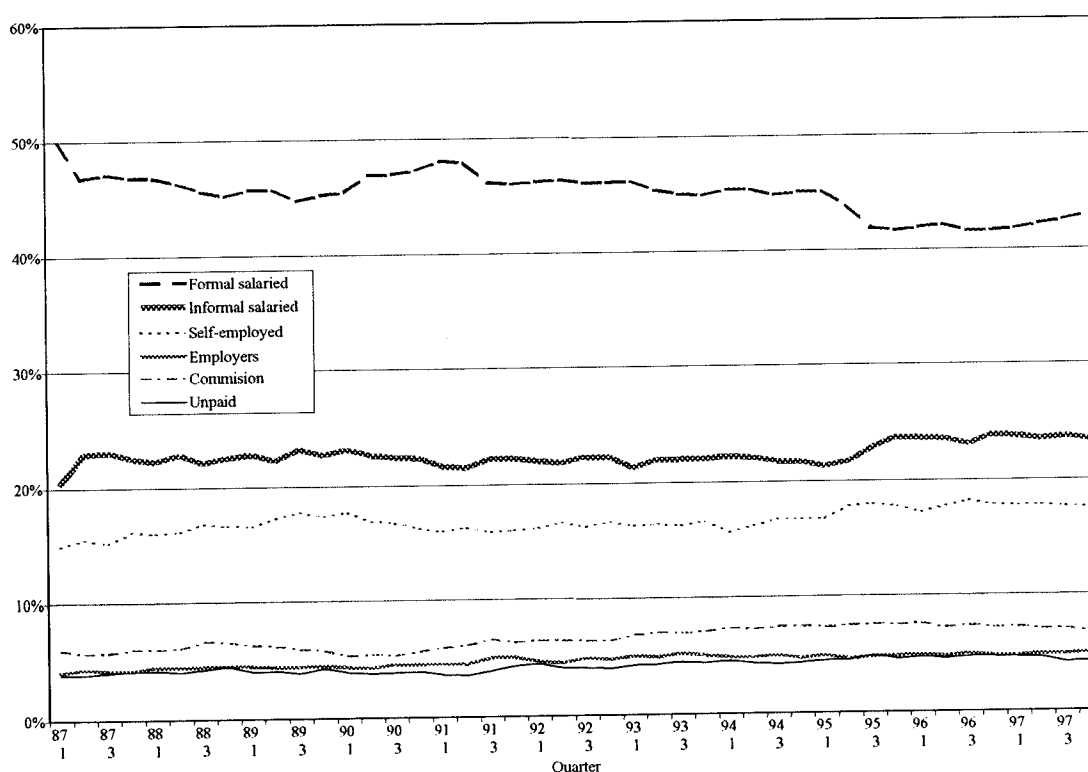
⁴ For example, it implies severance payments in the event of being fired, and other rights offered by labour legislation.

⁵ An analysis of the macroeconomic events during 1984-1994 in Mexico is presented in Calderón-Madrid (1997). The period 1992- 1994 is a period with no net new job creation in the urban formal sector (when measured with the consistent series that maintain the number of cities-32- constant). More worrisome is the fact that the number of jobs available in the formal sector, after the recovery of 1997, is not greater than corresponding figure for late 1992. However, this is a result which has to be confirmed, since on the other hand, workers affiliated to the Social Security system (IMSS data) lead to opposite results.

In turn, as it is also shown in graph 1 and in table 9 at the appendix, in the 1995 recession, the fall in the share for formal employment in total urban employment (by more than three percentage points in only one year, remaining at a historical low value until the beginning of 1997) is partly reflected in an increase of the corresponding share of the informal sector and partly in a larger share of self-employment.

Graph 1

Distribution among sectors of workers of the mexican urban labour market



Most studies assess welfare and efficiency costs of the malfunctioning of markets focusing on what determines being unemployed and the time spent until a job is found.⁶ However, a large or an increasing share of self-employed, informal sector or persons working without payment, may reflect that the labour market in Mexico is not allowing workers to move to their best uses⁷ in a short period of time.

⁶ This topic has been addressed by Revenga A., and Riboud, M. (1993) and (1994).

⁷ The urban unemployment rate (which remained between 3 and 5 per cent during the seven years period previous to the 1994 crisis and rose to a peak of around 8 per cent in 1995) is therefore an incomplete indicator of 'unavailability of adequate employment opportunities' during a recession or during structural adjustment. This is because workers cannot afford open unemployment -the lack of unemployment insurance combined with their very low savings forces them to take low paying jobs in which they are less productive than it would be in their best use.

Moreover, even if human capital does not depreciate as a consequence of an involuntary departure from the formal sector, a job in the informal sector may be perceived by employers to imply a depreciation of human capital and consequently re-entering the formal sector could imply a lower wage for the person.

Hence, one must also analyse, as in section II of this paper, what determines being in that job status, for how long workers stay there, what determines moving to another job status and what is their more likely destination. As shown in a study of Fougere and Kamionka (1992) for the case of France, this kind of analysis is also useful to assess how frequent and likely is the mobility between bad and good jobs in a country and the social implications of it⁸.

In section III of this paper we present a method which analyses the relative shares of different job status in the urban labour force in terms of the long run results of the semi-Markov process implied by their set of hazard functions and by their corresponding transition intensities.

I.2 Employment Duration and Retention Rates.

Questions related to job tenure are not part of the quarterly employment surveys in Mexico. Only four times in the present decade have the employment surveys in Mexico appended a module that asked, among other questions, the 'length in current job', if the interviewed person was employed and 'length in last job' if he/she was without a job. These questions are part of the so-called ENECE survey, and answers, for a representative sample of the urban sector in Mexico, are available for the second quarter of the years 1991, 1993, 1995 and 1997.

We use this information for an assessment of how stable are the employment relationships in Mexico. For this purpose, in this subsection we present an analysis in which a "synthetic cohort" is followed over time. It involves a comparison of the number of workers classed by tenure and age groups in order to provide a first estimate of the probability of remaining in a job for four or six years more. In order to have calculations that lend themselves to international comparisons, we follow the format presented by the OECD (1997) in his analysis of job stability in OECD countries, which did not include Mexico (in spite of being a member).⁹

By matching the urban components of the ENE and ENECE surveys¹⁰, we also have

⁸ These authors considered whether the dual nature of French labour market was leading to a segregated society, which would be the case if it is the same people which always end up in bad jobs. They showed that their estimations are also useful to consider the opposite case, namely that bad jobs play a role for the insertion into the labour market, as a source of professional experience. Indeed, as it has been stressed by Saint Paul (1996), the assessment of the heterogeneity in the transition probabilities of different groups is required to determine if a core of stayers within each group are unlikely to find a good job.

⁹ These data can also be compared with those analysed by Anderson-Shaffner (1996) for Colombia.

¹⁰ The Urban component of ENE Employment Survey uses the same questionnaire as the Urban Employment Survey, but the geographic coverage is more representative, because it includes more of the smaller urban

data of overall labour market participation, including questions related to being or not in the formal sector (e.g. registered in the social security system, size and characteristics of the firm, and, from the third quarter of 1994 onwards, the kind of contract with which he/she worked). The ENECE surveys also provide information related to workers' mobility¹¹, on the one hand, and to training courses¹², on the other.

In turn, since the urban component of the ENE survey uses the same questionnaire and coincides with those interviewed in the ENEU survey, we can rely on the panel-linked structure of these employment surveys. This feature enabled us to follow interviewed persons for up to five consecutive quarters – tracking four fifths for one quarter, three fifths for two, two fifths for three and one fifth for five quarters – thereby identifying if and when they change job status. In section two we discuss how this feature enabled us to estimate hazard functions of moving out of a job status.

In the following table we present retention rates, which give the probability that workers with a particular level of tenure today will have an additional t years of tenure in t years hence.

Our calculations are for four and six years intervals. Hence, the six year retention rate is calculated for an artificial cohort of workers who are of age x in 1991 and age $x+6$ in 1997. We therefore obtain the ratio of the number of workers who are age $x+6$ with tenure $t+6$ in 1997 to the number of workers who are age x with tenure t in 1991. The percentage of those workers who remained with their employer for a further four years, is similarly calculated.

The results indicate that job relationships in Mexico, compared to those in other OECD countries, are short (some developed countries have corresponding figures which double those obtained here¹³).

areas (less than 100 000 inhabitants). In turn the 1995 ENEU survey covered some 16 million persons, representing more than 90 per cent of the population of large urban areas and 60 per cent of the population in all urban areas.

¹¹ How long have you worked in your life? Once you start working, how many times did you quit for a period longer than one month? Of those periods in which you stopped working, How long was the period with longest duration in which you did not work? How many jobs have you had in your life, including your current or last job?

¹² To determine the importance of training we have ten questions: Have you taken training courses and if so how many? If you did, what was its length? In which year did you take it? Where are you taking it (or took it)? Who (gave) is giving it to you (specialized teacher, fellow workers, bosses)? Where did you received the training, was it during working hours? How much did you pay for it? Which is (was) the main reason to take it (eight possible answers)? Is the course related with your current job? What use has the course had (eleven answers)?

¹³ See OECD (1997) p.141-142.

Four and Six Years Retention Rates Percentages

	Urban Working population	Formal sector	Informal sector	Self- employment	
1991-95	21.0	27.6	20.6	49.7	
1993-97	20.8	29.7	22.1	43.4	
1991-97	12.3	17.6	13.3	30.3	
	Gender		Age		
	Men	Women	15-24	25-44	45+
1991-95	26.6	16.0	10.1	29.3	30.7
1993-97	25.2	16.7	10.3	28.7	30.4
1991-97	15.7	9.3	5.4	18.1	17.8
<u>95 mean tenure years</u>	<u>6.64</u>	<u>3.78</u>	<u>1.77</u>	<u>5.74</u>	<u>11.55</u>
	Level of education				
	Primary	Secondary	Tertiary	Univer	
1991-95	20.3	16.2	19.2	6.2	
1993-97	19.9	17.5	19.8	6.3	
1991-97	12.0	9.8	11.5	3.8	
<u>95 mean tenure years</u>	<u>5.16</u>	<u>3.83</u>	<u>3.80</u>	<u>3.43</u>	

Source: Own calculations based on data from INEGI, Enece surveys 1991, 1993, 1995, 1997

*Datasets were adjusted to avoid calculation biases due to geographical enlargement of surveys with time (17 cities for comparisons with 1991 and 34 cities for comparisons with 1993)

Distribution of employment by employee tenure, 1995

	Under 6 months	6 months and under 1 year	1 and under 2 years	2 and under 5 years	Under 5 years	5 and under 10 years	10 and under 20 years	20 years and over	Mean Tenure	Median Tenure
Working population	13.8	7.1	11.8	25.4	58.1	17.3	15.3	9.2	6.73	3.00
Formal sector	8.7	7.0	11.7	26.5	54.0	18.8	18.2	9.0	7.12	4.00
Informal sector	24.8	10.0	15.0	24.2	74.0	13.7	7.8	4.5	4.23	1.75
Self employed	9.9	4.9	7.7	23.1	45.5	18.6	19.6	16.3	9.28	5.00
OECD unweighted average	10.6	6.9	10.2	17.9	44.2	19.1	20.5	16.3	8.8	6.7
OECD unweighted std. Dev.	4.9	2.4	4.9	4.4	10.0	3.1	4.2	7.2	2.2	3.1

Source: INEGI 1995 and OECD 1997, Table 5.5.

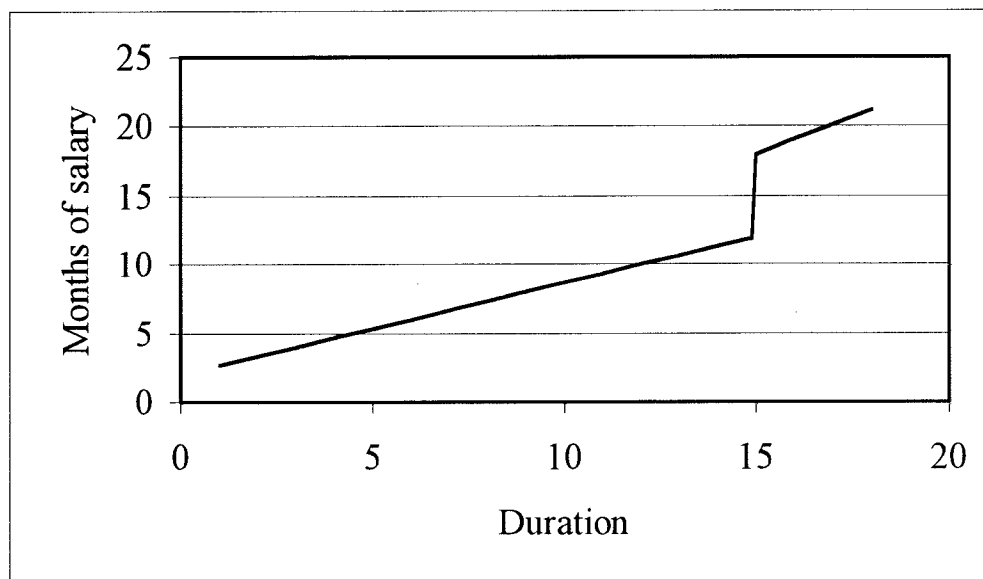
Four years retention rates are slightly higher during the period including 1995-1997, than those including the years 1991-93. This result partly reflects that labour market adjustments associated to the severe economic recession of 1994-95, and to the major structural changes that occurred in Mexico due to the NAFTA agreement signed in 1993, are registered before the second quarter of 1995.

The comparison of six and four year retention rates, suggest the extent to which the probability of job changes declines with tenure¹⁴. At this level of aggregation the hazard of leaving the formal sector during the two year period after four years of work with the same employer does not appear to be statistically different than the hazard implied in the previous two years: Of 50 workers holding a job in the formal sector, 14 lasted four additional years in it. Out of those 14, 5 will not be working with the same employer two years later; which gives -approximately- the same figure as the odds implied for the previous two years by the four year retention rate.

I.3 Non-wage cost: Severance Payments.

According to the Mexican labour legislation, in the case of individual dismissals without "just cause" (redundancy or low productivity are not legal grounds to dismiss) the employer has to pay severance payments equivalent to 3 months' pay plus 20 days' salary per year of service. In addition, the employer has to pay a seniority premium of 12 days of salary per year of service rendered with a ceiling of two minimum wages to workers with more than 15 years of service.

Graph 2



¹⁴ This result is more explicit when, as in Anderson Schaffner (1997), retention rates are calculated for disaggregated levels of initial tenure.

We present below estimates of severance payments cost and rate of firing in the manufacturing sector for 1992 and 1995 to give an idea of their importance and in section II we estimate the implications of the seniority premium such as the one specified for Mexican employment relations.

Cost of firing in the manufacturing sector and other related indicators

		Year	Glass industry	Steel industry	Automobile	In bons industry	Manufacturing sector
A	Monthly	1992	1.0%	1.0%	1.3%	3.4%	1.9%
	Quitting rate	1995	-	-	-	-	-
B	Monthly	1992	0.6%	0.9%	0.6%	0.3%	0.5%
	Firing rate	1995	-	-	-	-	-
C=A+B	Monthly	1992	1.7%	2.0%	1.8%	3.7%	2.4%
	Layoffs rate	1995	0.9%	2.2%	3.4%	-	2.8%
D	Monthly	1992	1.8%	1.2%	1.5%	3.7%	2.2%
	Hiring rate	1995	1.0%	1.4%	1.6%	-	2.4%
E=C+D	Turnover	1992	3.5%	3.2%	3.4%	7.4%	4.5%
	Rate	1995	1.9%	3.6%	5.0%	-	5.2%
	Monthly labour	1992	2,293	2,203	2,598	1,389	1,970
	payments (per worker)	1995	3,019	3,089	2,752	-	2,394
	Percentage of workers	1992	49.5%	73.6%	42.4%	46.3%	42.9%
	trained by firm	1995	83.7%	56.2%	85.3%	-	63.3%
Average Tenure	(in years)	1992	4.9	5.2	4.5	3.3	4.9
		1995	-	-	-	-	-
Total Firing Costs	(percentage of wages)	1992	4.4%	6.9%	3.9%	1.8%	3.4%
		1995	-	-	-	-	-

Source: Calculated with data from Enestyc Establishment Surveys INEGI, (1992) and (1995).

Regarding temporary contracts, these are allowed by law only for those jobs which are proved to be temporary in nature. Also, since there are no apprenticeship periods, training cost must be absorbed by the employer: these have to be within working hours¹⁵.

Severance payments are a potential source of conflict: workers who resign voluntarily have no right for severance payments at all. In addition, it is not until the year fifteen of work 15 years no right for antiquity premium, they have as an incentive to force their dismissal. In addition, it inhibits mobility.

The so-called "reinstalment clause" and "fallen wages" together with a relative high degree of discretionality for labour authorities substantially increase the transaction cost for firms and workers. Dávila (1996) suggest that up to 40% has to be paid to a lawyer by a worker. Data show that up to 5000 "unjustified" cases were presented each year for consideration of labour authorities.

¹⁵ Raw data point out that, the share of persons in the informal sector is reduced as one controls for experience, which might imply that low productivity workers must acquire experience in the informal sector, before joining the formal sector.

I.4 Transition among sectors: Are workers just playing 'musical chairs'?

Maloney (1997), sketching patterns of mobility among sectors by considering panels for 1987-1991 posits that a high degree of mobility of workers characterised the labour market in Mexico. His analysis is based on a transition matrix that enabled him to compare a person's job status at a point of time with the status that he or she had twelve months earlier. His analysis excluded women and persons with a level of education above high school.

Table 1. Quarterly ENEU Panel, movers and stayers one quarter later.

II-93 to III-93	FS	IS	Un	OLF	SE	Comm	UnP	Total	
FS	80.3%	8.8%	1.5%	4.4%	2.4%	2.3%	0.4%	100.0%	22.5%
IS	19.4%	50.4%	3.0%	12.3%	8.1%	4.7%	2.1%	100.0%	11.1%
Un	14.5%	17.4%	19.7%	33.7%	7.8%	4.7%	2.2%	100.0%	1.8%
OLF	2.0%	3.7%	1.8%	86.3%	3.0%	0.9%	2.4%	100.0%	46.0%
SE	4.5%	7.3%	1.3%	11.5%	69.5%	3.8%	2.1%	100.0%	12.1%
Comm	13.6%	14.7%	2.2%	10.3%	12.4%	45.4%	1.4%	100.0%	3.6%
UnP	2.9%	9.0%	1.6%	31.8%	9.4%	2.2%	43.1%	100.0%	2.8%
Total	22.5%	11.3%	2.1%	45.3%	12.1%	3.7%	3.0%	100.0%	
II-95 to III-95	FS	IS	Un	OLF	SE	Comm	UnP	Total	
FS	81.0%	8.4%	2.3%	3.3%	2.5%	2.3%	0.3%	100.0%	20.5%
IS	14.2%	52.9%	5.2%	12.0%	8.5%	5.2%	2.1%	100.0%	11.0%
Un	10.1%	18.5%	28.1%	25.4%	10.6%	5.0%	2.3%	100.0%	3.4%
OLF	1.4%	3.6%	2.7%	85.3%	3.3%	1.0%	2.7%	100.0%	45.7%
SE	3.5%	7.5%	2.8%	11.0%	68.9%	4.1%	2.2%	100.0%	12.6%
Comm	11.3%	13.6%	4.6%	9.9%	12.4%	46.6%	1.6%	100.0%	3.8%
UnP	1.9%	8.1%	2.6%	32.4%	9.4%	1.9%	43.7%	100.0%	3.1%
Total	20.1%	11.5%	3.8%	44.6%	12.8%	4.0%	3.3%	100.0%	
II-97 to III-97	FS	IS	Un	OLF	SE	Comm	UnP	Total	
FS	83.0%	7.4%	1.3%	3.5%	2.4%	2.1%	0.3%	100.0%	21.7%
IS	15.6%	55.0%	2.6%	12.5%	7.8%	4.5%	1.9%	100.0%	12.3%
Un	15.8%	19.7%	17.6%	32.1%	8.8%	3.9%	2.1%	100.0%	1.9%
OLF	1.9%	4.0%	1.6%	86.0%	3.2%	0.9%	2.4%	100.0%	44.2%
SE	4.2%	7.7%	1.1%	11.0%	70.0%	3.7%	2.2%	100.0%	13.0%
Comm	13.4%	15.5%	1.8%	9.9%	12.5%	45.7%	1.1%	100.0%	3.9%
UnP	2.4%	9.5%	1.4%	32.6%	9.8%	1.8%	42.5%	100.0%	3.0%
Total	22.2%	12.4%	1.9%	43.7%	12.9%	3.8%	3.0%	100.0%	

In order to assess the validity of Maloney's remarks for a more comprehensive set of data, for a more recent period of time and within a shorter span, we analyse quarterly transitions for 1993, 1995 and 1997 in our transitions matrices of tables 1.¹⁶

The letters in the left hand side column of the matrices indicate the job status in which the person was located in the second quarter of the year. The ones in the upper row indicate the job status in which they were found three months latter. The cells of the main diagonal represent the share of workers in that job status that not moved (i.e. are stayers) and the other cells indicate to which of the 6 possible sectors or job status they moved to (formal and informal sectors, unemployment, out of the labour force, self-employment, paid by comision or percentage, and unpaid jobs).

These matrices show the high frequency movement by workers from one job status to another one, within a time span of one quarter. The figures are specially high for wage earners in the informal sector and for self-employed: between 45% and 55% of those in these status were no longer there three months latter. In turn, , between 15% and 20% of formal workers move out, in only one quarter, to another job status.¹⁷

Consider what happens with those who were trying to find a job in June 1995. According to the employment surveys those unemployed persons who found a job during the third quarter of 1995 spent, on average, nine months looking for it. In turn, as shown in the corresponding matrix, almost half of those who were trying to find a job in June 1995, were already working by September. As many as those who found a job in the formal sector became self-employed: one out of ten to each job status and about twice as many in the informal sector. These figures contrast with those of the years of economic expansion –1993 and 1997- in which around half of those who found a job in the formal sector became self-employed.

The likelihood that an unemployed person does not spend a long time trying to find a job depends on the availability and speed of creation of vacancies, which in turn depends on how long it takes to persons who have a job to move out of it. That is, it depends on the frequency of movements by workers who have a job, which as pointed out, appears to be high in the urban market.

The matrices represent those 'earmarked' persons interviewed in two consecutive quarters those years represented in table 1. The final column of our matrices indicates persons at the second quarter in each job status, as a percentage of the

¹⁶ Additional considerations could be added with corresponding matrices for the years 1991, 1994 and 1996, which can be found in the appendix.

¹⁷ The definition of formal sector in these matrices is workers registered in the social security system (IMSS and ISSTE). In the appendix of this paper we present corresponding matrices for 1995, 1996 and 1997 using as a definition of formal worker the person who declares having a written contract either longer than six months or for an indefinite period. It is interesting to stress that results are not very different with this alternative definition of formality.

sum of persons in the seven status. In turn, the final rows refer to how were corresponding percentages after one quarter –i.e. persons found during the third quarter in each job status as a percentage of the sum. By comparing cells in final column with corresponding cells in final row, an interesting stylised fact arises: the shares that each job status represents within total population does not vary significantly from one quarter to another one, in spite of significant movements of persons among job status. This implies that the spaces left by the flow of persons out of one job status into another one are to a great extent filled by a flow of persons moving in the opposite direction.

This last stylised fact explains why, in spite of relative frequent movements in and out of formal and informal sectors, the shares of workers in total active population represented in graph 1 remain relatively constant across quarters.

For a more explicit relationship between the shares represented in graph 1, and those appearing in the matrices, it is possible to re-express these latter ones by excluding from the analysis those persons which are out of the labour force¹⁸. When this is done, it is possible to consider the flows of workers and persons searching for jobs between one job status and other one. When we focus on those wage earners initiating our panel in 1993, we get that, as a share of total economic active population (i.e. excluding OLF), formal and informal workers represented 41.7% and 20.6% respectively. Out of those persons followed from the second to the third quarter of 1993, more than 8.5% of formal workers –i.e. 3.67% of total economic active population- moved to the informal sector. During the same period, 3.99% of total active population which was in the informal sector (almost one out of five informal workers) moved to the formal sector. That is, in spite of the high frequency of movements by workers, in net terms only 0.32% of total active population moved from the informal to the formal sector. As a result the share of formal and informal sectors in total active population does not change in a significant way.

In turn, during 1997, another year of economic expansion, the net increase in formal sector was 0.54% of economic active population, whereas during 1995, corresponding figure was a net decline of 0.29%. That is, during the period associated to a severe recession, 14.2% of those working in the informal sector during the second quarter of 1995 found a job in the formal sector (2.88% of the economic active population), but at the same time 3.17% of the economic active population that was in the formal sector moved to the informal sector.

There are at least three reasons why our results reveal a higher frequency of changes among job status in Mexico, when compared with those presented by Maloney (1997). Firstly, as suggested by previous studies along these lines,

¹⁸ This is equivalent to divide the numbers in the cells of the matrices by one minus the share that OLF represents in total population. Resulting figures do not necessarily coincide with those in graph 1, since the numbers appearing in the cells are not adjusted with the corresponding 'factor of expansion', whereas those used in the graph are.

particularly Cruz (1994), women change more often their job status than men – which is the only group considered by him. Secondly major structural changes (e.g. NAFTA agreement) and a more volatile macroeconomic environment characterise the period 1993-1997, compared to the one analysed by him, 1987-1991. Thirdly, and more important, by comparing initial state with a state twelve months latter, Maloney's study allows for the following result: persons who moved out of a job status but returned to that initial status within the time span of three, six or nine months are considered as workers who were in that status for the whole year.

To illustrate the importance that the last kinds of change have, we present two different transition matrices, both of them compare worker's initial states with their job status two quarters latter. The first one, table 2a, compares job status at the end of the year relative to the status two quarters earlier, ignoring changes registered between June and September and between September and December. The second matrix, table 2b, considers as stayers of a job status only those who remained in the same job status during the three quarters in which they were interviewed. In this latter matrix movers are only those that changed between the third and fourth quarters (those changing between the second and third quarters were excluded from the matrix).

**Table 2a. Quarterly ENEU Panel, movers and stayers two quarters later.
Comparing status initial and six months later only.**

II-93 / IV-93	FS	IS	Un	OLF	SE	Comm	UnP	Total
FS	20,138	2,359	395	1,365	735	640	84	25,716
IS	2,556	5,953	353	1,733	1,099	661	254	12,609
II-95 / IV-95	FS	IS	Un	OLF	SE	Comm	UnP	Total
FS	19,937	2,348	526	970	670	608	75	25,134
IS	1,981	6,762	507	1,651	1,185	664	255	13,005
II-97 / IV-97	FS	IS	Un	OLF	SE	Comm	UnP	Total
FS	24,008	2,045	376	1,144	737	618	107	29,035
IS	2,882	8,406	425	2,144	1,341	711	283	16,192

Consider, for example, what happens two quarters latter with those 'earmarked' workers who were in the formal and informal sectors in the II quarter of 1993. Comparing the numbers of table 2b with those of table 1a, we deduce that results in table 2a overestimated the number of persons not moving out of the formal and informal sectors by 1530 and 1688 respectively¹⁹. This overestimation is due to the workers who moved out of the sector between the second and third quarter and with a further movement between the third and fourth quarter ended up in their initial sector when interviewed in the IV quarter.

Table 2b. Quarterly ENEU Panel, movers and stayers two quarters later.

¹⁹ This figure refers to numbers before applying the factors of expansion to the survey.

Comparing status initial and six months later excluding those which changed, but returned three months later.

II-93 / IV-93	FS	IS	Un	OLF	SE	Comm	UnP	Total
FS	18,608	1,274	199	646	334	305	31	21,397
IS	852	4,265	137	538	337	243	77	6,449
II-95 / IV-95	FS	IS	Un	OLF	SE	Comm	UnP	Total
FS	18,230	1,141	231	385	228	261	18	20,494
IS	725	4,788	174	474	388	261	79	6,889
II-97 / IV-97	FS	IS	Un	OLF	SE	Comm	UnP	Total
FS	21,929	978	194	511	275	310	35	24,232
IS	1,030	6,208	186	643	441	268	81	8,857

The analysis of these features of the labour market requires of a multiple cycle semi-markovian model- as it is suggested by Hopenhayn (1998) in his study of turnover rates in Argentina. In the next section we concentrate on single cycle survival models to estimate hazard rates and the mean time spent by workers in each job status and in section III we present a first approximation to the multiple cycle specification of the problem.

I.5 Transitions of workers in and out of the manufacturing and services sectors.

By identifying workers in their activity sector, it is possible to use our panel structure to consider how workers move within type of activity. The corresponding results are relegated to the appendix (table 12) where corresponding transitions for the year 1995 are presented, considering formal-informal sectors divisions as well.

II Duration Models.

II.1 Testing whether severance payments regulations influence the time to dismiss a worker: spikes in the hazard rates of being fired.

Although Mexican labour legislation -which dates back to the late 1930's- has as its explicit purpose to protect workers and ensure job security, studies are yet to be conducted to consider if, current application of it is not having opposite effects to those which were intended to be achieved -as it has happened in other countries. That is, a job match offers advantages for both employer and employees and a question arises if there are reasons to believe that labour market regulations could lead to destroy a match due to disincentives implied by them.

One aspect of the Mexican labour legislation, which might be inducing good job

matches to last shorter than what it would in its absence is the one associated to the “antiquity rights for promotion”. According to article 159 of the labour legislation, the employer must promote the worker with longest tenure of those which have been trained, not the one which got better marks. This regulation generates disincentives for employers to offer training and workers to demand it. In addition, it can have as a result that workers with low tenure with high potential productive capacity leave the firm due to lack of upward-mobil opportunities. In section III we consider this issue and in what follows we consider another aspect of labour legislation which might be inducing the above mentioned type of effects.

Labour legislations, such as the Mexican one, in which severance labour costs increase automatically with tenure could be a candidate for a case in which labour market regulations could lead to destroy a match due to disincentives implied by them. As it is mentioned in subsection 1.3 above, because firing cost in Mexico jump discretely at the year 15th (see graph 2), this raises the question of whether this feature induces a degree of flexibility above that needed for an efficient reallocation of workers.

To address this question we consider those cases identified as completed spells of employment in formal and informal sectors, for the years 1991, 1993, 1995 and 1997, which ended in unemployment due to an unilateral decision of the employer²⁰ (i.e. those who were employed in the second quarter of these years, but became unemployed while being followed in the panel and those who were identified as unemployed but answered how long was their job tenure in their last job). The parametric hazard functions estimated in the following section (Weibull, logisitic) do not allow for the calculation of spikes. Hence a step to follow for a proper estimation of this problem would be to estimate by maximum likelihood a continuous time flexible hazard model which allows for spikes.

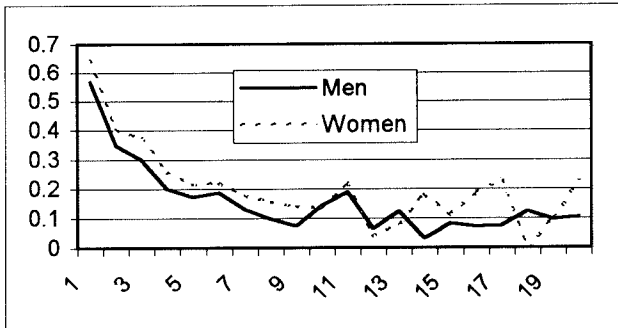
The conditional probability for ending a job entitled to severance payments due to job dismissal is presented in graph 3a-c. These were calculated with two different procedures. One of them is by means of the stratified Kaplan-Maier estimators (see Kiefer (1988), Lee (1992) & Greene (1995). The second one is by means of logit type regression model –as suggested in Allison (1990)²¹ - in which hazard rates are estimated as depending on co-variables age, sex, experience and dummy variables for each different year, thereby enabling us to capture the effects attributed to spikes. This is presented in graph 3c and the results in the appendix in table 11.

²⁰ Our definition of unemployed correspond to individuals without a job within the twelve months previous to the date in which the survey was conducted and refers to those who, having previously worked, were not working the week before they were interviewed, due to reasons other than holidays or sickness, -whether searching for a job or not. The answered the question, Why did you left your last job? The answer to this question enabled us to identify two groups, according to whether they voluntarily left their job or not.

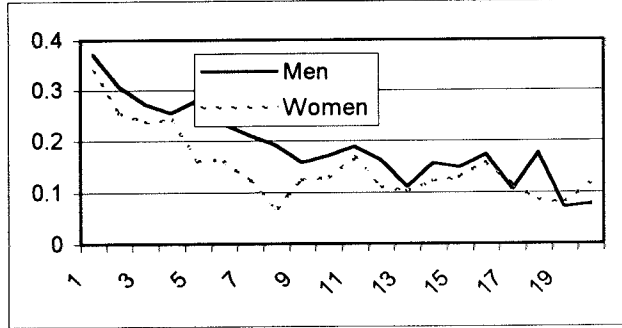
²¹ Allison, P. (1990). For a more elabourate method see Macurdy & Garber (1993). In this paper they develop a method for estimating hazard functions with spikes that arise because Medicare pays the full cost for the first 20 days of stays in nursing homes by the elderly. Then pays just some fraction for the next 80 days, and then pays nothing, so that the cost to the patient rises discretely at 20 and 100 days.

Spikes in the hazard of being fired

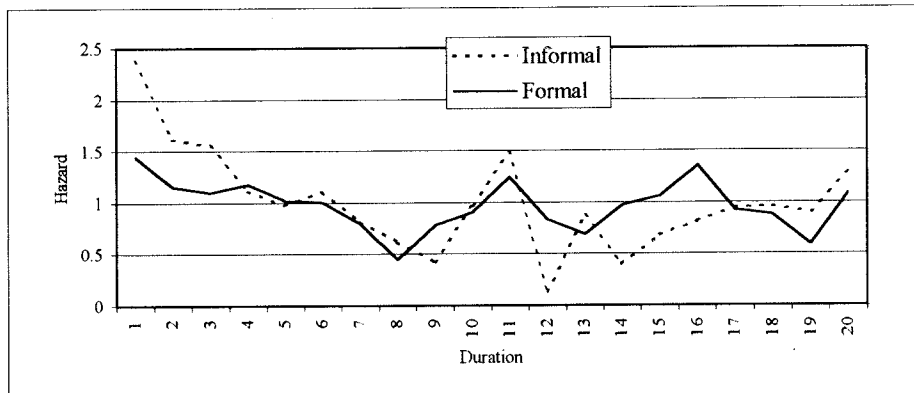
Graph 3a Kaplan-Meier for Formal Salaried Workers



Graph 3b Kaplan-Meier for Informal Salaried workers



Spikes in the hazard of being fired Graph 3c Allison (1996) suggested method



When we compare hazards of being fired in the formal sector for those workers with a tenure close to 15 years, no relevant spike suggests that firing rules of Mexican legislation are having counterproductive effects in the case of men. However, the results are not so conclusive for the case of women.

Among the reasons that suggest that employers having to pay a seniority premium of 12 days of salary per year of service rendered does not have such a distortioning effect is that the level of salaries (both the 20 days per year and the 12 days of seniority premium after fifteen years) is capped to be at most two minimum wages which are established by the government. Since minimum wages have declined in real terms substantially in Mexico since 1987, adjustment costs for firms in terms of severance payments has fallen *pari passu*. Notice that this cap reduces financial incentives that employers could otherwise have to avoid actions which increase wages to employees with high tenure, such as on-the job training.

II. 2 Parametric estimation of time dependent hazard functions.

Two different specifications, weibull and logistic models, were estimated on the one hand, for wage earners in the manufacturing sector and on the other hand for total urban employees (divided in formal and informal sectors) and for self-employed persons.²²

The Weibull function can be represented by:

$$h(t) = \alpha t^{\alpha-1} \exp(\beta' x) \quad (1)$$

where $h(t)$ is the rate at which spells will be ended at duration t , given that they last until t (i.e. a conditional probability- that is, the proportion of those who survived up to that duration who leave within the period) and x a set of co-variates. It is a function that can capture positive ($\alpha > 1$) or negative time dependence, but is always monotonic.

In turn the logistic function:

$$h(t) = \left(\frac{\lambda^\alpha \alpha t^{\alpha-1}}{1 + \lambda^\alpha t^\alpha} \right) \quad (2)$$

where $\lambda = \exp(\beta' x)$

has a more general specification that can capture a non monotonic behaviour.²³ Theoretical arguments suggest that hazard functions of employed wage earners are not expected to be monotonic. For example, Jovanovic's (1979) turnover model predicts that an initial positive duration dependence is eventually followed by negative duration dependence. In turn, most of the empirical studies (which use yearly data) have found that the hazard declines sharply with tenure, hence finding weibull specifications satisfactory (see Farber (1998)). However, when information is available for shorter periods (for the Mexican case we have tenure responses on a monthly basis), authors such as McCall (1990) & Farber (1994) have found that the hazard of job ending increases with tenure early in jobs before beginning a long-term decline.

²²Weibull hazard functions corrected for heterogeneity using gamma distribution, have also been calculated and some of the results are presented in Calderón-Madrid, A. (1998).

²³ But this specification is no longer a member of the proportional hazard functions family.

II.3 Hazard functions for the manufacturing sector.

Along with major commercial reforms and liberalisation measures in areas other than laws regulating labour hiring and firing, the functioning of the labour market in Mexico has gone through changes during the present decade. The relative strength of the enforcement of the labour law has been changing –notwithstanding that no explicit modification has occurred. These changes have been pointed out at least since the early 1990's, as exemplified by the following statement of the leader of the influential telephone company union workers:

“While we have been fighting for the labour federal job not to be modified, firms in practice have been modifying the collective contracts according to their interests to face the trade liberalisation. It is there where the change is taking place”²⁴

There is indeed a number of indicators pointing out that the degree of labour law enforcement differs at the same time across industries (e.g. some industry specific trade unions have been more prone to accept ‘modernisation’) and depending on firms’ size (e.g. smaller ones are difficult to monitor, in addition to the fact that a minimum of 20 workers is required to constitute a trade union).

Comparisons of different degree of labour flexibility can be established even between new and old factories of the same firm, -e.g. Ford factories in different states of the country.²⁵ In this section we rely on establishment based surveys as a way to capture changes which might have affected turnover of workers in the manufacturing sector. The co-variables specified in the hazard functions combine on the one hand data from household surveys, namely ENECE and ENEU together with data obtained from the so-called National Survey of Employment, Salaries, Technology and Training (Encuesta Nacional de Empleo, Salarios, Tecnología y Capacitación, ENESTYC).

This latter one is a national survey of firms in the manufacturing sector carried out in 1992 and again in 1995 (5071 and 5242 establishments respectively). Their results are representative at a national level for 52 branches of industrial activity and of four sizes according to number of workers (Large 251 or more, Median 101 to 250, Small 16 to 100 and Micro 1 to 15).

²⁴ Quotted by Zápata, F. (1995) “El Sindicalismo Mexicano Frente a la Reestructuración”. Editorial El Colegio de México. p.132, from a statement appearing in ‘La Jornada’ newspaper february 1992.

²⁵ In Mexico, for example, trade unions can and do stipulate additional severance payments to those required by law. Since 1992 a number of changes in these and other issues have been registered. (See. De la Garza (1990) STPSS (1993) , OECD (1996) and Bouzas, A . y de la Garza, E. (1998)).

Table 3

Survival models applied to manufacturing sector combining household and establishment surveys.

	1995						1991					
	Formal salaried				Informal salaried		Formal salaried				Informal salaried	
	Weibull		Logistic		Exponential		Weibull		Logistic		Exponential	
	Coef.	P> z	Coef.	P> z	Coef.	P> z	Coef.	P> z	Coef.	P> z	Coef.	P> z
Constant	-2.21	0.00	2.076	0.000	-2.29	0.00	-2.17	0.00	-1.86	0.00	-2.40	0.00
Age	-0.02	0.62	-0.001	0.797	0.17	0.25	-0.02	0.00	-0.01	0.21	-0.02	0.00
Woman	0.00	0.83	-0.023	0.584	0.00	0.80	0.05	0.06	-0.03	0.61	0.12	0.20
Breadwinner	-0.20	0.00	0.252	0.000	-0.01	0.96	-0.05	0.15	-0.44	0.00	-0.02	0.85
Sopuse (2nd aboard)	-0.09	0.12	0.168	0.018	-0.51	0.09	-0.05	0.38	0.24	0.01	0.09	0.69
Elementary S 1	0.00	0.98	-0.026	0.832	-0.14	0.66	NA	NA	NA	NA	NA	NA
Elementary S 2	-0.05	0.68	0.064	0.579	-0.04	0.90	-0.17	0.00	-0.28	0.00	0.06	0.60
Secondary School	-0.06	0.64	0.092	0.426	-0.13	0.67	-0.20	0.00	-0.36	0.00	-0.12	0.25
High School	-0.14	0.28	0.225	0.063	-0.27	0.43	-0.18	0.00	-0.36	0.00	-0.06	0.70
Tecnological F.	-0.18	0.15	0.324	0.008	-0.70	0.05	-0.15	0.00	-0.62	0.00	-0.24	0.10
College	-0.19	0.36	0.313	0.189	0.00	1.00	-0.17	0.00	-0.47	0.00	-0.20	0.17
Single	0.05	0.28	0.000	0.997	-0.15	0.36	0.15	0.00	0.30	0.00	0.28	0.02
Jobs life	0.11	0.00	-0.186	0.000	0.07	0.00	0.11	0.00	0.21	0.00	0.12	0.00
Course last year	-0.04	0.16	0.081	0.028	0.17	0.34	0.01	0.78	-0.14	0.04	-0.32	0.02
Contract	-0.16	0.00	0.211	0.000	-0.11	0.48	NA	NA	NA	NA	NA	NA
Work experience	-0.06	0.00	0.066	0.000	-0.06	0.00	-0.05	0.00	-0.07	0.00	-0.04	0.00
Enestyc: Contract regulates firing	NA	NA	NA	NA	NA	NA	-0.86	0.00	0.91	0.02	1.63	0.09
Enestyc: Contract regulates hiring of temporary personnel	-0.26	0.07	0.134	0.209	-0.27	0.71	NA	NA	NA	NA	NA	NA
Enestyc: Implemented personnel rotation	1.69	0.08	-2.666	0.017	16.89	0.01	1.01	0.02	1.50	0.04	2.74	0.08
Enestyc: Incremented number of duties per worker	0.63	0.06	-0.327	0.435	4.10	0.08	0.79	0.43	1.19	0.48	-6.46	0.07
Enestyc: Personnel adjustment due to excess capacity	0.27	0.16	-0.542	0.010	-1.14	0.21	0.60	0.01	-1.76	0.00	-5.32	0.00
Enestyc: Training provided by firm	0.49	0.00	-0.319	0.007	-1.19	0.10	0.21	0.33	-0.56	0.19	2.94	0.00
Enestyc: Antiquity rights	NA	NA	NA	NA	NA	NA	0.37	0.03	-1.09	0.00	-1.38	0.04
Enestyc: Percentage of firms that consider their products as mature	NA	NA	NA	NA	NA	NA	0.35	0.03	-0.07	0.77	-0.18	0.58
Alpha parameter	1.3326	0.000	1.764	0.000	1.0000	Fixed	1.2899	0.00	1.2448	0.00	1.1584	0.00

Source: Individuals from the manufacturing sector (ENECE 91 & 95).

Note: The negative sign of the coefficients must be interpreted as lowering the hazard.

In order to link the ENESTYC and household surveys, we firstly consider only the subset of workers and unemployed persons which belong to the manufacturing sector in the ENECE-ENEU survey. We then constructed "industry-size of firm" cells and classified each interviewed person within his/her corresponding categories (nine main manufacturing branches, four different sizes). Then, in addition to variables related to workers' characteristics (provided by household surveys), we also included co-variables obtained from the ENESTYC survey. This latter one provides the information corresponding to the "industry-size of firm" cells.

This procedure enables us to use the information contained in the ENESTYC survey as a co-variate in our duration analysis. (specially those related with labour contracts, labour organisation and production changes, training programs carried out for groups of workers) For example, one of the co-variables was constructed using the answer to the following question:

"Since you have answered yes, to the question of the firm having had at least one month with excess personal in relation to production since 1994, has this excess of workers led to an adjustment in the number of persons working in your firm?"²⁶

Other potential co-variables for the analysis were related to changes in labour organisation and effects of the introduction of machinery and equipment; also interesting to consider are explicit questions about whether labour contract, internal regulations or special arrangements regulate issues such as temporary hiring, subcontracting, workers dismissals and promotions.

The co-variables used in our duration models for 1992 and 1995, and the corresponding results for 1992 and 1995 are presented in table 3.

II.4 Hazard functions for formal and informal sectors and for self-employed persons.

With the matching of the ENECE and ENEU surveys we constructed four five-quarter panels with 'ear-marked' persons whose job-tenure is known. These, in turn, have been merged in two sets for estimation purposes: the year 1991 cum 1993 (therefore including from 1991-II to 1992-II together with 1993-II to 1994-II) and the year 1995 cum 1997 (i.e. 1995-II to 1996-II together with 1997-II to 1998-II).

²⁶ This question is helpful for the purposes of this research because in Mexican labour law, adverse economic shocks to a firm are not within the reasons considered as "justified" to lay off workers. It is also asked which measures were taken to avoid this readjustment. Among possible answers to this questions the survey included inducing voluntarily resignations, salary reductions, and transfers.

The covariates included in the estimation and the results are presented in Table 4 and corresponding figures.

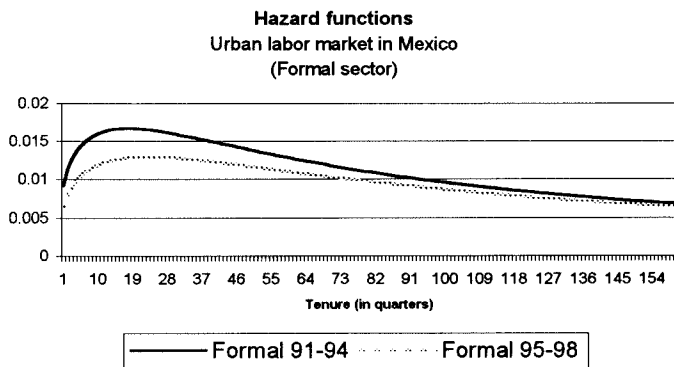
The results in table 4 point out that the log-logistic specification appears to be more consistent with the a priori expected signs.

Table 4a														
Hazard Functions														
Urban labour market in Mexico 1991-1994														
	Formal				Unemployed		Self Employed				Informal			
	Weibull		Logistic		Weibull		Weibull		Logistic		Weibull		Logistic	
	Coef	P-Val	Coef	P-Val	Coef	P-Val	Coef	P-Val	Coef	P-Val	Coef	P-Val	Coef	P-Val
Constant	-0.805	0.00	-1.036	0.00	-0.416	0.00	0.021	0.03	-0.086	0.00	0.352	0.00	-0.352	0.00
Man	-0.107	0.00	-0.069	0.00	-0.354	0.00	0.540	0.00	0.277	0.00	0.240	0.00	0.648	0.00
Age	0.205	0.00	0.214	0.00	0.119	0.00	0.172	0.00	0.137	0.00	0.134	0.00	0.179	0.00
Age ^2	-0.001	0.00	-0.002	0.00	-0.001	0.00	-0.001	0.00	-0.001	0.00	-0.001	0.00	-0.001	0.00
Breadwinner	0.415	0.00	0.489	0.00	-0.543	0.00	0.215	0.00	-0.067	0.00	-0.081	0.00	0.232	0.00
Spouse (2nd aboard)	0.193	0.00	0.213	0.00	0.268	0.00	-0.198	0.00	-0.445	0.00	-0.398	0.00	-0.264	0.00
Son	0.199	0.00	0.199	0.00	-0.032	0.00	-0.041	0.00	-0.324	0.00	-0.295	0.00	-0.095	0.00
Elementary School Inc.	0.195	0.00	0.087	0.00	0.005	0.61	-0.079	0.00	0.190	0.00	0.098	0.00	-0.098	0.00
Elementary School Comp.	0.416	0.00	0.322	0.00	0.152	0.00	0.016	0.00	0.098	0.00	0.011	0.00	-0.056	0.00
Secondary	0.517	0.00	0.418	0.00	0.181	0.00	-0.055	0.00	-0.030	0.00	-0.107	0.00	-0.087	0.00
High School	0.424	0.00	0.290	0.00	0.458	0.00	-0.134	0.00	-0.216	0.00	-0.302	0.00	-0.179	0.00
College & Higher	0.267	0.00	0.142	0.00	0.128	0.00	-0.085	0.00	-0.139	0.00	-0.233	0.00	-0.080	0.00
Married	0.040	0.00	0.064	0.00	0.108	0.00	0.048	0.00	-0.001	0.53	0.000	0.66	-0.005	0.04
Jobs in life	-0.054	0.00	-0.146	0.00	-0.031	0.00	-0.068	0.00	-0.152	0.00	-0.075	0.00	-0.111	0.00
Trainning course last 2 years	0.228	0.00	0.257	0.00	0.013	0.00	-0.140	0.00	0.246	0.00	0.250	0.00	-0.196	0.00
Work experience	0.006	0.00	0.008	0.00	-0.005	0.00	0.002	0.00	0.023	0.00	0.015	0.00	0.005	0.00
Services	0.190	0.00	0.231	0.00	-0.364	0.00	-0.029	0.00	0.365	0.00	0.316	0.00	-0.047	0.00
Micro	-0.440	0.00	-0.490	0.00	-0.646	0.00	-0.342	0.00	0.180	0.00	0.182	0.00	-0.342	0.00
Alpha	1.081	0.00	1.298	0.00	1.110	0.00	1.067	0.00	1.302	0.00	0.963	0.00	1.307	0.00
Lambda	0.07	0.00	0.022	0.00	0.104	0.00	0.064	0.00	0.07	0.00	-0.03	0.00	0.020	0.00

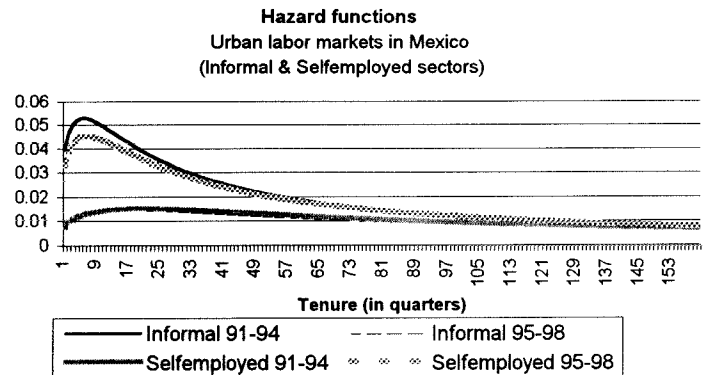
Table 4b														
Hazard Functions														
Urban labour market in Mexico 1995-1998														
	Formal				Unemployed		Self Employed				Informal			
	Weibull		Logistic		Weibull		Weibull		Logistic		Weibull		Logistic	
	Coef	P-Val	Coef	P-Val	Coef	P-Val	Coef	P-Val	Coef	P-Val	Coef	P-Val	Coef	P-Val
Constant	-0.646	0.00	-0.961	0.00	0.643	0.00	0.315	0.01	0.112	0.00	1.158	0.00	0.953	0.00
Man	0.007	0.00	0.034	0.00	-0.225	0.00	0.422	0.00	0.510	0.00	0.178	0.00	0.158	0.00
Age	0.185	0.00	0.192	0.00	0.054	0.00	0.160	0.00	0.159	0.00	0.114	0.00	0.105	0.00
Age ^2	-0.001	0.00	-0.001	0.00	-0.000	0.00	-0.001	0.00	-0.001	0.00	-0.001	0.00	-0.000	0.00
Breadwinner	0.198	0.00	0.242	0.00	-0.085	0.00	0.368	0.00	0.403	0.00	-0.437	0.00	-0.292	0.00
Spouse (2nd aboard)	0.065	0.00	0.075	0.00	0.689	0.00	-0.304	0.00	-0.393	0.00	-0.807	0.00	-0.786	0.00
Son	-0.063	0.00	-0.100	0.00	0.038	0.00	-0.118	0.00	-0.128	0.00	-0.653	0.00	-0.644	0.00
Elementary School Inc.	0.155	0.00	0.019	0.00	0.118	0.00	0.002	0.34	-0.055	0.00	0.081	0.00	0.058	0.00
Elementary School Comp.	0.231	0.00	0.112	0.00	0.247	0.00	-0.146	0.00	-0.204	0.00	-0.072	0.00	-0.055	0.00
Secondary	0.407	0.00	0.339	0.00	0.376	0.00	-0.074	0.00	-0.122	0.00	-0.241	0.00	-0.245	0.00
High School	0.174	0.00	0.103	0.00	0.303	0.00	0.002	0.51	-0.015	0.00	-0.365	0.00	-0.327	0.00
Technological F.	0.186	0.00	0.105	0.00	0.328	0.00	-0.094	0.00	-0.127	0.00	-0.323	0.00	-0.349	0.00
College & Higher	-0.081	0.00	-0.155	0.00	0.445	0.00	-0.022	0.00	-0.022	0.00	-0.548	0.00	-0.512	0.00
Married	0.019	0.01	-0.001	0.37	-0.176	0.00	-0.026	0.00	-0.001	0.54	0.009	0.00	-0.041	0.00
Jobs in life	-0.057	0.00	0.117	0.00	-0.016	0.00	-0.052	0.00	-0.101	0.00	-0.076	0.00	-0.143	0.00
Trainning course last 2 years	0.258	0.00	0.273	0.00	-0.057	0.00	-0.138	0.00	-0.204	0.00	0.106	0.00	0.130	0.00
Contract	0.799	0.00	0.937	0.00	-0.671	0.00	-----	-----	-----	-----	0.772	0.00	0.834	0.00
Work experience	0.003	0.00	0.003	0.00	-0.004	0.00	0.000	0.05	0.001	0.00	0.010	0.00	0.013	0.00
Services	0.025	0.00	0.028	0.00	-0.325	0.00	-0.003	0.02	0.016	0.00	0.115	0.00	0.169	0.00
Micro	-0.247	0.00	-0.297	0.00	-0.867	0.00	-0.249	0.00	-0.303	0.00	0.294	0.00	0.299	0.00
Alpha	1.103	0.00	1.300	0.00	1.275	0.00	1.014	0.00	1.233	0.00	0.956	0.00	1.294	0.00
Lambda	0.06	0.00	0.017	0.00	0.10	0.00	0.03	0.00	0.019	0.00	0.07	0.00	0.06	0.00

As shown in Graphs 4a & 4b, hazard rates first increase and after two years start declining monotonically.

Graph 4a



Graph 4b



A consistent result through the period 1991- 1998 is that hazard rates out of the formal sector are reduced with education²⁷, with secondary education having the most significant effect in reducing the odds of leaving a job in the formal sector. The opposite effect is registered in the cases of employees in the informal sector and in the self-employment: persons with an education are more likely to leave these job status.

The co-variate which has the most important weight in explaining the reduction in hazard of leaving the formal sector is having a signed contract for more than six months. (It is not possible to consider if the hazard of leaving the formal sector increases to a person that has no definite contract for the period 1991-94, since the question was not asked before 1994). In turn, working in a firm of less than 15 workers increases the likelihood of not staying in the formal sector. Although this latter effect is more important in the period 1995-1998. In both periods of time, hazard rates are higher for single persons and increase according to the number of jobs in life a person has had.

Comparing changes across periods, the results point out that breadwinners were less likely to leave the formal sector during the period 1991-1994 than during 1995-1997. The same result is obtained regarding the case of spouses (i.e. second aboard) however the effect is more pronounced with this latter group. Having received a training course within a period smaller than fifteen months reduces the hazard of leaving the formal sector in both periods. Different effects are registered when we consider the signs of this variable for the case of informal workers: Whereas taking a training course would have helped a worker leave the informal sector during the period 1991-1994, it did not helped at all during the period 1995-1998.

²⁷ Except for college in the period 1995-1998, which actually increases the hazard of leaving the formal sector.

The results can also be interpreted in terms of survival probabilities for different groups, as in table 5 below.

Table 5
Survival models
Urban labour market (1995-1998)

	Weibull Models				Logistic Models			
	Survival S(t)		Hazard Rate h(t)		Survival S(t)		Hazard rate h(t)	
	1 year	5 years	10 years	1 year	1 year	5 years	10 years	1 year
Woman, Age=30, Spouse (2nd aboard), High School, 2 jobs in life and 5 years of work experience, written contract, course training								
Formal salaried	0.974	0.849	0.700	0.013	0.995	0.964	0.916	0.001
Informal salaried	0.817	0.446	0.230	0.028	0.951	0.711	0.501	0.015
Unemployed	0.610	0.036	0.000	0.210				
OLF	0.886	0.484	0.210	0.048				
Self employed	0.854	0.480	0.242	0.032	0.900	0.554	0.345	0.030
Comission	0.762	0.306	0.107	0.049				
Unpaid	0.705	0.170	0.028	0.089				
Man, Age=45, Breadwinner, High School, 5 jobs in life and 25 years of work experience, written contract, course training.								
Formal salaried	0.990	0.942	0.878	0.005	0.999	0.998	0.995	0.000
Informal salaried	0.921	0.719	0.549	0.000	0.996	0.972	0.935	0.001
Unemployed	0.305	0.000	0	0.440				
OLF	0.651	0.076	0.004	0.151				
Self employed	0.972	0.877	0.776	0.005	0.993	0.954	0.898	0.002
Comission	0.924	0.711	0.527	0.012				
Unpaid	0.736	0.2128	0.044	0.078				

II.5 Hazard functions with multiple destinations:

How to test if severance payments regulations influence the sector or job status to which a person who moves out of the formal sector will go?: The importance of considering differences in time dependence of transitions intensities in hazard functions.

According to a survey to self-employed persons (ENAMIN) a large percentage of them went to this sector because they were fired, having been previously salaried workers. In addition, to start their business, they relied more on their severance payment and own savings than on any other source of financing. (See Samaniego

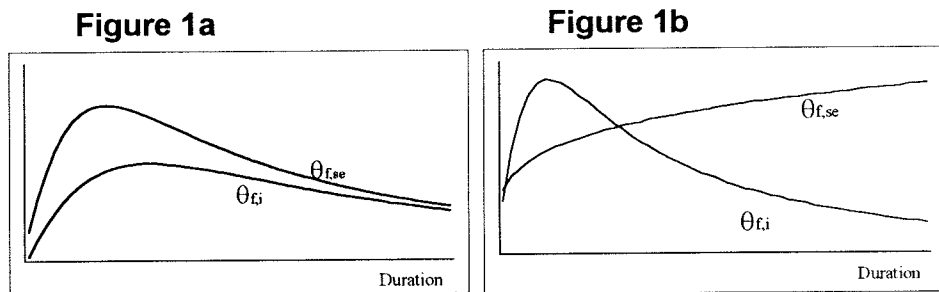
1998). This information suggests that a flexible hazard model is required to estimate a number of hypothesis related to the effects that severance payments regulation could for the dynamics of the labour market in Mexico.

For example, this kind of data has given place to the following conjecture, which has been stated- among others - by Hernandez Licona (1997), according to whom, it is paradoxical that, in view of liquidity constraints, dismissals makes initiating a job easier. Hence, in recessions, individuals start their own business in view of the impossibility of finding a job and the lack of liquidity.

In survival models with more than one destination (also called 'competing risks models') it is common to assume that different hazard functions (called transition intensities functions when there is more than one destination) have a constant time dependence relationship. For example, the functions which represent exits from the formal sector into the self employment and from formal sector into informal sector, $\theta_{f,se}$ and $\theta_{f,i}$ respectively, in figure 1a. However, to test the above mentioned hypothesis, transition intensities functions such as those of figure 1b must not be discarded by construction. Because of this, in future research, and by means of the CTM computing package, a Heckman-Flinn (1982) flexible Box-Cox hazard with scalar heterogeneity will be estimated, namely :

$$h(t|x, \theta) = \exp \left(\beta' x(t) + \left(\frac{t^{\lambda_1 - 1} - 1}{\lambda_1} \right) \cdot \gamma_1 + \left(\frac{t^{\lambda_2 - 1} - 1}{\lambda_2} \right) \cdot \gamma_2 + c\theta \right), \lambda_1 < \lambda_2 \quad (3)$$

where $\beta, \gamma_1, \gamma_2, \lambda_1, \lambda_2$ and c are permitted to depend on the origin state and the destination state.



Our data set, once processed in the CTM software package should enable us to consider possibilities such as the one represented in figure 1a. In principle we should have been able to estimate properly our transition intensities, using the flexible Box-Cox hazards (3), since our competing model is already specified and the data requirements present no problem.

At this stage of the research, and as a first approximation to the problem, we

concentrate on the particular case in which proportional intensities is assumed. That is, following Lancaster (1990), we have that under the assumption that at all times the intensities of transition to any pair of destination states are in the same ratio, the following equation applies:

$$\pi_{ij} = \frac{h_{ij}(t)}{h_i(t)} = m_{ik} = \frac{\alpha_i t^{\alpha_i-1} \exp(\beta_j'x)}{\sum_l \alpha_i t^{\alpha_i-1} \exp(\beta_l'x)} = \frac{\alpha_i t^{\alpha_i-1} \exp(\beta_j'x)}{\alpha_i t^{\alpha_i-1} \sum_l \exp(\beta_l'x)} = \frac{\exp(\beta_j'x)}{\sum_l \exp(\beta_l'x)}$$

where $\sum_j h_{ij}(t) = h_i(t)$.

Which implies that, given that departure occurs at t , the probability that it is to state k does not depend upon t . Relying on this assumption has the empirical advantage that the m_{ik} component can be estimated with the multinomial logit method, which is not dependent on time.

The results for the multinomial logit estimations for 1995-1998 are presented in table 6 and those for 1991-1994 relegated to the appendix in table 10. With these results it is possible to estimate transition intensities for each of the job status as a destination, since the denominator of the above equation, which gives the hazard of moving out of each job status is given by the weibull hazard functions estimated in the previous subsections.

III. Long run state occupancy probabilities.

The analysis of urban labour market requires not only to consider for multiple destinations when leaving on job status, it must also consider that persons move through a sequence of states (e.g. start being an unpaid worker, move to self-employment, then to the informal sector before entering to formal sector. Moreover, once in the formal sector some move back to the informal sector only to go back to the formal sector again and finally move to the self-employment, with some periods of unemployment and out of the labour force). That is, it is possible to specify the analysis of labour market dynamics in terms of a continuous time semi-Markov process.

In this section we followed closely Lancaster (1990) chapter 5 section 6 in order to specify the long run results of such a process. We concentrate on estimating the probability that the process is in a given state, when observed at an arbitrary point of time remote from the origin, i.e. on estimating the equilibrium state occupancy probabilities.

Having defined the transition intensities when dealing with competing-risks models in the previous subsection, we can state that, once state i is entered, the duration of stay in it is determined by the hazard function $h(t)$ and the destination j is chosen with probability equal to:

$$\pi_{ij} = \frac{h_{ij}(t)}{h_i(t)}$$

where $\sum_j h_{ij}(t) = h_i(t)$.

which represent the transition probabilities of the process.

A procedure to estimate the equilibrium state occupancy probabilities is to obtain a fixed point of the transition probabilities matrix. That is let π_{ij} be the transition probability, as defined above for $i \neq j$ and zero otherwise, then $\bar{\pi} = \bar{\pi} \cdot \Pi$ define the equilibrium state occupancy probabilities satisfying $\sum_i \bar{\pi}_i = 1$.

For the case of 3 states the equilibrium state occupancy probabilities are obtained by solving:

$$\begin{bmatrix} \bar{\pi}_1 & \bar{\pi}_2 & \bar{\pi}_3 \end{bmatrix} = \begin{bmatrix} \bar{\pi}_1 & \bar{\pi}_2 & \bar{\pi}_3 \end{bmatrix} \cdot \begin{bmatrix} 0 & \pi_{12} & \pi_{13} \\ \pi_{21} & 0 & \pi_{23} \\ \pi_{31} & \pi_{32} & 0 \end{bmatrix}$$

This enable us to obtain the long run state occupancy probabilities, P_i , (probability of the process being in the state i at an arbitrary time remote from the origin) by:

$$P_i = \frac{\bar{\pi}_i \mu_i}{\sum_j \bar{\pi}_j \mu_j},$$

where $\mu_i = \int_0^\infty S_i(u) du$ is the average length of time spent in each state once it is entered.

Table 6

MultiLogit output of transition probabilities (1995-1998)

The coefficients with a p-value greater than 0.11 were set equal to zero. The grey line indicates the comparison group

Initial State	Final State	Constant	Sex	Age	Age^2	Elementary 1	Elementary 2	Secondary School	High School	Technological Formation	College or higher	Contract	Married	Experience Jobs in life	Course last two years Work	Breadwinner	Spouse (2nd)	Son	Service	Micro
FS	FS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
FS	IS	0.72	0.15	-0.04	0.00	-0.19	-0.27	-0.35	-0.56	-0.37	-0.13	-0.37	-0.32	0.00	0.00	0.17	-1.58	0.10	-0.38	-0.13
FS	Un	0.00	0.40	-0.04	0.00	0.00	-0.32	-0.30	-0.38	-0.71	0.13	-0.37	-0.32	0.00	0.00	0.17	-1.58	0.10	-0.38	-0.13
FS	OLF	2.45	-0.98	-0.20	0.00	0.60	0.74	0.44	0.78	-0.28	1.08	-0.19	-0.45	-0.05	-0.02	-0.21	1.03	0.00	-0.36	-0.17
FS	SE	-4.32	0.83	0.07	0.00	-0.10	-0.26	-0.44	-0.43	0.36	-0.08	0.00	0.04	-0.01	0.01	-0.24	1.23	0.24	-0.26	0.74
FS	Cm	-4.34	0.88	0.09	0.00	0.33	0.74	0.39	0.58	-0.05	0.32	0.06	0.19	-0.02	0.01	0.21	0.87	-0.35	-0.79	0.11
FS	UP	-1.73	0.72	-0.11	0.00	0.60	-0.16	0.16	0.74	0.62	0.00	-0.63	-1.07	-0.07	0.05	-0.70	1.94	0.21	-0.26	0.59
IS	FS	-1.52	-0.18	0.08	0.00	0.28	1.00	0.98	0.95	1.16	1.60	0.21	-0.35	0.01	0.02	0.17	-0.05	-0.34	-0.27	-0.31
IS	IS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
IS	Un	-1.32	0.28	-0.01	0.00	0.63	0.50	0.50	0.18	0.53	0.25	-0.76	-0.73	0.03	0.01	-0.02	0.26	-0.03	0.08	-0.04
IS	OLF	2.47	-0.83	-0.15	0.00	-0.10	-0.29	-0.13	0.14	-0.40	0.95	-0.60	-0.16	-0.02	0.00	0.13	-1.03	0.85	-0.20	-0.03
IS	SE	-4.42	0.52	0.19	0.00	-0.42	-0.46	-0.65	-0.52	0.35	-0.12	-0.85	-0.19	-0.03	0.01	-0.22	0.30	0.03	-0.63	0.12
IS	Cm	-4.68	1.18	0.14	0.00	0.24	0.35	0.30	0.15	-0.01	0.30	-1.03	-0.24	-0.03	0.02	-0.20	0.58	0.38	0.17	-0.33
IS	UP	-0.26	-0.05	-0.09	0.00	-0.96	-0.51	0.08	0.28	-0.59	1.19	-0.35	-0.09	-0.23	0.03	-0.83	-2.76	-0.04	0.01	-1.40
Un	FS	-5.44	0.63	0.39	-0.01	-1.37	-0.94	-1.15	-1.39	-1.55	-1.91	1.19	-0.46	0.10	0.02	0.52	0.11	-1.56	-0.14	0.09
Un	IS	-2.57	0.86	0.22	0.00	-0.55	-0.93	-1.46	-2.04	-1.84	-2.50	0.56	-0.24	0.09	0.02	0.21	0.29	-1.79	0.06	0.03
Un	Un	-5.28	0.88	0.26	0.00	-0.39	-0.24	-0.33	-0.47	-0.28	-1.23	0.60	-0.72	0.07	0.02	0.24	1.38	0.24	0.73	-0.04
Un	OLF	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Un	SE	-10.79	1.37	0.47	-0.01	-0.23	-0.12	-0.30	-0.26	-0.05	-1.07	0.43	0.38	0.08	0.01	0.18	0.56	-1.37	0.24	0.07
Un	Cm	-8.54	1.22	0.31	0.00	0.00	1.02	0.14	-0.30	0.00	-1.54	1.02	0.58	0.09	0.02	0.18	0.41	-1.11	0.75	-0.72
Un	UP	-24.35	1.72	0.24	0.00	14.93	14.73	15.06	14.04	15.52	14.87	0.68	-1.65	-0.09	0.02	-0.94	3.72	3.99	2.73	0.47
OLF	FS	-4.33	0.00	0.11	0.00	1.20	1.46	2.03	1.82	2.56	1.55	1.14	-0.20	-0.02	0.02	0.13	-0.74	-1.10	-0.66	0.23
OLF	IS	-0.44	0.31	0.02	0.00	-0.09	-0.30	-0.35	-0.46	-0.61	-0.73	-0.05	-0.37	0.03	0.01	-0.21	-0.30	-0.60	-0.18	0.42
OLF	Un	-2.65	-0.05	0.09	0.00	-0.07	0.62	0.87	0.95	0.90	0.49	0.48	-0.53	0.08	0.01	0.26	0.04	-1.03	-0.38	-0.43
OLF	OLF	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
OLF	SE	-5.19	0.49	0.20	0.00	0.20	-0.09	0.24	-0.09	-0.12	-0.27	-0.45	0.13	-0.02	-0.01	-0.14	0.25	-0.20	-0.20	0.20
OLF	Cm	-6.13	0.98	0.13	0.00	1.74	1.22	1.40	1.30	0.49	1.00	-0.43	-0.05	0.02	-0.01	-0.21	-0.11	0.46	-0.29	0.19
OLF	UP	-1.34	0.11	-0.04	0.00	0.39	0.69	0.54	0.68	0.52	0.45	-0.34	-0.28	-0.14	0.00	-0.36	-1.11	0.47	0.12	-1.03
SE	FS	-1.48	0.72	-0.01	0.00	0.00	0.58	0.81	1.03	1.56	0.43	NA	0.09	-0.02	0.01	-0.16	0.33	-0.37	0.00	0.29
SE	IS	1.47	-0.05	-0.03	0.00	-0.32	-0.56	-0.73	-0.93	-1.29	-1.73	NA	-0.36	0.00	0.01	-0.13	0.96	-0.05	0.53	0.48
SE	Un	-4.50	0.21	0.14	0.00	0.32	0.49	0.07	0.95	0.47	-0.30	NA	0.08	0.08	0.02	-0.06	-0.08	-1.61	0.15	0.31
SE	OLF	3.57	-1.45	-0.18	0.00	-0.12	-0.03	-0.07	0.02	-0.84	0.06	NA	-0.23	-0.01	0.01	0.23	-0.62	0.25	-0.31	-0.02
SE	SE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	NA	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
SE	Cm	-1.10	0.43	0.01	0.00	-0.54	-0.19	-0.12	-0.09	-0.68	-0.21	NA	-0.03	0.00	0.00	0.33	0.46	0.05	0.21	0.30
SE	UP	4.12	-0.78	-0.21	0.00	0.03	0.06	0.18	-0.26	0.45	0.11	NA	-0.11	-0.12	0.01	-0.82	-1.31	0.52	0.20	-1.39
Cm	FS	-0.34	0.15	0.00	0.82	1.27	1.09	0.94	1.18	1.94	1.33	0.44	0.01	-0.01	0.92	-0.87	-1.64	-0.78	-0.86	-0.95
Cm	OLF	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Cm	Un	-0.18	-0.12	0.00	0.31	-0.11	0.15	-0.95	1.00	1.25	-0.90	-0.24	0.05	0.00	1.43	-0.28	0.26	0.11	-0.75	-0.28
Cm	OLF	-1.94	-0.11	0.00	0.48	1.03	1.16	1.62	0.96	2.64	0.00	-0.19	0.00	-0.03	0.78	-1.60	1.01	-0.30	-0.98	-0.33
Cm	SE	0.12	0.09	0.00	0.23	0.83	0.85	1.20	1.13	1.32	-0.07	0.31	-0.02	-0.01	0.39	-0.16	0.73	-0.44	-0.41	0.13
Cm	Cm	-0.35	0.11	0.00	-0.25	0.36	0.00	0.00	-0.15	0.85	0.76	0.24	-0.01	-0.01	0.42	-0.45	-0.09	-0.23	-0.53	-0.43
Cm	UP	-1.02	-0.07	0.00	20.43	23.68	24.06	23.86	23.68	24.69	-0.08	-0.53	-0.05	-0.02	0.79	-2.63	1.40	0.58	-0.34	0.35
UP	FS	-1.45	1.28	0.10	0.00	-2.14	-1.02	-1.27	-1.51	0.31	-1.62	NA	0.53	-0.05	0.05	0.54	0.00	-1.51	-0.30	-0.08
UP	IS	-4.08	1.63	0.25	0.00	1.29	0.98	0.55	0.45	1.17	-0.32	NA	-0.37	0.11	-0.02	0.94	-2.46	-2.06	-0.65	-0.26
UP	Un	-20.84	1.33	0.19	0.00	17.78	16.77	16.96	16.59	18.44	14.42	NA	-1.40	-0.05	0.09	0.40	-0.07	-1.58	-1.67	-1.00
UP	OLF	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	NA	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
UP	SE	-7.66	1.80	0.32	0.00	-0.37	0.00	0.13	-0.87	0.00	-1.88	NA	0.24	-0.05	0.02	0.59	-0.70	-0.94	-0.17	-0.80
UP	Cm	-22.88	2.31	0.08	0.00	16.42	17.67	16.95	16.05	17.15	15.87	NA	1.84	0.14	-0.03	0.41	1.15	1.53	2.33	1.24
UP	UP	-2.80	0.65	0.14	0.00	-0.88	-0.40	-0.57	-0.81	-0.52	-1.23	NA	-0.62	0.02	-0.01	0.06	-0.38	-0.35	-0.57	0.16

Hence, by means of the weibull models calculated in the previous section we obtain the values of the average length of time spent in each job status once it is entered. In turn, by means of the multinomial logit estimations we can calculate the transition probabilities required to obtain the values of the equilibrium state occupancy probabilities, when it is assumed that, given that departure occurs at t , the probability that it is to state k does not depend upon t , viz:

$$\pi_{ij} = \frac{h_{ij}(t)}{h_i(t)} = m_{ik} = \frac{\alpha_i t^{\alpha_i-1} \exp(\beta_j'x)}{\sum_l \alpha_l t^{\alpha_l-1} \exp(\beta_l'x)} = \frac{\alpha_i t^{\alpha_i-1} \exp(\beta_j'x)}{\alpha_i t^{\alpha_i-1} \sum_l \exp(\beta_l'x)} = \frac{\exp(\beta_j'x)}{\sum_l \exp(\beta_l'x)} \quad (4)$$

In table 7 we present our calculation for the long run state occupancy probabilities for different groups for the case of 1995-1998 and in table 11, relegated to the appendix we present corresponding results for 1991-1994.

Table 7
(1995-1998)

(1995-1998)

	*Transition probabilities π_j							**Equilibrium state occupancy probability $\bar{\pi}_j$	***Mean duration μ	****Long run state occupancy probabilities p_i
--	--------------------------------------	--	--	--	--	--	--	---	------------------------------	--

Woman, Age=30, Spouse (2nd aboard), High School, 2 jobs in life and 5 years of work experience, written contract, course training

	FS	IS	Un	OLF	SE	Com	UP			
FS	0	0.22	0.02	0.64	0.02	0.06	0.01	0.24	23.80	0.58
IS	0.53	0	0.01	0.39	0.02	0.01	0.01	0.11	6.88	0.08
Un	0.27	0.06	0	0.57	0.05	0.03	0.00	0.14	1.71	0.02
OLF	0.36	0.10	0.29	0	0.10	0.04	0.08	0.34	6.42	0.22
SE	0.03	0.00	0.66	0.00	0	0.28	0	0.05	7.07	0.04
Com	0.16	0.02	0.00	0.67	0.10	0	0.02	0.05	4.33	0.02
UP	0.04	0.31	0.00	0.51	0.05	0.06	0	0.04	2.83	0.01

Man, Age=45, Breadwinner, High School, 5 jobs in life and 25 years of work experience, written contract, course training

	FS	IS	Un	OLF	SE	Com	UP			
FS	0	0.28	0.13	0.04	0.17	0.37	0.00	0.32	58.34	0.57
IS	0.81	0	0.02	0.03	0.07	0.07	0.00	0.12	19.50	0.07
Un	0.25	0.15	0	0.07	0.43	0.09	0.00	0.06	0.82	0.00
OLF	0.27	0.08	0.42	0	0.19	0.02	0.00	0.03	2.06	0.00
SE	0.25	0.20	0.14	0.07	0	0.31	0.00	0.16	43.26	0.20
Com	0.68	0.07	0.01	0.02	0.21	0	0.00	0.29	16.98	0.15
UP	0.18	0.29	0.05	0.15	0.26	0.05	0	0.00	3.23	0.00

* Probability of entering state j given that the state i was left.

** Long run probability that the state j is entered at any transition.

*** Average length of time spent in each state, once it is entered (calculated with Weibull model).

**** Probability of the process being in each of the seven states at an arbitrary timeremote from the origin (do not depend upon which state was occupied at time 0).

Preliminary results.

The long-run equilibrium state occupancy probability in the formal sector estimated for a man 45 years old with the characteristics stated in table 7, was 0.57 for the sample period 1995-1998. This result can be compared with the corresponding figure for the estimated models with the sample period 1991-1994, (which was 0.62 as shown in the appendix, Table 11). With comparisons like this, we can identify those groups in urban labour force which became less likely to stay long in the formal sector due to changes occurring after 1994 in the Mexican economy.

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Table 1a

ENEU 1991, quarterly linked panel structure

Formal = Social Security

ENEU 1991, quarterly linked panel structure																
Formal = Social Security																
II-91	%															
FS	28,847	22.95														
IS	13,671	10.88														
Un	1,463	1.16														
OLF	61,076	48.60														
SE	14,132	11.24														
Comm	4,009	3.19														
UnP	2,482	1.97														
Total	125,680															
II-91 to III-91	FS	IS	Un	OLF	SE Comm	UnP	Total	FS	IS	Un	OLF	SE Comm	UnP	Total		
FS	16,167	1,853	258	1,101	671	444	59 20,553	78.7%	9.0%	1.3%	5.4%	3.3%	2.2%	0.3%	100.0%	22.7%
IS	1,976	4,774	195	1,254	835	420	192 9,646	20.5%	49.5%	2.0%	13.0%	8.7%	4.4%	2.0%	100.0%	10.7%
Un	200	181	154	340	99	46	15 1,035	19.3%	17.5%	14.9%	32.9%	9.6%	4.4%	1.4%	100.0%	1.1%
OLF	1,153	1,669	540	38,375	1,215	309	885 44,146	2.6%	3.8%	1.2%	86.9%	2.8%	0.7%	2.0%	100.0%	48.9%
SE	638	833	115	1,127	6,991	384	164 10,252	6.2%	8.1%	1.1%	11.0%	68.2%	3.7%	1.6%	100.0%	11.3%
Comm	479	427	52	277	387	1,217	31 2,870	16.7%	14.9%	1.8%	9.7%	13.5%	42.4%	1.1%	100.0%	3.2%
UnP	72	196	14	673	150	23	721 1,849	3.9%	10.6%	0.8%	36.4%	8.1%	1.2%	39.0%	100.0%	2.0%
Total	20,685	9,933	1,328	43,147	10,348	2,843	2,067 90,351	22.9%	11.0%	1.5%	47.8%	11.5%	3.1%	2.3%	100.0%	
III-91 to IV-91	FS	IS	Un	OLF	SE Comm	UnP	Total	FS	IS	Un	OLF	SE Comm	UnP	Total		
FS	9,533	720	98	381	223	180	19 11,154	85.5%	6.5%	0.9%	3.4%	2.0%	1.6%	0.2%	100.0%	
IS	483	2,054	45	294	204	119	49 3,248	14.9%	63.2%	1.4%	9.1%	6.3%	3.7%	1.5%	100.0%	
Total	10,016	2,774	143	675	427	299	68 14,402	69.5%	19.3%	1.0%	4.7%	3.0%	2.1%	0.5%	100.0%	
Comparing status initial and six months later only																
II-91 to IV-91	FS	IS	Un	OLF	SE Comm	UnP	Total	FS	IS	Un	OLF	SE Comm	UnP	Total		
FS	10,769	1,360	179	864	549	333	41 14,095	76.4%	9.6%	1.3%	6.1%	3.9%	2.4%	0.3%	100.0%	22.7%
IS	1,405	3,007	115	965	610	334	121 6,557	21.4%	45.9%	1.8%	14.7%	9.3%	5.1%	1.8%	100.0%	10.5%
Un	164	132	83	211	53	27	11 681	24.1%	19.4%	12.2%	31.0%	7.8%	4.0%	1.6%	100.0%	1.1%
OLF	973	1,198	397	26,061	978	258	628 30,493	3.2%	3.9%	1.3%	85.5%	3.2%	0.8%	2.1%	100.0%	49.0%
SE	526	631	62	827	4,654	280	127 7,107	7.4%	8.9%	0.9%	11.6%	65.5%	3.9%	1.8%	100.0%	11.4%
Comm	376	305	27	167	272	780	24 1,951	19.3%	15.6%	1.4%	8.6%	13.9%	40.0%	1.2%	100.0%	3.1%
UnP	57	130	6	499	111	26	503 1,332	4.3%	9.8%	0.5%	37.5%	8.3%	2.0%	37.8%	100.0%	2.1%
Total	14,270	6,763	869	29,594	7,227	2,038	1,455 62,216	22.9%	10.9%	1.4%	47.6%	11.6%	3.3%	2.3%	100.0%	

Table 1b
ENEU 1993, quarterly linked panel structure
Formal = Social Security

ENEU 1993, quarterly linked panel structure																
Formal = Social Security																
II-93	%															
FS	53,140	22.46														
IS	27,020	11.42														
Un	4,295	1.81														
OLF	107,881	45.59														
SE	28,389	12.00														
Comm	8,612	3.64														
UnP	6,409	2.71														
Total	235,746															
II-93 to III-93	FS	IS	Un	OLF	SE	Comm	UnP	Total	FS	IS	Un	OLF	SE	Comm	UnP	Total
FS	30,141	3,286	558	1,637	896	866	150	37,534	80.3%	8.8%	1.5%	4.4%	2.4%	2.3%	0.4%	100.0%
IS	3,611	9,394	550	2,299	1,502	881	392	18,629	19.4%	50.4%	3.0%	12.3%	8.1%	4.7%	2.1%	100.0%
Un	443	531	600	1,026	237	142	66	3,045	14.5%	17.4%	19.7%	33.7%	7.8%	4.7%	2.2%	100.0%
OLF	1,515	2,824	1,396	66,328	2,311	694	1,817	76,885	2.0%	3.7%	1.8%	86.3%	3.0%	0.9%	2.4%	100.0%
SE	915	1,472	271	2,320	14,035	774	415	20,202	4.5%	7.3%	1.3%	11.5%	69.5%	3.8%	2.1%	100.0%
Comm	830	898	131	629	755	2,766	83	6,092	13.6%	14.7%	2.2%	10.3%	12.4%	45.4%	1.4%	100.0%
UnP	136	425	75	1,506	446	106	2,037	4,731	2.9%	9.0%	1.6%	31.8%	9.4%	2.2%	43.1%	100.0%
Total	37,591	18,830	3,581	75,745	20,182	6,229	4,960	167,118	22.5%	11.3%	2.1%	45.3%	12.1%	3.7%	3.0%	100.0%
III-93 to IV-93	FS	IS	Un	OLF	SE	Comm	UnP	Total	FS	IS	Un	OLF	SE	Comm	UnP	Total
FS	18,608	1,274	199	646	334	305	31	21,397	87.0%	6.0%	0.9%	3.0%	1.6%	1.4%	0.1%	100.0%
IS	852	4,265	137	538	337	243	77	6,449	13.2%	66.1%	2.1%	8.3%	5.2%	3.8%	1.2%	100.0%
Total	19,460	5,539	336	1,184	671	548	108	27,846	69.9%	19.9%	1.2%	4.3%	2.4%	2.0%	0.4%	100.0%
Comparing status initial and six months later only																
II-93 to IV-93	FS	IS	Un	OLF	SE	Comm	UnP	Total	FS	IS	Un	OLF	SE	Comm	UnP	Total
FS	20,138	2,359	395	1,365	735	640	84	25,716	78.3%	9.2%	1.5%	5.3%	2.9%	2.5%	0.3%	100.0%
IS	2,556	5,953	353	1,733	1,099	661	254	12,609	20.3%	47.2%	2.8%	13.7%	8.7%	5.2%	2.0%	100.0%
Un	408	388	321	675	177	89	43	2,101	19.4%	18.5%	15.3%	32.1%	8.4%	4.2%	2.0%	100.0%
OLF	1,262	2,158	785	45,671	1,703	527	1,286	53,392	2.4%	4.0%	1.5%	85.5%	3.2%	1.0%	2.4%	100.0%
SE	701	1,046	169	1,773	9,406	558	296	13,949	5.0%	7.5%	1.2%	12.7%	67.4%	4.0%	2.1%	100.0%
Comm	638	636	87	500	517	1,768	70	4,216	15.1%	15.1%	2.1%	11.9%	12.3%	41.9%	1.7%	100.0%
UnP	111	324	49	1,139	328	67	1,208	3,226	3.4%	10.0%	1.5%	35.3%	10.2%	2.1%	37.4%	100.0%
Total	25,814	12,864	2,159	52,856	13,965	4,310	3,241	115,209	22.4%	11.2%	1.9%	45.9%	12.1%	3.7%	2.8%	100.0%

ENEU 1994, quarterly linked panel structure
Format = Social Security

ENEU 1994, quarterly linked panel structure															
Formal = Social Security															
II-94	%														
FS	53,825	22.0													
IS	28,013	11.4													
Un	4,732	1.9													
OLF	113,421	46.3													
SE	29,119	11.9													
Comm	9,253	3.8													
UnP	6,859	2.8													
Total	245,222														
II-94 to III-94	FS	IS	Un	OLF	SE Comm	UnP	Total	FS	IS	Un	OLF	SE Comm	UnP	Total	
FS	30,852	3,015	580	1,458	1,018	130	37,971	81.3%	7.9%	1.5%	3.8%	2.7%	2.4%	0.3%	100.0%
IS	3,474	9,776	606	2,368	1,462	374	19,043	18.2%	51.3%	3.2%	12.4%	7.7%	5.2%	2.0%	100.0%
Un	549	575	687	1,017	309	64	3,356	16.4%	17.1%	20.5%	30.3%	9.2%	4.6%	1.9%	100.0%
OLF	1,613	2,897	1,549	69,243	2,402	1,943	80,429	2.0%	3.6%	1.9%	86.1%	3.0%	1.0%	2.4%	100.0%
SE	922	1,483	301	2,271	14,535	802	20,717	4.5%	7.2%	1.5%	11.0%	70.2%	3.9%	1.9%	100.0%
Comm	833	945	158	643	908	2,834	6,402	13.0%	14.8%	2.5%	10.0%	14.2%	44.3%	1.3%	100.0%
UnP	127	456	88	1,636	442	81	4,917	2.6%	9.3%	1.8%	33.3%	9.0%	1.6%	42.4%	100.0%
Total	38,370	19,147	3,969	78,636	21,076	6,555	172,835	22.2%	11.1%	2.3%	45.5%	12.2%	3.8%	2.9%	100.0%
III-94 to IV-94	FS	IS	Un	OLF	SE Comm	UnP	Total	FS	IS	Un	OLF	SE Comm	UnP	Total	
FS	18,746	998	205	578	360	309	21,224	88.3%	4.7%	1.0%	2.7%	1.7%	1.5%	0.1%	100.0%
IS	806	4,542	133	495	351	234	6,635	12.1%	68.5%	2.0%	7.5%	5.3%	3.5%	1.1%	100.0%
Total	19,552	5,540	338	1,073	711	543	27,859	70.2%	19.9%	1.2%	3.9%	2.6%	1.9%	0.4%	100.0%
Comparing status initial and six months later only															
II-94 to IV-94	FS	IS	Un	OLF	SE Comm	UnP	Total	FS	IS	Un	OLF	SE Comm	UnP	Total	
FS	20,615	2,154	407	1,242	845	668	26,030	79.2%	8.3%	1.6%	4.8%	3.2%	2.6%	0.4%	100.0%
IS	2,463	6,384	366	1,733	1,106	660	12,959	19.0%	49.3%	2.8%	13.4%	8.5%	5.1%	1.9%	100.0%
Un	477	436	368	694	195	112	2,328	20.5%	18.7%	15.8%	29.8%	8.4%	4.8%	2.0%	100.0%
OLF	1,391	2,260	872	47,707	1,638	1,217	55,645	2.5%	4.1%	1.6%	85.7%	2.9%	1.0%	2.2%	100.0%
SE	744	1,019	223	1,687	9,779	573	14,335	5.2%	7.1%	1.6%	11.8%	68.2%	4.0%	2.2%	100.0%
Comm	606	679	97	466	611	1,901	4,413	13.7%	15.4%	2.2%	10.6%	13.8%	43.1%	1.2%	100.0%
UnP	114	322	53	1,224	328	66	3,505	3.3%	9.2%	1.5%	34.9%	9.4%	1.9%	39.9%	100.0%
Total	26,410	13,254	2,386	54,753	14,502	4,540	119,215	22.2%	11.1%	2.0%	45.9%	12.2%	3.8%	2.8%	100.0%

Table 1d
ENEU 1995, quarterly linked panel structure
 Formal = Social Security

ENEU 1995, quarterly linked panel structure																			
Formal = Social Security																			
II-95		%																	
FS	52,488	20.67																	
IS	28,573	11.25																	
Un	8,537	3.36																	
OLF	115,190	45.36																	
SE	31,774	12.51																	
Comm	9,740	3.84																	
UnP	7,666	3.02																	
Total	253,968																		
			II-95 to III-95	FS	IS	Un	OLF	SE	Comm	UnP	Total	FS	IS	Un	OLF	SE	Comm	UnP	Total
FS				29,673	3,070	840	1,203	907	834	112	36,639	81.0%	8.4%	2.3%	3.3%	2.5%	2.3%	0.3%	100%
IS				2,780	10,359	1,010	2,342	1,675	1,027	403	19,596	14.2%	52.9%	5.2%	12.0%	8.5%	5.2%	2.1%	100%
Un				604	1,109	1,682	1,523	637	300	140	5,995	10.1%	18.5%	28.1%	25.4%	10.6%	5.0%	2.3%	100%
OLF				1,173	2,923	2,171	69,633	2,735	788	2,225	81,648	1.4%	3.6%	2.7%	85.3%	3.3%	1.0%	2.7%	100%
SE				798	1,692	620	2,470	15,500	918	496	22,494	3.5%	7.5%	2.8%	11.0%	68.9%	4.1%	2.2%	100%
Comm				774	931	315	680	851	3,196	108	6,855	11.3%	13.6%	4.6%	9.9%	12.4%	46.6%	1.6%	100%
UnP				103	444	143	1,779	519	107	2,403	5,498	1.9%	8.1%	2.6%	32.4%	9.4%	1.9%	43.7%	100%
Total				35,905	20,528	6,781	79,630	22,824	7,170	5,887	178,725	20.1%	11.5%	3.8%	44.6%	12.8%	4.0%	3.3%	100%
			III-95 to IV-95	FS	IS	Un	OLF	SE	Comm	UnP	Total	FS	IS	Un	OLF	SE	Comm	UnP	Total
FS				18,230	1,141	231	385	228	261	18	20,494	89.0%	5.6%	1.1%	1.9%	1.1%	1.3%	0.1%	100%
IS				725	4,788	174	474	388	261	79	6,889	10.5%	69.5%	2.5%	6.9%	5.6%	3.8%	1.1%	100%
Total				18,955	5,929	405	859	616	522	97	27,383	69.2%	21.7%	1.5%	3.1%	2.2%	1.9%	0.4%	100%
Comparing status initial and six months later only																			
			II-95 to IV-95	FS	IS	Un	OLF	SE	Comm	UnP	Total	FS	IS	Un	OLF	SE	Comm	UnP	Total
FS				19,937	2,348	526	970	670	608	75	25,134	79.3%	9.3%	2.1%	3.9%	2.7%	2.4%	0.3%	100%
IS				1,981	6,762	507	1,651	1,185	664	255	13,005	15.2%	52.0%	3.9%	12.7%	9.1%	5.1%	2.0%	100%
Un				539	805	895	1,001	478	250	83	4,051	13.3%	19.9%	22.1%	24.7%	11.8%	6.2%	2.0%	100%
OLF				1,138	2,321	1,287	47,571	1,938	639	1,476	56,370	2.0%	4.1%	2.3%	84.4%	3.4%	1.1%	2.6%	100%
SE				648	1,272	310	1,728	10,412	587	307	15,264	4.2%	8.3%	2.0%	11.3%	68.2%	3.8%	2.0%	100%
Comm				581	665	147	507	622	2,102	64	4,688	12.4%	14.2%	3.1%	10.8%	13.3%	44.8%	1.4%	100%
UnP				118	358	87	1,208	387	78	1,567	3,803	3.1%	9.4%	2.3%	31.8%	10.2%	2.1%	41.2%	100%
Total				24,949	14,534	3,760	57,615	15,693	4,930	3,827	125,308	19.9%	11.6%	3.0%	46.0%	12.5%	3.9%	3.1%	100%

Table 1c

ENEU 1996, quarterly linked panel structure

Formal = Social Security

ENEU 1996, quarterly linked panel structure																
Formal = Social Security																
II-96																
FS	54,169	20.43														
IS	32,825	12.38														
Un	7,308	2.76														
OLF	#####	44.07														
SE	33,441	12.61														
Comm	10,294	3.88														
UnP	7,848	2.96														
Total	#####															
II-96 to III-96	FS	IS	Un	OLF	SE	Comm	UnP	Total	FS	IS	Un	OLF	SE	Comm	UnP	Total
FS	32,000	2,979	620	1,322	983	849	99	38,852	82.4%	7.7%	1.6%	3.4%	2.5%	2.2%	0.3%	100.0%
IS	3,484	12,604	734	2,714	2,002	1,037	463	23,038	15.1%	54.7%	3.2%	11.8%	8.7%	4.5%	2.0%	100.0%
Un	669	925	1,137	1,495	537	246	85	5,094	13.1%	18.2%	22.3%	29.3%	10.5%	4.8%	1.7%	100.0%
OLF	1,358	3,113	1,670	74,597	2,761	784	2,152	86,435	1.6%	3.6%	1.9%	86.3%	3.2%	0.9%	2.5%	100.0%
SE	951	1,718	409	2,798	17,107	918	529	24,430	3.9%	7.0%	1.7%	11.5%	70.0%	3.8%	2.2%	100.0%
Comm	908	1,059	195	720	947	3,485	90	7,404	12.3%	14.3%	2.6%	9.7%	12.8%	47.1%	1.2%	100.0%
UnP	160	486	79	1,930	546	106	2,539	5,846	2.7%	8.3%	1.4%	33.0%	9.3%	1.8%	43.4%	100.0%
Total	39,530	22,884	4,844	85,576	24,883	7,425	5,957	191,099	20.7%	12.0%	2.5%	44.8%	13.0%	3.9%	3.1%	100.0%

III-96 to IV-96	FS	IS	Un	OLF	SE	Comm	UnP	Total	FS	IS	Un	OLF	SE	Comm	UnP	Total
FS	19,848	939	214	482	227	274	26	22,010	90.2%	4.3%	1.0%	2.2%	1.0%	1.2%	0.1%	100.0%
IS	968	5,979	178	520	409	291	88	8,433	11.5%	70.9%	2.1%	6.2%	4.8%	3.5%	1.0%	100.0%
Total	20,816	6,918	392	1,002	636	565	114	30,443	68.4%	22.7%	1.3%	3.3%	2.1%	1.9%	0.4%	100.0%

Comparing status initial and six months later only

II-96 to IV-96	FS	IS	Un	OLF	SE	Comm	UnP	Total	FS	IS	Un	OLF	SE	Comm	UnP	Total
FS	21,706	2,028	433	1,035	712	619	80	26,613	81.6%	7.6%	1.6%	3.9%	2.7%	2.3%	0.3%	100.0%
IS	2,623	8,255	477	1,909	1,358	745	276	15,643	16.8%	52.8%	3.0%	12.2%	8.7%	4.8%	1.8%	100.0%
Un	591	723	562	979	384	170	75	3,484	17.0%	20.8%	16.1%	28.1%	11.0%	4.9%	2.2%	100.0%
OLF	1,251	2,609	1,073	51,027	1,986	616	1,528	60,090	2.1%	4.3%	1.8%	84.9%	3.3%	1.0%	2.5%	100.0%
SE	769	1,320	235	2,059	11,528	630	404	16,945	4.5%	7.8%	1.4%	12.2%	68.0%	3.7%	2.4%	100.0%
Comm	696	724	105	543	701	2,211	62	5,042	13.8%	14.4%	2.1%	10.8%	13.9%	43.9%	1.2%	100.0%
UnP	139	361	57	1,309	421	79	1,720	4,086	3.4%	8.8%	1.4%	32.0%	10.3%	1.9%	42.1%	100.0%
Total	27,775	16,020	2,942	58,861	17,090	5,070	4,145	131,903	21.1%	12.1%	2.2%	44.6%	13.0%	3.8%	3.1%	100.0%

Table 1f
ENEU 1997, quarterly linked panel structure
 Formal = Social Security

ENEU 1997, quarterly linked panel structure																	
Formal = Social Security																	
II-97	%																
FS	59,080	21.67															
IS	34,472	12.64															
Un	5,345	1.96															
OLF	119,894	43.97															
SE	35,101	12.87															
Comm	10,692	3.92															
UnP	8,083	2.96															
Total	272,668																
II-97 to III-97	FS	IS	Un	OLF	SE	Comm	UnP	Total	FS	IS	Un	OLF	SE	Comm	UnP	Total	
FS	34,800	3,113	563	1,483	989	877	113	41,938	83.0%	7.4%	1.3%	3.5%	2.4%	2.1%	0.3%	100%	
IS	3,729	13,123	614	2,982	1,871	1,070	463	23,852	15.6%	55.0%	2.6%	12.5%	7.8%	4.5%	1.9%	100%	
Un	582	726	649	1,184	326	142	77	3,686	15.8%	19.7%	17.6%	32.1%	8.8%	3.9%	2.1%	100%	
OLF	1,581	3,378	1,364	73,345	2,747	801	2,076	85,293	1.9%	4.0%	1.6%	86.0%	3.2%	0.9%	2.4%	100%	
SE	1,055	1,938	264	2,764	17,536	926	556	25,039	4.2%	7.7%	1.1%	11.0%	70.0%	3.7%	2.2%	100%	
Comm	1,018	1,178	136	750	951	3,466	81	7,580	13.4%	15.5%	1.8%	9.9%	12.5%	45.7%	1.1%	100%	
UnP	137	548	78	1,873	563	105	2,443	5,747	2.4%	9.5%	1.4%	32.6%	9.8%	1.8%	42.5%	100%	
Total	42,902	24,004	3,668	84,381	24,983	7,387	5,809	193,135	22.2%	12.4%	1.9%	43.7%	12.9%	3.8%	3.0%	100%	
III-97 to IV-97	FS	IS	Un	OLF	SE	Comm	UnP	Total	FS	IS	Un	OLF	SE	Comm	UnP	Total	
FS	21,929	978	194	511	275	310	35	24,232	90.5%	4.0%	0.8%	2.1%	1.1%	1.3%	0.1%	100%	
IS	1,030	6,208	186	643	441	268	81	8,857	11.6%	70.1%	2.1%	7.3%	5.0%	3.0%	0.9%	100%	
Total	22,959	7,186	380	1,154	716	578	116	33,089	69.4%	21.7%	1.1%	3.5%	2.2%	1.7%	0.4%	100%	
Comparing status initial and six months later only																	
II-97 to IV-97	FS	IS	Un	OLF	SE	Comm	UnP	Total	FS	IS	Un	OLF	SE	Comm	UnP	Total	
FS	24,008	2,045	376	1,144	737	618	107	29,035	82.7%	7.0%	1.3%	3.9%	2.5%	2.1%	0.4%	100%	
IS	2,882	8,406	425	2,144	1,341	711	283	16,192	17.8%	51.9%	2.6%	13.2%	8.3%	4.4%	1.7%	100%	
Un	502	477	348	840	211	128	38	2,544	19.7%	18.8%	13.7%	33.0%	8.3%	5.0%	1.5%	100%	
OLF	1,411	2,581	861	50,351	1,957	598	1,368	59,127	2.4%	4.4%	1.5%	85.2%	3.3%	1.0%	2.3%	100%	
SE	842	1,329	171	1,986	12,015	647	358	17,348	4.9%	7.7%	1.0%	11.4%	69.3%	3.7%	2.1%	100%	
Comm	745	773	80	572	643	2,271	72	5,156	14.4%	15.0%	1.6%	11.1%	12.5%	44.0%	1.4%	100%	
UnP	136	405	52	1,294	419	84	1,655	4,045	3.4%	10.0%	1.3%	32.0%	10.4%	2.1%	40.9%	100%	
Total	30,526	16,016	2,313	58,331	17,323	5,057	3,881	133,447	22.9%	12.0%	1.7%	43.7%	13.0%	3.8%	2.9%	100%	

FNEU 1995, quarterly linked panel structure

Formal = Contract

ENEU 1995, quarterly linked panel structure																
Formal = Contract																
II-95		%														
FS	51,781	20.39														
IS	29,280	11.53														
Un	8,537	3.36														
OLF	115,190	45.36														
SE	31,774	12.51														
Comm	9,740	3.84														
UnP	7,666	3.02														
Total	253,968															
II-95 to III-95	FS	IS	Un	OLF	SE	Comm	UnP	Total	FS	IS	Un	OLF	SE	Comm	UnP	Total
FS	29,052	3,453	734	1,156	871	743	100	36,109	80.5%	9.6%	2.0%	3.2%	2.4%	2.1%	0.3%	100.0%
IS	3,747	9,630	1,116	2,389	1,711	1,118	415	20,126	18.6%	47.8%	5.5%	11.9%	8.5%	5.6%	2.1%	100.0%
Un	463	1,250	1,682	1,523	637	300	140	5,995	7.7%	20.9%	28.1%	25.4%	10.6%	5.0%	2.3%	100.0%
OLF	1,089	3,007	2,171	69,633	2,735	788	2,225	81,648	1.3%	3.7%	2.7%	85.3%	3.3%	1.0%	2.7%	100.0%
SE	730	1,760	620	2,470	15,500	918	496	22,494	3.2%	7.8%	2.8%	11.0%	68.9%	4.1%	2.2%	100.0%
Comm	689	1,016	315	680	851	3,196	108	6,855	10.1%	14.8%	4.6%	9.9%	12.4%	46.6%	1.6%	100.0%
UnP	94	453	143	1,779	519	107	2,403	5,498	1.7%	8.2%	2.6%	32.4%	9.4%	1.9%	43.7%	100.0%
Total	35,864	20,569	6,781	79,630	22,824	7,170	5,887	178,725	20.1%	11.5%	3.8%	44.6%	12.8%	4.0%	3.3%	100.0%
III-95 to IV-95	FS	IS	Un	OLF	SE	Comm	UnP	Total	FS	IS	Un	OLF	SE	Comm	UnP	Total
FS	17,937	1,072	188	366	223	211	12	20,009	89.6%	5.4%	0.9%	1.8%	1.1%	1.1%	0.1%	100.0%
IS	915	4,065	206	469	382	288	88	6,413	14.3%	63.4%	3.2%	7.3%	6.0%	4.5%	1.4%	100.0%
Total	18,852	5,137	394	835	605	499	100	26,422	71.3%	19.4%	1.5%	3.2%	2.3%	1.9%	0.4%	100.0%
Without taking into account intermediate states																
II-95 to IV-95	FS	IS	Un	OLF	SE	Comm	UnP	Total	FS	IS	Un	OLF	SE	Comm	UnP	Total
FS	19,882	2,153	456	943	645	527	59	24,665	80.6%	8.7%	1.8%	3.8%	2.6%	2.1%	0.2%	100.0%
IS	2,675	6,318	577	1,678	1,210	745	271	13,474	19.9%	46.9%	4.3%	12.5%	9.0%	5.5%	2.0%	100.0%
Un	422	922	895	1,001	478	250	83	4,051	10.4%	22.8%	22.1%	24.7%	11.8%	6.2%	2.0%	100.0%
OLF	1,044	2,415	1,287	47,571	1,938	639	1,476	56,370	1.9%	4.3%	2.3%	84.4%	3.4%	1.1%	2.6%	100.0%
SE	621	1,299	310	1,728	10,412	587	307	15,264	4.1%	8.5%	2.0%	11.3%	68.2%	3.8%	2.0%	100.0%
Comm	520	726	147	507	622	2,102	64	4,688	11.1%	15.5%	3.1%	10.8%	13.3%	44.8%	1.4%	100.0%
UnP	92	384	87	1,208	387	78	1,567	3,803	2.4%	10.1%	2.3%	31.8%	10.2%	2.1%	41.2%	100.0%
Total	25,256	14,217	3,759	54,636	15,692	4,928	3,827	122,315	20.6%	11.6%	3.1%	44.7%	12.8%	4.0%	3.1%	100.0%

Table 1h

ENE-ENECE-ENEU match 1991, quarterly linked panel structure
 Formal = Social Security

II-91 to III-91	FS	IS	Un	OLF	SE	Comm	UnP	Total	FS	IS	Un	OLF	SE	Comm	UnP	Total	
FS	16,156	1,850	257	1,089	661	443	692	21,148	0.76	0.09	0.01	0.05	0.03	0.02	0.03	1.00	0.23
IS	1,974	4,771	197	1,251	832	420	601	10,046	0.20	0.47	0.02	0.12	0.08	0.04	0.06	1.00	0.11
Un	200	180	155	339	99	47	64	1,084	0.18	0.17	0.14	0.31	0.09	0.04	0.06	1.00	0.01
OLF	1,144	1,661	550	37,844	1,203	305	1,851	44,558	0.03	0.04	0.01	0.85	0.03	0.01	0.04	1.00	0.48
Comm	628	830	115	1,107	6,975	381	381	10,417	0.06	0.08	0.01	0.11	0.67	0.04	0.04	1.00	0.11
SE	479	426	52	273	384	1,216	118	2,948	0.16	0.14	0.02	0.09	0.13	0.41	0.04	1.00	0.03
UnP	84	206	15	768	162	28	1,055	2,318	0.04	0.09	0.01	0.33	0.07	0.01	0.46	1.00	0.03
Total	20,665	9,924	1,341	42,671	10,316	2,840	4,762	92,519	0.22	0.11	0.01	0.46	0.11	0.03	0.05	1.00	
III-91 to IV-91	FS	IS	Un	OLF	SE	Comm	UnP	Total	FS	IS	Un	OLF	SE	Comm	UnP	Total	
FS	9,534	720	92	277	218	180	424	11,445	83.3%	6.3%	0.8%	2.4%	1.9%	1.6%	3.7%	1.00	
IS	484	2,054	41	153	204	119	336	3,391	14.3%	60.6%	1.2%	4.5%	6.0%	3.5%	9.9%	1.00	
Total	10,018	2,774	133	430	422	299	760	14,836	67.5%	18.7%	0.9%	2.9%	2.8%	2.0%	5.1%	1.00	
IV-91 to I-92	FS	IS	Un	OLF	SE	Comm	UnP	Total	FS	IS	Un	OLF	SE	Comm	UnP	Total	
FS	5,308	255	43	120	69	71	188	6,054	87.7%	4.2%	0.7%	2.0%	1.1%	1.2%	3.1%	1.00	
IS	153	928	19	45	60	35	78	1,318	11.6%	70.4%	1.4%	3.4%	4.6%	2.7%	5.9%	1.00	
Un																	
OLF	5,461	1,183	62	165	129	106	266	7,372	74.1%	16.0%	0.8%	2.2%	1.7%	1.4%	3.6%	1.00	
I-92 to II-92	FS	IS	Un	OLF	SE	Comm	UnP	Total	FS	IS	Un	OLF	SE	Comm	UnP	Total	
FS	2,250	108	16	39	19	28	59	2,519	89.3%	4.3%	0.6%	1.5%	0.8%	1.1%	2.3%	1.00	
IS	47	340	4	13	13	5	21	443	10.6%	76.7%	0.9%	2.9%	2.9%	1.1%	4.7%	1.00	
Un																	
OLF	2,297	448	20	52	32	33	80	2,962	77.5%	15.1%	0.7%	1.8%	1.1%	1.1%	2.7%	1.00	
Comparing status initial and six months later only																	
II-91 to IV-91	FS	IS	Un	OLF	SE	Comm	UnP	Total	FS	IS	Un	OLF	SE	Comm	UnP	Total	
FS	10,774	1,363	179	861	541	333	457	14,508	0.74	0.09	0.01	0.06	0.04	0.02	0.03	1.00	0.23
IS	1,407	3,008	117	965	609	334	380	6,820	0.21	0.44	0.02	0.14	0.09	0.05	0.06	1.00	0.11
Un	164	132	83	211	53	27	47	717	0.23	0.18	0.12	0.29	0.07	0.04	0.07	1.00	0.01
OLF	973	1,196	404	25,693	973	255	1,276	30,770	0.03	0.04	0.01	0.84	0.03	0.01	0.04	1.00	0.48
Comm	522	631	61	817	4,640	281	264	7,216	0.07	0.09	0.01	0.11	0.64	0.04	0.04	1.00	0.11
SE	377	306	27	166	270	780	75	2,001	0.19	0.15	0.01	0.08	0.13	0.39	0.04	1.00	0.03
UnP	62	134	8	569	120	29	720	1,642	0.04	0.08	0.00	0.35	0.07	0.02	0.44	1.00	0.03
Total	14,279	6,770	879	29,282	7,206	2,039	3,219	63,674	0.22	0.11	0.01	0.46	0.11	0.03	0.05	1.00	
II-91 to I-92	FS	IS	Un	OLF	SE	Comm	UnP	Total	FS	IS	Un	OLF	SE	Comm	UnP	Total	
FS	6,683	758	124	554	283	237	292	8,931	0.75	0.08	0.01	0.06	0.03	0.03	0.03	1.00	0.23
IS	924	1,793	77	611	366	184	206	4,161	0.22	0.43	0.02	0.15	0.09	0.04	0.05	1.00	0.10
Un	118	84	47	128	30	18	25	450	0.26	0.19	0.10	0.28	0.07	0.04	0.06	1.00	0.01
OLF	709	794	244	15,892	605	151	801	19,196	0.04	0.04	0.01	0.83	0.03	0.01	0.04	1.00	0.48
Comm	311	438	47	515	2,955	184	144	4,594	0.07	0.10	0.01	0.11	0.64	0.04	0.03	1.00	0.12
SE	234	150	20	124	157	506	44	1,235	0.19	0.12	0.02	0.10	0.13	0.41	0.04	1.00	0.03
UnP	41	104	8	340	81	12	476	1,062	0.04	0.10	0.01	0.32	0.08	0.01	0.45	1.00	0.03
Total	9,020	4,121	567	18,164	4,477	1,292	1,988	39,629	0.23	0.10	0.01	0.46	0.11	0.03	0.05	1.00	
II-91 to II-92	FS	IS	Un	OLF	SE	Comm	UnP	Total	FS	IS	Un	OLF	SE	Comm	UnP	Total	
FS	3,003	370	47	238	131	127	116	4,032	0.74	0.09	0.01	0.06	0.03	0.03	0.03	1.00	0.23
IS	430	789	38	281	175	72	91	1,876	0.23	0.42	0.02	0.15	0.09	0.04	0.05	1.00	0.11
Un	51	45	21	56	17	8	9	207	0.25	0.22	0.10	0.27	0.08	0.04	0.04	1.00	0.01
OLF	392	376	105	6,966	282	91	355	8,567	0.05	0.04	0.01	0.81	0.03	0.01	0.04	1.00	0.48
Comm	147	201	23	263	1,309	75	89	2,107	0.07	0.10	0.01	0.12	0.62	0.04	0.04	1.00	0.12
SE	95	87	5	60	71	218	17	553	0.17	0.16	0.01	0.11	0.13	0.39	0.03	1.00	0.03
UnP	29	31	2	160	38	14	175	449	0.06	0.07	0.00	0.36	0.08	0.03	0.39	1.00	0.03
Total	4,147	1,899	241	8,024	2,023	605	852	17,791	0.23	0.11	0.01	0.45	0.11	0.03	0.05	1.00	

Table 1i

ENE-ENECE-ENEU match 1993, quarterly linked panel structure
 Formal = Social Security

II-93 to III-93	FS	IS	Un	OLF	SE	Comm	UnP	Total	FS	IS	Un	OLF	SE	Comm	UnP	Total	
FS	16,129	1,836	344	937	513	531	97	20,367	0.79	0.09	0.02	0.05	0.03	0.03	0.00	1.00	0.23
IS	1,978	4,852	280	1,183	836	403	222	9,754	0.20	0.50	0.03	0.12	0.09	0.04	0.02	1.00	0.11
Un	238	280	318	520	139	60	30	1,585	0.15	0.18	0.20	0.33	0.09	0.04	0.02	1.00	0.02
OLF	823	1,440	666	34,790	1,155	336	982	40,194	0.02	0.04	0.02	0.87	0.03	0.01	0.02	1.00	0.45
Comm	529	815	137	1,215	7,422	371	236	10,725	0.05	0.08	0.01	0.11	0.69	0.03	0.02	1.00	0.12
SE	468	463	69	310	372	1,493	47	3,220	0.15	0.14	0.02	0.10	0.12	0.46	0.01	1.00	0.04
UnP	85	217	32	796	239	41	1,300	2,710	0.03	0.08	0.01	0.29	0.09	0.02	0.48	1.00	0.03
Total	20,250	9,903	1,846	39,731	10,676	3,233	2,934	88,553	0.23	0.11	0.02	0.45	0.12	0.04	0.03	1.00	
III-93 to IV-93	FS	IS	Un	OLF	SE	Comm	UnP	Total	FS	IS	Un	OLF	SE	Comm	UnP	Total	
FS	9,631	670	116	335	164	178	14	11,108	0.87	0.06	0.01	0.03	0.01	0.02	0.00	1.00	
IS	470	2,126	54	267	187	123	35	3,262	0.14	0.65	0.02	0.08	0.06	0.04	0.01	1.00	
Total	10,101	2,796	170	602	351	301	49	14,370	0.70	0.19	0.01	0.04	0.02	0.02	0.00	1.00	
IV-93 to I-94	FS	IS	Un	OLF	SE	Comm	UnP	Total	FS	IS	Un	OLF	SE	Comm	UnP	Total	
FS	5,322	264	59	134	46	79	6	5,930	0.90	0.04	0.01	0.02	0.01	0.01	0.00	1.00	
IS	125	961	24	80	36	28	11	1,265	0.10	0.76	0.02	0.06	0.03	0.02	0.01	1.00	
Total	5,447	1,225	83	214	82	107	17	7,175	0.76	0.17	0.01	0.03	0.01	0.01	0.00	1.00	
I-94 to II-94	FS	IS	Un	OLF	SE	Comm	UnP	Total	FS	IS	Un	OLF	SE	Comm	UnP	Total	
FS	2,262	89	28	43	19	22	5	2,468	0.92	0.04	0.01	0.02	0.01	0.01	0.00	1.00	
IS	41	378	8	22	9	8	3	469	0.09	0.81	0.02	0.05	0.02	0.02	0.01	1.00	
Total	2,303	467	36	65	28	30	8	2,937	0.78	0.16	0.01	0.02	0.01	0.01	0.00	1.00	
Comparing status initial and six months later only																	
II-93 to IV-93	FS	IS	Un	OLF	SE	Comm	UnP	Total	FS	IS	Un	OLF	SE	Comm	UnP	Total	
FS	10,785	1,285	242	748	422	369	49	13,900	0.78	0.09	0.02	0.05	0.03	0.03	0.00	1.00	0.23
IS	1,428	3,054	181	893	597	330	140	6,621	0.22	0.46	0.03	0.13	0.09	0.05	0.02	1.00	0.11
Un	239	202	177	340	89	44	25	1,116	0.21	0.18	0.16	0.30	0.08	0.04	0.02	1.00	0.02
OLF	694	1,101	449	23,716	857	245	757	27,817	0.02	0.04	0.02	0.85	0.03	0.01	0.03	1.00	0.46
Comm	401	581	89	946	4,951	260	154	7,362	0.05	0.08	0.01	0.13	0.67	0.04	0.02	1.00	0.12
SE	385	298	48	218	266	956	37	2,208	0.17	0.13	0.02	0.10	0.12	0.43	0.02	1.00	0.04
UnP	60	174	24	577	162	35	793	1,825	0.03	0.10	0.01	0.32	0.09	0.02	0.43	1.00	0.03
Total	13,990	6,695	1,210	27,416	7,344	2,239	1,955	60,849	0.23	0.11	0.02	0.45	0.12	0.04	0.03	1.00	
II-93 to I-94	FS	IS	Un	OLF	SE	Comm	UnP	Total	FS	IS	Un	OLF	SE	Comm	UnP	Total	
FS	6,508	793	174	460	244	261	44	8,484	0.77	0.09	0.02	0.05	0.03	0.03	0.01	1.00	0.23
IS	853	1,816	114	542	298	165	80	3,868	0.22	0.47	0.03	0.14	0.08	0.04	0.02	1.00	0.10
Un	143	123	116	209	59	24	9	683	0.21	0.18	0.17	0.31	0.09	0.04	0.01	1.00	0.02
OLF	505	733	303	14,449	514	158	457	17,119	0.03	0.04	0.02	0.84	0.03	0.01	0.03	1.00	0.46
Comm	279	385	81	594	2,876	180	111	4,506	0.06	0.09	0.02	0.13	0.64	0.04	0.02	1.00	0.12
SE	244	210	39	161	130	554	20	1,358	0.18	0.15	0.03	0.12	0.10	0.41	0.01	1.00	0.04
UnP	41	111	9	355	93	28	519	1,154	0.04	0.10	0.01	0.31	0.08	0.02	0.45	1.00	0.03
Total	8,573	4,171	836	16,770	4,212	1,370	1,240	37,172	0.23	0.11	0.02	0.45	0.11	0.04	0.03	1.00	
II-93 to II-94	FS	IS	Un	OLF	SE	Comm	UnP	Total	FS	IS	Un	OLF	SE	Comm	UnP	Total	
FS	2,931	376	80	236	119	129	21	3,894	0.75	0.10	0.02	0.06	0.03	0.03	0.01	1.00	0.22
IS	394	877	42	254	148	83	46	1,844	0.21	0.48	0.02	0.14	0.08	0.05	0.02	1.00	0.11
Un	82	54	33	79	24	13	6	293	0.28	0.18	0.11	0.27	0.08	0.04	0.02	1.00	0.02
OLF	284	375	114	6,669	263	94	231	8,028	0.04	0.05	0.01	0.83	0.03	0.01	0.03	1.00	0.46
Comm	131	194	32	293	1,335	80	46	2,109	0.06	0.09	0.02	0.14	0.63	0.04	0.02	1.00	0.12
SE	125	107	12	77	63	262	4	650	0.19	0.16	0.02	0.12	0.10	0.40	0.01	1.00	0.04
UnP	23	57	6	185	40	11	225	547	0.04	0.10	0.01	0.34	0.07	0.02	0.41	1.00	0.03

Table 1j

ENE-ENECE-ENEU match 1995, quarterly linked panel structure
 Formal = Social Security

II-95 to III-95	FS	IS	Un	OLF	SE	Comm	UnP	Total	FS	IS	Un	OLF	SE	Comm	UnP	Total
FS	10,723	1,148	309	492	369	349	44	13,434	0.80	0.09	0.02	0.04	0.03	0.03	0.00	1.00
IS	1,029	3,673	334	879	592	344	158	7,009	0.15	0.52	0.05	0.13	0.08	0.05	0.02	1.00
Un	241	441	631	541	241	108	40	2,243	0.11	0.20	0.28	0.24	0.11	0.05	0.02	1.00
OLF	449	1,004	757	24,679	953	243	700	28,785	0.02	0.03	0.03	0.86	0.03	0.01	0.02	1.00
Comm	326	666	210	910	5,581	316	160	8,169	0.04	0.08	0.03	0.11	0.68	0.04	0.02	1.00
SE	293	304	108	229	277	1,127	37	2,375	0.12	0.13	0.05	0.10	0.12	0.47	0.02	1.00
UnP	28	181	52	610	168	36	770	1,845	0.02	0.10	0.03	0.33	0.09	0.02	0.42	1.00
Total	13,089	7,417	2,401	28,340	8,181	2,523	1,909	63,860	0.20	0.12	0.04	0.44	0.13	0.04	0.03	1.00
III-95 to IV-95	FS	IS	Un	OLF	SE	Comm	UnP	Total	FS	IS	Un	OLF	SE	Comm	UnP	Total
FS	6,623	355	78	169	86	100	5	7,416	0.89	0.05	0.01	0.02	0.01	0.01	0.00	1.00
IS	265	1,756	52	174	129	98	22	2,496	0.11	0.70	0.02	0.07	0.05	0.04	0.01	1.00
Total	6,888	2,111	130	343	215	198	27	9,912	0.69	0.21	0.01	0.03	0.02	0.02	0.00	1.00
IV-95 to I-96	FS	IS	Un	OLF	SE	Comm	UnP	Total	FS	IS	Un	OLF	SE	Comm	UnP	Total
FS	3,728	130	43	75	26	48	3	4,053	0.92	0.03	0.01	0.02	0.01	0.01	0.00	1.00
IS	86	819	27	64	37	28	6	1,067	0.08	0.77	0.03	0.06	0.03	0.03	0.01	1.00
Total	3,814	949	70	139	63	76	9	5,120	0.74	0.19	0.01	0.03	0.01	0.01	0.00	1.00
I-96 to II-96	FS	IS	Un	OLF	SE	Comm	UnP	Total	FS	IS	Un	OLF	SE	Comm	UnP	Total
FS	1,641	57	15	45	19	18	0	1,795	0.91	0.03	0.01	0.03	0.01	0.01	0.00	1.00
IS	36	300	10	26	15	3	3	393	0.09	0.76	0.03	0.07	0.04	0.01	0.01	1.00
Total	1,677	357	25	71	34	21	3	2,188	0.77	0.16	0.01	0.03	0.02	0.01	0.00	1.00
Comparing status initial and six months later only																
II-95 to IV-95	FS	IS	Un	OLF	SE	Comm	UnP	Total	FS	IS	Un	OLF	SE	Comm	UnP	Total
FS	7,360	795	169	414	281	234	23	9,276	0.79	0.09	0.02	0.04	0.03	0.03	0.00	1.00
IS	752	2,442	159	624	419	240	90	4,726	0.16	0.52	0.03	0.13	0.09	0.05	0.02	1.00
Un	209	317	337	368	198	92	24	1,545	0.14	0.21	0.22	0.24	0.13	0.06	0.02	1.00
OLF	433	836	414	16,947	684	234	474	20,022	0.02	0.04	0.02	0.85	0.03	0.01	0.02	1.00
Comm	255	492	98	649	3,793	200	104	5,591	0.05	0.09	0.02	0.12	0.68	0.04	0.02	1.00
SE	215	237	40	171	196	761	27	1,647	0.13	0.14	0.02	0.10	0.12	0.46	0.02	1.00
UnP	46	145	24	380	128	31	539	1,293	0.04	0.11	0.02	0.29	0.10	0.02	0.42	1.00
Total	9,270	5,264	1,241	19,553	5,699	1,792	1,281	44,100	0.21	0.12	0.03	0.44	0.13	0.04	0.03	1.00
II-95 to I-96	FS	IS	Un	OLF	SE	Comm	UnP	Total	FS	IS	Un	OLF	SE	Comm	UnP	Total
FS	4,394	493	140	289	155	170	19	5,660	0.78	0.09	0.02	0.05	0.03	0.03	0.00	1.00
IS	478	1,445	117	451	238	145	68	2,942	0.16	0.49	0.04	0.15	0.08	0.05	0.02	1.00
Un	148	187	182	232	98	70	16	933	0.16	0.20	0.20	0.25	0.11	0.08	0.02	1.00
OLF	307	587	259	10,464	367	125	314	12,423	0.02	0.05	0.02	0.84	0.03	0.01	0.03	1.00
Comm	170	352	74	466	2,307	152	67	3,588	0.05	0.10	0.02	0.13	0.64	0.04	0.02	1.00
SE	147	173	27	105	103	442	10	1,007	0.15	0.17	0.03	0.10	0.10	0.44	0.01	1.00
UnP	25	89	15	245	80	18	315	787	0.03	0.11	0.02	0.31	0.10	0.02	0.40	1.00
Total	5,669	3,326	814	12,252	3,348	1,122	809	27,340	0.21	0.12	0.03	0.45	0.12	0.04	0.03	1.00
II-95 to II-96	FS	IS	Un	OLF	SE	Comm	UnP	Total	FS	IS	Un	OLF	SE	Comm	UnP	Total
FS	2,009	249	60	169	99	83	8	2,677	0.75	0.09	0.02	0.06	0.04	0.03	0.00	1.00
IS	275	642	48	209	130	49	22	1,375	0.20	0.47	0.03	0.15	0.09	0.04	0.02	1.00
Un	77	100	86	108	37	25	8	441	0.17	0.23	0.20	0.24	0.08	0.06	0.02	1.00
OLF	180	259	101	4,848	198	66	142	5,794	0.03	0.04	0.02	0.84	0.03	0.01	0.02	1.00
Comm	81	154	24	237	1,067	67	28	1,658	0.05	0.09	0.01	0.14	0.64	0.04	0.02	1.00
SE	78	80	13	65	50	193	1	480	0.16	0.17	0.03	0.14	0.10	0.40	0.00	1.00
UnP	14	46	9	145	50	14	123	401	0.03	0.11	0.02	0.36	0.12	0.03	0.31	1.00
Total	2,714	1,530	341	5,781	1,631	497	332	12,826	0.21	0.12	0.03	0.45	0.13	0.04	0.03	1.00

Table 1k
ENE-ENECE-ENEU match 1997, quarterly linked panel structure
 Formal = Social Security

II-97 to III-97	FS	IS	Un	OLF	SE	Comm	UnP	Total	FS	IS	Un	OLF	SE	Comm	UnP	Total	
FS	10,342	952	161	453	296	285	30	12,519	0.83	0.08	0.01	0.04	0.02	0.02	0.00	1.00	0.26
IS	1,122	3,638	159	716	561	297	106	6,599	0.17	0.55	0.02	0.11	0.09	0.05	0.02	1.00	0.14
Un	167	181	156	319	77	34	18	952	0.18	0.19	0.16	0.34	0.08	0.04	0.02	1.00	0.02
OLF	493	746	349	14,165	613	163	387	16,916	0.03	0.04	0.02	0.84	0.04	0.01	0.02	1.00	0.36
Comm	328	567	69	737	4,860	301	152	7,014	0.05	0.08	0.01	0.11	0.69	0.04	0.02	1.00	0.15
SE	327	301	35	182	271	954	22	2,092	0.16	0.14	0.02	0.09	0.13	0.46	0.01	1.00	0.04
UnP	35	120	15	365	150	26	544	1,255	0.03	0.10	0.01	0.29	0.12	0.02	0.43	1.00	0.03
Total	12,814	6,505	944	16,937	6,828	2,060	1,259	47,347	0.27	0.14	0.02	0.36	0.14	0.04	0.03	1.00	
III-97 to IV-97	FS	IS	Un	OLF	SE	Comm	UnP	Total	FS	IS	Un	OLF	SE	Comm	UnP	Total	
FS	6,490	308	49	154	91	104	13	7,209	0.90	0.04	0.01	0.02	0.01	0.01	0.00	1.00	
IS	326	1,688	46	166	125	88	29	2,468	0.13	0.68	0.02	0.07	0.05	0.04	0.01	1.00	
Total	6,816	1,996	95	320	216	192	42	9,677	0.70	0.21	0.01	0.03	0.02	0.02	0.00	1.00	
IV-97 to I-98	FS	IS	Un	OLF	SE	Comm	UnP	Total	FS	IS	Un	OLF	SE	Comm	UnP	Total	
FS	3,642	124	33	164	40	54	3	4,060	0.90	0.03	0.01	0.04	0.01	0.01	0.00	1.00	
IS	100	754	21	89	36	27	4	1,031	0.10	0.73	0.02	0.09	0.03	0.03	0.00	1.00	
Total	3,742	878	54	253	76	81	7	5,091	0.74	0.17	0.01	0.05	0.01	0.02	0.00	1.00	
I-98 to II-98	FS	IS	Un	OLF	SE	Comm	UnP	Total	FS	IS	Un	OLF	SE	Comm	UnP	Total	
FS	1573	45	9	76	22	13	1	1739	0.90	0.03	0.01	0.04	0.01	0.01	0.00	1.00	
IS	33	235		24	15	6	6	319	0.10	0.74	0.00	0.08	0.05	0.02	0.02	1.00	
Total	1,606	280	9	100	37	19	7	2,058	0.78	0.14	0.00	0.05	0.02	0.01	0.00	1.00	
Comparing status initial and six months later only																	
II-97 to IV-97	FS	IS	Un	OLF	SE	Comm	UnP	Total	FS	IS	Un	OLF	SE	Comm	UnP	Total	
FS	7120	637	98	357	240	198	39	8689	0.82	0.07	0.01	0.04	0.03	0.02	0.00	1.00	0.27
IS	895	2284	95	554	381	217	85	4511	0.20	0.51	0.02	0.12	0.08	0.05	0.02	1.00	0.14
Un	123	119	91	226	64	36	10	669	0.18	0.18	0.14	0.34	0.10	0.05	0.01	1.00	0.02
OLF	424	565	204	9646	483	130	250	11702	0.04	0.05	0.02	0.82	0.04	0.01	0.02	1.00	0.36
Comm	268	400	44	539	3344	182	84	4861	0.06	0.08	0.01	0.11	0.69	0.04	0.02	1.00	0.15
SE	237	217	17	145	184	614	22	1436	0.17	0.15	0.01	0.10	0.13	0.43	0.02	1.00	0.04
UnP	39	100	10	234	112	13	379	887	0.04	0.11	0.01	0.26	0.13	0.01	0.43	1.00	0.03
Total	9,106	4,322	559	11,701	4,808	1,390	869	32,755	0.28	0.13	0.02	0.36	0.15	0.04	0.03	1.00	
II-97 to I-98	FS	IS	Un	OLF	SE	Comm	UnP	Total	FS	IS	Un	OLF	SE	Comm	UnP	Total	
FS	4266	386	73	376	152	139	15	5407	0.79	0.07	0.01	0.07	0.03	0.03	0.00	1.00	0.17
IS	564	1286	98	440	250	124	39	2801	0.20	0.46	0.03	0.16	0.09	0.04	0.01	1.00	0.09
Un	83	73	52	142	43	23	6	422	0.20	0.17	0.12	0.34	0.10	0.05	0.01	1.00	0.01
OLF	293	327	137	5958	311	94	146	7266	0.04	0.05	0.02	0.82	0.04	0.01	0.02	1.00	0.22
Comm	166	257	22	421	2047	116	45	3074	0.05	0.08	0.01	0.14	0.67	0.04	0.01	1.00	0.09
SE	145	126	22	122	96	381	9	901	0.16	0.14	0.02	0.14	0.11	0.42	0.01	1.00	0.03
UnP	27	40	10	166	63	10	244	560	0.05	0.07	0.02	0.30	0.11	0.02	0.44	1.00	0.02
Total	5,544	2,495	414	7,625	2,962	887	504	20,431	0.27	0.12	0.02	0.37	0.14	0.04	0.02	1.00	
II-97 to II-98	FS	IS	Un	OLF	SE	Comm	UnP	Total	FS	IS	Un	OLF	SE	Comm	UnP	Total	
FS	1954	164	31	191	79	71	5	2495	0.78	0.07	0.01	0.08	0.03	0.03	0.00	1.00	0.08
IS	277	544	33	197	124	67	25	1267	0.22	0.43	0.03	0.16	0.10	0.05	0.02	1.00	0.04
Un	45	35	29	67	20	5	1	202	0.22	0.17	0.14	0.33	0.10	0.02	0.00	1.00	0.01
OLF	166	178	53	2654	140	34	78	3303	0.05	0.05	0.02	0.80	0.04	0.01	0.02	1.00	0.10
Comm	76	104	11	207	926	58	29	1411	0.05	0.07	0.01	0.15	0.66	0.04	0.02	1.00	0.04
SE	66	45	3	54	52	174	3	397	0.17	0.11	0.01	0.14	0.13	0.44	0.01	1.00	0.01
UnP	16	27	3	72	31	2	99	250	0.06	0.11	0.01	0.29	0.12	0.01	0.40	1.00	0.01

Table 11

ENE-ENECE-ENEU match 1995, quarterly linked panel structure
 Formal = Contract

II-95 to III-95	FS	IS	Un	OLF	SE	Comm	UnP	Total	FS	IS	Un	OLF	Comm	SE	UnP	Total	
FS	10,649	1,233	269	329	372	312	196	13,360	0.80	0.09	0.02	0.02	0.03	0.02	0.01	1.00	0.21
IS	1,376	3,315	350	525	587	381	549	7,083	0.19	0.47	0.05	0.07	0.08	0.05	0.08	1.00	0.11
Un	174	458	558	353	236	106	140	2,025	0.09	0.23	0.28	0.17	0.12	0.05	0.07	1.00	0.03
OLF	248	521	404	8,852	671	129	2,134	12,959	0.02	0.04	0.03	0.68	0.05	0.01	0.16	1.00	0.20
Comm	293	697	206	669	5,571	314	405	8,155	0.04	0.09	0.03	0.08	0.68	0.04	0.05	1.00	0.13
SE	247	350	106	150	276	1,127	119	2,375	0.10	0.15	0.04	0.06	0.12	0.47	0.05	1.00	0.04
UnP	230	715	199	2,162	456	154	13,987	17,903	0.01	0.04	0.01	0.12	0.03	0.01	0.78	1.00	0.28
Total	13,217	7,289	2,092	13,040	8,169	2,523	17,530	63,860	0.21	0.11	0.03	0.20	0.13	0.04	0.27	1.00	
III-95 to IV-95	FS	IS	Un	OLF	SE	Comm	UnP	Total	FS	IS	Un	OLF	Comm	SE	UnP	Total	
FS	6,553	379	58	113	86	86	51	7,326	0.89	0.05	0.01	0.02	0.01	0.01	0.01	1.00	
IS	314	1,448	66	115	128	107	85	2,263	0.14	0.64	0.03	0.05	0.06	0.05	0.04	1.00	
Total	6,867	1,827	124	228	214	193	136	9,589	0.72	0.19	0.01	0.02	0.02	0.02	0.01	1.00	
IV-95 to I-96	FS	IS	Un	OLF	SE	Comm	UnP	Total	FS	IS	Un	OLF	Comm	SE	UnP	Total	
FS	3,664	168	27	54	25	40	28	4,006	0.91	0.04	0.01	0.01	0.01	0.01	0.01	1.00	
IS	102	634	22	43	33	35	24	893	0.11	0.71	0.02	0.05	0.04	0.04	0.03	1.00	
Total	3,766	802	49	97	58	75	52	4,899	0.77	0.16	0.01	0.02	0.01	0.02	0.01	1.00	
I-96 to II-96	FS	IS	Un	OLF	SE	Comm	UnP	Total	FS	IS	Un	OLF	Comm	SE	UnP	Total	
FS	1,606	54	11	27	22	11	19	1,750	0.92	0.03	0.01	0.02	0.01	0.01	0.01	1.00	
IS	32	213	10	16	14	5	9	299	0.11	0.71	0.03	0.05	0.05	0.02	0.03	1.00	
Total	1,638	267	21	43	36	16	28	2,049	0.80	0.13	0.01	0.02	0.02	0.01	0.01	1.00	
Comparing status initial and six months later only																	
II-95 to IV-95	FS	IS	Un	OLF	SE	Comm	UnP	Total	FS	IS	Un	OLF	Comm	SE	UnP	Total	
FS	7,322	802	141	296	264	208	130	9,163	0.80	0.09	0.02	0.03	0.03	0.02	0.01	1.00	0.21
IS	968	2,257	167	414	435	266	332	4,839	0.20	0.47	0.03	0.09	0.09	0.05	0.07	1.00	0.11
Un	166	331	286	246	194	87	84	1,394	0.12	0.24	0.21	0.18	0.14	0.06	0.06	1.00	0.03
OLF	222	431	210	6,031	483	130	1,424	8,931	0.02	0.05	0.02	0.68	0.05	0.01	0.16	1.00	0.20
Comm	253	493	95	479	3,787	198	277	5,582	0.05	0.09	0.02	0.09	0.68	0.04	0.05	1.00	0.13
SE	187	265	37	113	196	761	88	1,647	0.11	0.16	0.02	0.07	0.12	0.46	0.05	1.00	0.04
UnP	215	622	130	1,501	336	142	9,598	12,544	0.02	0.05	0.01	0.12	0.03	0.01	0.77	1.00	0.28
Total	9,333	5,201	1,066	9,080	5,695	1,792	11,933	44,100	0.21	0.12	0.02	0.21	0.13	0.04	0.27	1.00	
II-95 to I-96	FS	IS	Un	OLF	SE	Comm	UnP	Total	FS	IS	Un	OLF	Comm	SE	UnP	Total	
FS	4,373	489	114	218	158	165	89	5,606	0.78	0.09	0.02	0.04	0.03	0.03	0.02	1.00	0.21
IS	601	1,347	134	301	234	150	229	2,996	0.20	0.45	0.04	0.10	0.08	0.05	0.08	1.00	0.11
Un	106	203	153	159	96	69	53	839	0.13	0.24	0.18	0.19	0.11	0.08	0.06	1.00	0.03
OLF	152	282	111	3,674	243	75	936	5,473	0.03	0.05	0.02	0.67	0.04	0.01	0.17	1.00	0.20
Comm	174	348	71	345	2,303	152	191	3,584	0.05	0.10	0.02	0.10	0.64	0.04	0.05	1.00	0.13
SE	128	192	26	74	103	442	42	1,007	0.13	0.19	0.03	0.07	0.10	0.44	0.04	1.00	0.04
UnP	173	427	90	946	206	69	5,924	7,835	0.02	0.05	0.01	0.12	0.03	0.01	0.76	1.00	0.29
Total	5,707	3,288	699	5,717	3,343	1,122	7,464	27,340	0.21	0.12	0.03	0.21	0.12	0.04	0.27	1.00	
II-95 to II-96	FS	IS	Un	OLF	SE	Comm	UnP	Total	FS	IS	Un	OLF	Comm	SE	UnP	Total	
Total																	
FS	2,040	235	53	127	104	69	47	2,675	0.76	0.09	0.02	0.05	0.04	0.03	0.02	1.00	0.21
IS	299	601	51	136	124	63	103	1,377	0.22	0.44	0.04	0.10	0.09	0.05	0.07	1.00	0.11
Un	59	102	78	79	36	23	16	393	0.15	0.26	0.20	0.20	0.09	0.06	0.04	1.00	0.03
OLF	91	127	41	1,690	145	46	457	2,597	0.04	0.05	0.02	0.65	0.06	0.02	0.18	1.00	0.20
Comm	74	161	23	177	1,065	66	89	1,655	0.04	0.10	0.01	0.11	0.64	0.04	0.05	1.00	0.13
SE	64	94	12	48	50	193	19	480	0.13	0.20	0.03	0.10	0.10	0.40	0.04	1.00	0.04
UnP	87	210	35	459	105	37	2,716	3,649	0.02	0.06	0.01	0.13	0.03	0.01	0.74	1.00	0.28
Total	2,714	1,530	293	2,716	1,629	497	3,447	12,826	0.21	0.12	0.02	0.21	0.13	0.04	0.27	1.00	

Table 1m

ENE-ENECE-ENEU match 1997, quarterly linked panel structure
 Formal = Contract

II-97 to III-97	FS	IS	Un	OLF	SE	Comm	UnP	Total	FS	IS	Un	OLF	SE	Comm	UnP	Total	
FS	10,324	1,172	121	318	304	252	189	12,680	0.81	0.09	0.01	0.03	0.02	0.02	0.01	1.00	0.27
IS	1,409	3,149	182	439	551	330	378	6,438	0.22	0.49	0.03	0.07	0.09	0.05	0.06	1.00	0.14
Un	135	188	124	187	76	30	75	815	0.17	0.23	0.15	0.23	0.09	0.04	0.09	1.00	0.02
OLF	251	468	193	6,304	417	115	1,604	9,352	0.03	0.05	0.02	0.67	0.04	0.01	0.17	1.00	0.20
Comm	305	589	65	518	4,857	300	374	7,008	0.04	0.08	0.01	0.07	0.69	0.04	0.05	1.00	0.15
SE	278	350	33	123	269	954	85	2,092	0.13	0.17	0.02	0.06	0.13	0.46	0.04	1.00	0.04
UnP	235	466	66	1,409	348	79	6,359	8,962	0.03	0.05	0.01	0.16	0.04	0.01	0.71	1.00	0.19
Total	12,937	6,382	784	9,298	6,822	2,060	9,064	47,347	0.27	0.13	0.02	0.20	0.14	0.04	0.19	1.00	
III-97 to IV-97	FS	IS	Un	OLF	SE	Comm	UnP	Total	FS	IS	Un	OLF	SE	Comm	UnP	Total	
FS	6,480	365	39	132	86	81	50	7,233	0.90	0.05	0.01	0.02	0.01	0.01	0.01	1.00	
IS	358	1,297	39	106	120	90	73	2,083	0.17	0.62	0.02	0.05	0.06	0.04	0.04	1.00	
Total	6,838	1,662	78	238	206	171	123	9,316	0.73	0.18	0.01	0.03	0.02	0.02	0.01	1.00	
IV-97 to I-98	FS	IS	Un	OLF	SE	Comm	UnP	Total	FS	IS	Un	OLF	SE	Comm	UnP	Total	
FS	3,599	155	24	41	44	38	125	4,026	0.89	0.04	0.01	0.01	0.01	0.01	0.03	1.00	
IS	95	511	28	41	34	30	51	790	0.12	0.65	0.04	0.05	0.04	0.04	0.06	1.00	
Total	3,694	666	52	82	78	68	176	4,816	0.77	0.14	0.01	0.02	0.02	0.01	0.04	1.00	
I-98 to II-98	FS	IS	Un	OLF	SE	Comm	UnP	Total	FS	IS	Un	OLF	SE	Comm	UnP	Total	
FS	1,509	55	6	27	20	10	50	1,677	0.90	0.03	0.00	0.02	0.01	0.01	0.03	1.00	
IS	26	148	-	7	14	6	19	220	0.12	0.67	0.00	0.03	0.06	0.03	0.09	1.00	
Total	1,535	203	6	34	34	16	69	1,897	0.81	0.11	0.00	0.02	0.02	0.01	0.04	1.00	
Comparing status initial and six months later only																	
II-97 to IV-97	FS	IS	Un	OLF	SE	Comm	UnP	Total	FS	IS	Un	OLF	SE	Comm	UnP	Total	
FS	7,151	764	91	287	242	173	136	8,844	0.81	0.09	0.01	0.03	0.03	0.02	0.02	1.00	0.27
IS	1,042	1,979	90	352	379	242	272	4,356	0.24	0.45	0.02	0.08	0.09	0.06	0.06	1.00	0.13
Un	98	126	71	140	62	33	54	584	0.17	0.22	0.12	0.24	0.11	0.06	0.09	1.00	0.02
OLF	231	319	106	4,205	349	85	1,190	6,485	0.04	0.05	0.02	0.65	0.05	0.01	0.18	1.00	0.20
Comm	245	422	41	388	3,340	182	239	4,857	0.05	0.09	0.01	0.08	0.69	0.04	0.05	1.00	0.15
SE	207	247	15	105	184	614	64	1,436	0.14	0.17	0.01	0.07	0.13	0.43	0.04	1.00	0.04
UnP	210	387	60	974	248	61	4,253	6,193	0.03	0.06	0.01	0.16	0.04	0.01	0.69	1.00	0.19
Total	9,184	4,244	474	6,451	4,804	1,390	6,208	32,755	0.28	0.13	0.01	0.20	0.15	0.04	0.19	1.00	
II-97 to I-98	FS	IS	Un	OLF	SE	Comm	UnP	Total	FS	IS	Un	OLF	SE	Comm	UnP	Total	
FS	4,292	456	67	177	166	119	220	5,497	0.78	0.08	0.01	0.03	0.03	0.02	0.04	1.00	0.17
IS	670	1,084	96	224	235	144	258	2,711	0.25	0.40	0.04	0.08	0.09	0.05	0.10	1.00	0.08
Un	64	73	40	78	42	23	43	363	0.18	0.20	0.11	0.21	0.12	0.06	0.12	1.00	0.01
OLF	156	203	60	2,532	228	71	804	4,054	0.04	0.05	0.01	0.62	0.06	0.02	0.20	1.00	0.12
Comm	170	252	21	255	2,047	115	212	3,072	0.06	0.08	0.01	0.08	0.67	0.04	0.07	1.00	0.09
SE	128	143	22	73	96	381	58	901	0.14	0.16	0.02	0.08	0.11	0.42	0.06	1.00	0.03
UnP	146	202	38	595	147	34	2,671	3,833	0.04	0.05	0.01	0.16	0.04	0.01	0.70	1.00	0.12
Total	5,626	2,413	344	3,934	2,961	887	4,266	20,431	0.28	0.12	0.02	0.19	0.14	0.04	0.21	1.00	
II-97 to II-98	FS	IS	Un	OLF	SE	Comm	UnP	Total	FS	IS	Un	OLF	SE	Comm	UnP	Total	
FS	1,923	201	28	108	90	56	106	2,512	0.77	0.08	0.01	0.04	0.04	0.02	0.04	1.00	0.08
IS	342	473	36	95	113	82	109	1,250	0.27	0.38	0.03	0.08	0.09	0.07	0.09	1.00	0.04
Un	40	25	22	31	18	5	26	167	0.24	0.15	0.13	0.19	0.11	0.03	0.16	1.00	0.01
OLF	77	106	24	1,170	104	25	364	1,870	0.04	0.06	0.01	0.63	0.06	0.01	0.19	1.00	0.06
Comm	63	117	11	121	924	57	117	1,410	0.04	0.08	0.01	0.09	0.66	0.04	0.08	1.00	0.04
SE	56	55	3	32	52	174	25	397	0.14	0.14	0.01	0.08	0.13	0.44	0.06	1.00	0.01
UnP	86	133	23	272	69	12	1,124	1,719	0.05	0.08	0.01	0.16	0.04	0.01	0.65	1.00	0.05
Total	2,587	1,110	147	1,829	1,370	411	1,871	9,325	0.28	0.12	0.02	0.20	0.15	0.04	0.20	1.00	

Table 8
Allison's suggested mover-stayer method of duration analysis in search for spikes

	Formal	Informal
Constant	0.89	1.01
Duration=2	-0.77	-0.29
Duration=3	-0.83	-0.35
Duration=4	-1.27	-0.27
Duration=5	-1.40	-0.42
Duration=6	-1.27	-0.44
Duration=7	-1.56	-0.64
Duration=8	-1.75	-1.00
Duration=9	-1.96	-0.66
Duration=10	-1.40	-0.54
Duration=11	-0.89	-0.20
Duration=12	-2.26	-0.60
Duration=13	-1.51	-0.75
Duration=14	-1.98	-0.47
Duration=15	-1.70	-0.39
Duration=16	-1.57	-0.09
Duration=17	-1.44	-0.52
Duration=18	-1.42	-0.56
Duration=19	-1.48	-0.85
Duration=20	-1.10	-0.36
Duration=21	-1.39	-0.19
Duration=22	-1.55	0.20
Duration=23	-1.90	-0.79
Duration=24	-1.01	-0.12
Duration=25	-2.36	-0.19
Woman	0.42	0.06
Age	-0.05	-0.06
Experience	0.10	0.01

Source: ENECE fired workers of 91, 93, 95 and 97 and ENEU panel structure

Table 9. Distribution of workers among sectors (ENEU)
% of total workers

Quarter	Formal salaried	Informal salaried	Self-Employed	Commision	Unpaid	Total
I-87	49.85	20.33	19.83	6.09	3.90	100
II-87	46.74	22.92	20.71	5.73	3.90	100
III-87	47.13	23.08	20.01	5.74	4.04	100
IV-87	46.83	22.53	20.42	6.04	4.19	100
I-88	46.77	22.27	20.64	6.08	4.24	100
II-88	46.34	22.80	20.67	6.11	4.07	100
III-88	45.58	22.06	21.38	6.70	4.28	100
IV-88	45.17	22.51	21.20	6.61	4.50	100
I-89	45.69	22.83	21.11	6.32	4.05	100
II-89	45.73	22.25	21.68	6.23	4.11	100
III-89	44.73	23.21	22.19	5.96	3.91	100
IV-89	45.19	22.71	21.96	5.83	4.30	100
I-90	45.45	23.11	22.09	5.36	3.99	100
II-90	46.90	22.60	21.21	5.48	3.81	100
III-90	46.94	22.46	21.36	5.36	3.88	100
IV-90	47.28	22.35	20.74	5.69	3.94	100
I-91	48.10	21.66	20.60	5.96	3.68	100
II-91	47.93	21.48	20.80	6.18	3.60	100
III-91	46.21	22.24	20.96	6.65	3.95	100
IV-91	46.00	22.22	21.04	6.38	4.36	100
I-92	46.20	22.01	20.82	6.49	4.48	100
II-92	46.36	21.79	21.17	6.53	4.14	100
III-92	46.07	22.30	21.14	6.39	4.11	100
IV-92	46.03	22.23	21.35	6.39	4.00	100
I-93	46.17	21.33	21.36	6.88	4.26	100
II-93	45.37	21.99	21.24	7.07	4.33	100
III-93	44.99	22.03	21.45	7.01	4.51	100
IV-93	44.83	22.00	21.65	7.12	4.41	100
I-94	45.33	22.22	20.46	7.45	4.55	100
II-94	45.34	22.11	20.95	7.26	4.35	100
III-94	44.84	21.75	21.69	7.47	4.25	100
IV-94	45.08	21.68	21.38	7.49	4.36	100
I-95	45.18	21.26	21.63	7.40	4.53	100
II-95	43.89	21.69	22.33	7.54	4.55	100
III-95	41.92	22.83	22.77	7.60	4.89	100
IV-95	41.62	23.71	22.55	7.54	4.57	100
I-96	41.88	23.64	22.11	7.66	4.70	100
II-96	42.16	23.59	22.44	7.24	4.57	100
III-96	41.54	23.08	23.18	7.47	4.73	100
IV-96	41.56	23.92	22.57	7.20	4.76	100
I-97	41.74	23.83	22.43	7.31	4.70	100
II-97	42.16	23.52	22.67	7.04	4.61	100
III-97	42.52	23.73	22.45	7.09	4.21	100
IV-97	42.94	23.44	22.56	6.78	4.29	100

Source: ENEU I-87 to IV-97.

Table 10

MultiLogit output of transition probabilities (1991-1994)

The coefficients with a p-value greater than 0.11 were set equal to zero. The grey line indicates the comparison group

Initial State	Final State	Constant	Sex	Age	Age ²	Elementary 1	Elementary 2	Secondary School	High School	College or higher	Married	Jobs in life	Work Experience	Course last two years	Breadwinner	Spouse (2nd)	Son	Service
FS	FS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
FS	IS	-0.40	0.06	-0.03	0.00	0.82	0.29	0.27	0.28	0.35	-0.39	0.00	0.01	-0.07	0.18	0.30	0.05	0.46
FS	Un	-2.07	0.22	-0.03	0.00	0.39	0.21	0.57	0.77	0.40	-0.68	0.06	-0.01	0.02	0.16	-0.44	0.52	-0.33
FS	OLF	2.26	-0.81	-0.21	0.00	0.78	0.44	0.56	0.88	0.57	-0.58	-0.05	0.01	-0.34	-0.52	1.38	-0.12	-0.08
FS	SE	-7.66	1.01	0.21	0.00	-0.06	0.04	0.31	0.29	0.72	-0.11	0.00	0.00	-0.23	0.85	0.22	0.00	0.11
FS	Cm	-4.47	0.89	0.08	0.00	0.66	0.48	0.67	0.50	0.11	0.02	-0.01	0.01	-0.12	0.39	-0.09	0.00	-0.68
FS	UP	-3.12	-0.09	0.08	0.00	0.84	0.32	0.66	0.61	0.34	0.13	0.00	-0.01	0.09	-1.99	-1.14	-0.40	0.00
IS	FS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
IS	IS	1.38	0.26	-0.09	0.00	-0.40	-0.69	-1.06	-0.92	-0.85	-0.09	0.01	0.00	-0.20	0.18	0.76	0.15	0.27
IS	Un	-1.81	0.59	-0.06	0.00	0.20	0.00	-0.28	-0.26	-0.33	-0.27	0.02	-0.01	-0.03	-0.11	1.16	0.80	-0.21
IS	OLF	3.41	-0.52	-0.26	0.00	-0.33	-0.56	-0.96	-0.56	-0.43	-0.26	0.00	-0.01	-0.35	-0.28	1.78	0.35	0.13
IS	SE	-4.95	1.19	0.09	0.00	0.00	-0.35	-0.79	-0.55	-0.47	0.81	-0.02	0.01	-0.71	0.32	1.07	0.62	0.05
IS	Cm	-3.47	1.62	0.01	0.00	0.49	0.22	-0.22	-0.65	-0.33	-0.09	-0.01	0.01	-0.16	0.40	0.68	0.40	-0.47
IS	UP	0.29	0.65	-0.13	0.00	0.35	0.32	-0.52	-0.29	0.09	-0.29	-0.06	0.00	-0.78	-1.96	-0.51	-0.75	0.06
Un	FS	-5.90	0.58	0.24	0.00	0.30	0.97	1.44	1.61	1.64	0.29	0.10	0.06	-0.04	0.79	-1.50	0.12	0.39
Un	IS	-4.72	0.58	0.15	0.00	0.70	1.10	1.34	0.98	1.07	0.60	0.17	0.05	-0.67	0.68	-1.17	0.55	0.23
Un	Un	-3.12	0.18	0.03	0.00	-0.35	0.73	1.51	0.55	1.88	0.27	0.19	0.00	-0.52	1.05	-1.32	0.00	0.12
Un	OLF	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Un	SE	-10.17	0.94	0.38	0.00	0.11	0.05	0.00	0.40	-0.15	0.22	0.08	0.01	-0.34	1.84	0.64	1.09	0.77
Un	Cm	-12.44	1.63	0.44	-0.01	1.95	2.09	1.91	2.02	2.33	0.37	0.12	0.02	0.00	0.78	-0.90	0.60	0.69
Un	UP	-22.54	0.61	0.12	0.00	15.49	17.52	17.83	16.92	17.57	1.16	-0.10	0.00	-1.13	-1.46	-0.91	0.33	0.06
OLF	FS	-4.06	0.29	0.10	0.00	0.89	1.38	1.38	1.13	1.46	-0.20	0.06	0.01	-0.48	0.38	-0.31	0.21	0.51
OLF	IS	-0.13	0.50	0.00	0.00	-0.32	-0.30	-0.48	-0.86	-0.84	-0.30	0.03	-0.01	-0.10	0.27	-0.38	0.03	0.50
OLF	Un	-3.35	0.05	0.07	0.00	0.68	0.64	1.18	1.15	1.05	-0.78	0.07	0.01	0.00	0.57	-0.04	0.13	0.26
OLF	OLF	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
OLF	SE	-5.27	0.54	0.17	0.00	-0.08	0.29	0.03	0.08	0.31	0.59	0.04	-0.01	0.04	0.27	-0.09	0.00	0.03
OLF	Cm	-4.40	0.79	0.05	0.00	0.10	0.60	0.59	0.00	0.51	0.06	0.09	-0.01	-0.06	0.41	0.56	0.24	-0.31
OLF	UP	-0.56	0.32	-0.02	0.00	0.07	0.12	0.04	-0.02	0.09	0.19	-0.09	-0.01	-0.15	-1.03	-0.80	-0.33	-1.10
SE	FS	-3.33	0.59	0.06	0.00	0.23	0.87	0.99	0.77	1.19	0.44	-0.02	0.00	0.65	0.31	-0.71	0.51	0.39
SE	IS	0.26	0.02	-0.05	0.00	0.00	-0.19	-0.37	-0.75	-0.41	0.48	0.02	0.00	0.43	-0.03	-0.69	0.41	0.45
SE	Un	-6.04	0.30	-0.03	0.00	0.27	0.43	0.79	0.58	0.70	-0.41	0.07	0.01	0.66	0.19	-0.59	0.74	0.00
SE	OLF	2.69	-1.42	-0.17	0.00	-0.30	-0.06	-0.41	-0.65	-0.45	0.00	0.02	0.00	0.70	-0.23	0.72	0.58	-0.14
SE	SE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
SE	Cm	-3.15	1.18	-0.06	0.00	-0.59	-0.43	-0.49	0.00	-0.37	0.48	0.04	0.00	0.85	0.04	-0.16	0.08	-0.13
SE	UP	0.42	-0.16	-0.07	0.00	-0.33	-0.05	-0.52	-0.65	-0.55	0.23	0.06	0.00	-0.12	-1.61	-0.45	0.43	-0.71
Cm	FS	-0.45	-0.37	0.08	0.00	-0.19	0.23	-0.10	0.07	-0.14	0.20	-0.02	0.00	0.60	0.00	-1.07	-0.13	-0.56
Cm	OLF	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Cm	Un	-3.94	0.24	0.15	0.00	-0.62	-0.15	-0.13	-0.69	-1.24	-0.22	-0.04	-0.04	0.56	-0.39	1.11	0.47	-0.58
Cm	OLF	4.94	-1.03	-0.23	0.00	-1.36	-1.41	-1.83	-1.50	-1.19	0.07	0.02	0.01	0.36	-0.37	2.06	0.37	0.10
Cm	SE	-3.35	0.27	0.12	0.00	0.32	0.07	0.12	0.14	0.58	0.51	0.02	0.00	-0.14	-0.88	-0.68	-0.63	-0.06
Cm	Cm	-2.55	0.15	0.11	0.00	0.00	0.17	0.00	0.21	-0.12	0.49	0.04	0.00	0.27	0.00	0.27	0.19	-1.24
Cm	UP	-2.16	0.00	0.08	0.00	-1.64	-1.16	-0.95	-1.14	-1.21	0.91	-0.21	0.01	0.71	-1.77	0.16	0.47	-0.09
UP	FS	-8.77	1.25	0.31	0.00	0.93	1.87	2.28	2.37	2.39	-0.91	0.11	0.02	-0.63	0.88	-0.85	-0.10	0.00
UP	IS	-7.66	1.81	0.20	0.00	0.78	1.13	0.96	0.74	-0.67	-0.06	0.15	0.01	-0.42	-1.81	-1.61	1.01	-0.24
UP	Un	-32.74	1.31	0.58	-0.01	18.36	17.18	18.30	17.90	17.25	-1.71	0.21	0.02	0.68	2.70	0.30	2.11	-0.47
UP	OLF	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
UP	SE	-8.83	1.62	0.33	0.00	-0.42	-0.62	-0.08	-0.42	-0.33	-0.06	0.06	0.01	-0.65	0.66	0.23	0.17	0.57
UP	Cm	-7.56	2.36	0.24	0.00	0.18	-0.10	-0.15	-1.83	-0.76	0.58	0.07	0.04	0.51	0.23	-0.29	-0.26	1.05
UP	UP	-2.17	0.79	0.08	0.00	-0.64	-0.15	-0.42	-0.40	-0.97	-0.46	0.01	0.01	-0.27	-0.18	0.393	0.22	0.44

Table 11
Survival models
Urban labour market (1991-1994)

	Weibull Models				Logistic Models			
	Survival S(t)			Hazard Rate h(t)	Survival S(t)			Hazard rate h(t)
	1 year	5 years	10 years		1 year	5 years	10 years	
Woman, Age =30, Spouse (2nd aboard), High School, 2 jobs in life and 5 years of work experience, course training								
Formal salaried	0.967	0.826	0.667	0.013	0.973	0.818	0.647	0.008
Informal salaried	0.846	0.454	0.215	0.036	0.922	0.590	0.368	0.025
Unemployed	0.486	0.013	0.000	0.242				
OLF	0.906	0.631	0.409	0.020				
Self employed	0.955	0.772	0.581	0.016	0.814	0.349	0.179	0.060
Comission	0.884	0.518	0.258	0.036				
Unpaid	0.837	0.380	0.133	0.055				
Man, Age = 45, Breadwinner, High School, 5 jobs in life and 25 years of work experience, course training.								
Formal salaried	0.987	0.927	0.852	0.005	0.991	0.934	0.853	0.002
Informal salaried	0.913	0.652	0.434	0.019	0.996	0.973	0.936	0.001
Unemployed	0.570	0.034	0.000	0.192				
OLF	0.883	0.559	0.323	0.025				
Self employed	0.979	0.891	0.785	0.007	0.971	0.809	0.633	0.009
Comission	0.940	0.720	0.508	0.019				
Unpaid	0.926	0.656	0.417	0.025				

Table 12
(1991-1994)

*Transition probabilities π_j								**Equilibrium state occupancy probability π_j	***Mean duration μ	****Long run state occupancy probabilities p_i
Woman, Age = 30, Spouse (2nd aboard), High School, 2 jobs in life and 5 years of work experience, written, course training										
	FS	IS	Un	OLF	SE	Com	UP			
FS	0	0.37	0.11	0.05	0.17	0.24	0.04	0.37	22.3	0.60
IS	0.74	0	0.4	0.03	0.10	0.08	0.00	0.21	6.50	0.09
Un	0.41	0.13	0	0.18	0.17	0.11	0.00	0.06	1.28	0.00
OLF	0.13	0.19	0.15	0	0.38	0.06	0.08	0.06	11.45	0.05
SE	0.65	0.19	0.00	0.07	0	0.06	0.02	0.13	17.3	0.16
Com	0.68	0.115	0.03	0.03	0.08	0	0.02	0.13	7.36	0.07
UP	0.34	0.02	0.06	0.36	0.11	0.11	0	0.03	5.04	0.00

Man, Age=45, Breadwinner, High School, 5 jobs in life and 25 years of work experience,
course training

	FS	IS	Un	OLF	SE	Com	UP			
FS	0	0.36	0.08	0.06	0.25	0.24	0.02	0.37	52.7	0.62
IS	0.72	0	0.03	0.03	0.13	0.07	0.00	0.19	12.3	0.07
Un	0.34	0.13	0	0.17	0.29	0.06	0.00	0.05	1.61	0.00
OLF	0.11	0.10	0.14	0	0.54	0.05	0.05	0.06	8.98	0.02
SE	0.67	0.16	0.00	0.08	0	0.05	0.02	0.18	36.8	0.22
Com	0.62	0.14	0.01	0.04	0.17	0	0.01	0.12	14.3	0.05
UP	0.36	0.03	0.03	0.21	0.17	0.18	0	0.02	11.1	0.00

* Probability of entering state j given that the state i was left.

** Long run probability that the state j is entered at any transition.

*** Average length of time spent in each state, once it is entered (calculated with Weibull model).

**** Probability of the process being in each of the seven states at an arbitrary timeremote from the origin (do not depend upon which state was occupied at time 0).

Table 13
Transitions among economic sectors of salaried workers
Urban mexican labour market, 1995

Formal to Formal	1	2	3	4	5	6	7	8	9	10	Total	1	2	3	4	5	6	7	8	9	10	Total	
Agriculture	127	0	31	1	0	17	0	1	13	0	190	67%	0%	16%	1%	0%	9%	0%	1%	7%	0%	100%	1%
Extraction	0	103	17	5	1	5	1	0	8	0	140	0%	74%	12%	4%	1%	4%	1%	0%	6%	0%	100%	0%
Manufacturing	18	16	7657	62	1	319	15	7	178	1	8274	0%	0%	93%	1%	0%	4%	0%	0%	2%	0%	100%	27%
Construction	6	5	51	616	191	34	16	9	163	0	1091	1%	0%	5%	56%	18%	3%	1%	1%	15%	0%	100%	4%
Electricity	0	0	1	1	386	1	0	0	16	0	405	0%	0%	0%	0%	95%	0%	0%	0%	4%	0%	100%	1%
Commerce	17	5	311	34	7	5088	32	20	243	0	5757	0%	0%	5%	1%	0%	88%	1%	0%	4%	0%	100%	19%
Communications	1	1	28	6	3	39	1358	7	72	0	1515	0%	0%	2%	0%	0%	3%	90%	0%	5%	0%	100%	5%
Fin. And RS Services	2	0	8	13	1	23	5	351	60	0	463	0%	0%	2%	3%	0%	5%	1%	76%	13%	0%	100%	1%
Other services	12	3	192	124	46	233	84	59	12460	0	13213	0%	0%	1%	1%	0%	2%	1%	0%	94%	0%	100%	43%
Government	0	0	0	0	0	0	0	0	0	3	3	0%	0%	0%	0%	0%	0%	0%	0%	0%	100%	100%	0%
Total	183	133	8296	862	636	5759	1511	454	13213	4	31051	1%	0%	27%	3%	2%	19%	5%	1%	43%	0%	100%	

Formal to Informal	1	2	3	4	5	6	7	8	9	10	Total	1	2	3	4	5	6	7	8	9	10	Total	
Agriculture	21	0	2	0	0	4	1	0	3	0	31	68%	0%	6%	0%	0%	13%	3%	0%	10%	0%	100%	1%
Extraction	0	5	1	1	0	2	0	0	2	0	11	0%	45%	9%	9%	0%	18%	0%	0%	18%	0%	100%	0%
Manufacturing	7	3	349	28	1	60	5	3	99	14	569	1%	1%	61%	5%	0%	11%	1%	1%	17%	2%	100%	17%
Construction	2	2	11	144	22	15	5	2	49	0	252	1%	1%	4%	57%	9%	6%	2%	1%	19%	0%	100%	8%
Electricity	0	0	0	0	5	2	0	1	1	0	9	0%	0%	0%	0%	56%	22%	0%	11%	11%	0%	100%	0%
Commerce	11	3	35	20	1	469	11	2	100	11	663	2%	0%	5%	3%	0%	71%	2%	0%	15%	2%	100%	20%
Communications	1	0	7	3	0	14	76	0	16	3	120	1%	0%	6%	3%	0%	12%	63%	0%	13%	3%	100%	4%
Fin. And RS Services	0	0	2	4	0	8	1	165	9	0	189	0%	0%	1%	2%	0%	4%	1%	87%	5%	0%	100%	6%
Other services	5	1	36	26	7	59	10	13	1288	11	1456	0%	0%	2%	2%	0%	4%	1%	1%	88%	1%	100%	44%
Government	0	0	0	0	0	0	0	0	0	4	4	0%	0%	0%	0%	0%	0%	0%	0%	0%	100%	100%	0%
Total	47	14	443	226	36	633	109	186	1567	43	3304	1%	0%	13%	7%	1%	19%	3%	6%	47%	1%	100%	

Informal to Formal	1	2	3	4	5	6	7	8	9	10	Total	1	2	3	4	5	6	7	8	9	10	Total	
Agriculture	16	0	9	1	0	1	1	0	4	0	32	50%	0%	28%	3%	0%	3%	3%	0%	13%	0%	100%	1%
Extraction	0	9	3	2	0	1	0	0	3	0	18	0%	50%	17%	11%	0%	6%	0%	0%	17%	0%	100%	1%
Manufacturing	3	1	362	14	1	42	1	1	30	0	455	1%	0%	80%	3%	0%	9%	0%	0%	7%	0%	100%	15%
Construction	0	1	21	139	12	23	4	2	42	0	244	0%	0%	9%	57%	5%	9%	2%	1%	17%	0%	100%	8%
Electricity	0	0	0	0	3	0	0	0	0	0	3	0%	0%	0%	0%	100%	0%	0%	0%	0%	0%	100%	0%
Commerce	1	1	83	10	0	521	8	1	63	0	688	0%	0%	12%	1%	0%	76%	1%	0%	9%	0%	100%	23%
Communications	0	0	5	3	0	10	83	1	7	0	109	0%	0%	5%	3%	0%	9%	76%	1%	6%	0%	100%	4%
Fin. And RS Services	0	0	6	2	0	3	1	146	10	0	168	0%	0%	4%	1%	0%	2%	1%	87%	6%	0%	100%	6%
Other services	6	3	81	48	3	79	15	15	970	1	1221	0%	0%	7%	4%	0%	6%	1%	1%	79%	0%	100%	41%
Government	0	0	8	4	1	7	3	0	4	0	27	0%	0%	30%	15%	4%	26%	11%	0%	15%	0%	100%	1%
Total	26	15	578	223	20	687	116	166	1133	1	2965	1%	1%	19%	8%	1%	23%	4%	6%	38%	0%	100%	

Informal to Inform	1	2	3	4	5	6	7	8	9	10	Total	1	2	3	4	5	6	7	8	9	10	Total	
Agriculture	172	0	10	14	0	17	4	0	25	1	243	71%	0%	4%	6%	0%	7%	2%	0%	10%	0%	100%	2%
Extraction	0	77	25	2	0	4	1	0	1	0	110	0%	70%	23%	2%	0%	4%	1%	0%	1%	0%	100%	1%
Manufacturing	12	21	1144	28	0	72	17	1	100	4	1399	1%	2%	82%	2%	0%	5%	1%	0%	7%	0%	100%	13%
Construction	15	2	38	632	28	37	7	3	161	3	926	2%	0%	4%	68%	3%	4%	1%	0%	17%	0%	100%	9%
Electricity	15	6	83	30	0	1610	13	8	178	4	1947	1%	0%	4%	2%	0%	83%	1%	0%	9%	0%	100%	18%
Commerce	0	3	5	6	0	24	132	0	27	3	200	0%	2%	3%	3%	0%	12%	66%	0%	14%	2%	100%	2%
Communications	0	0	1	2	0	3	0	303	15	3	327	0%	0%	0%	1%	0%	1%	0%	93%	5%	1%	100%	3%
Fin. And RS Services	18	20	98	141	11	219	23	14	4948	8	5500	0%	0%	2%	3%	0%	4%	0%	0%	90%	0%	100%	51%
Other services	0	0	2	2	0	3	1	0	11	199	218	0%	0%	1%	1%	0%	1%	0%	0%	5%	91%	100%	2%
Government																							
Total	232	129	1406	857	39	1989	198	329	5466	225	10870	2%	1%	13%	8%	0%	18%	2%	3%	50%	2%	100%	

Source: ENECE 95 and ENEU panel structure