

Abstract

A component of labor dynamics is attributed to job reallocation. Specifically, job destruction and job creation indicate the structural changes in the labor market and the economy in general. The rates of creation and destruction of occupations differ by industry and reflect the dynamics of the economy. In this paper I employ a job reallocation framework to investigate the structural employment dynamics in the Czech Republic from 2014-2016. I use cross-industry comparisons of job destruction, job creation and job reallocation rates to provide a big picture of the Czech economy via labor market dynamics. Further, I conduct more detailed regional-level analysis of job flows in various industries. I also study wage structure at firm- industry- group-of-industry- and regional- level. The analysis of both job flows and wage dynamics is useful for a more comprehensive assessment of the labor market dynamics. Among other results, I show that manufacturing and trade sectors grew fastest on average in the Czech Republic in 2014-2016. Non-service sectors except for manufacturing consistently shrank on average in 2014-2016. Wages evolved similarly across the majority of industries and grew for all quantiles of the wage distribution. I also find evidence of a strong negative relation between firm-level job flows and average wage