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ESTIMATION OF THE EQUILIBRIUM UNEMPLOYMENT LEVEL AS A TOOL FOR ASSESSING THE RURAL POPULATION'S OCCUPATIONAL SITUATION: AN EXAMPLE OF POLAND**Abstract:**

The purpose of this paper is to present the possible uses of the method developed by the Centre for Economic Policy Research (Unemployment 1995) for estimating the structural unemployment level in selected population groups based on the analysis of flows to/from employment, unemployment and inactivity. Though the method is quite old and has met criticism, it is still reasonable to use it because it enables the decomposition of unemployment into the structural and cyclical component at various levels, limited only by data availability. Also, it is highly suitable for the analysis of data retrieved from the EU-wide Labour Force Survey (LFS). Calculating the flow rates and equilibrium unemployment levels for particular rural population groups selected by defined characteristics, assessing how they evolve over time, and comparing the results between different population groups (e.g. urban dwellers) can be a basis for drawing conclusions on the determinants of changes in economic activity and on the structural or cyclical nature of unemployment. This information is essential for a proper selection of measures taken to counteract adverse developments in the labour market, and enables a more efficient search for solutions designed to improve the population's occupational and economic status. The possible uses of that method are illustrated by the example of the Polish rural population and by calculations based on 2016 data.

Keywords:

unemployment decomposition, LFS, equilibrium rate of unemployment, unemployment natural rate, rural areas

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