

# Submission form to the XVII Conference of SIET, Milano 29 June -1 July

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## Title of the presentation

Travel-to-work. Which factors matter? An analysis on regional labor markets in the UK
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## Abstract (400-500 words)

The aim of this study is focus on the role of positive and negative monetary incentives in stimulating infra and inter-regional mobility in the UK (through commuting behaviours) firstly considering a simple theoretical model and then developing an empirical application using data from LFS 2004-2011. According to the theory, workers who commute from one labor market to another should require earning grants able at least to compensate monetary and non-monetary moving costs and individual evaluation of the trade-off between these costs and the value of the monetary incentive. For doing it, we estimate the predicted wage in the region of current residence through OLS and then we verify the increase in the probability of moving to other UK GORs (Government Office Regions, representing a total of nineteen disaggregated regions) due to greater hourly wages w.r.t. that predicted for the region of current residence through a Multinomial Logit model. We consider four different cases: living and working in the same region (or territorial agglomeration) which represent the baseline outcome of the Multinomial logit; working in a region whose travel distance is less than 30 minutes from the residence; working in a region whose distance is between 30 and 45 minutes from the residence; working in a region at 45 minutes of travel distance. In our analysis, we find that earnings, sex differences and individual characteristics play an important role in explaining commuting behavior, as well as the length of the employment within the same workplace. We find also that – on average – wages 20% greater than those for the region of residence lead to an increase in probability of 2-2,9% (according to gender differences) to move to other regions commuting more than 45 minutes. Hence, on average, the gender gap is around 0.9% for the case of longer commuting. By contrast, when the monetary incentive is negative, then the probability of moving decreases by 0,7% (for 30-45 minutes) and by 1,5% (for more than 45 minutes). Finally, for robustness check and for taking into account possible biases in the model due to the role played by the capital, we develop the two-stage model without considering the region of Greater London. In this case, male workers increase their probability to move to other regions and territorial agglomeration by 2.6% (while it was 2.9% in the previous case) while women only by 1.3%, that is 0.7% less than with the overall sample. Excluding the region of Greater London from the sample leads to an increase in the gender gap in the probability commuting with the consequence that female workers working in London are more willing to commute than their national counterpart. This result may be explained by the greater attractiveness of the Region of Greater London, especially for women.