Job mobility and segmentation in Australian city labour markets

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Abstract: Cities are said to have afforded workers higher earnings and greater opportunity to appropriate productivity gains through job mobility. The flipside of flexibility is perhaps more insecurity, associated with casualisation and intense competition for low-skilled positions. This article examines whether cities do promote greater levels of mobility and whether workers in the primary and secondary segments display different patterns of job transition in urban vs. non-urban areas. We find evidence of higher job mobility in urban areas associated with both increased confidence that search will locate a new job and heightened fear of losing one's current job. Controlling for other factors, confidence (linked to upward job mobility), is higher in the primary segment of urban labour markets, but so is fear of losing one's job (linked to downward job mobility). Thus, the primary labour market of urban areas may be particularly susceptible to the adverse dynamics associated with increased mobility.

Keywords: job mobility; search behaviour; segmented labour market theory; urban labour markets.

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1   Introduction

Gordon (2005, p.2) hypothesises that in 15 years, cities have developed a unique pot for achieving successful economic outcomes, owing to their 'density, diversity openness to change'. Accordingly, by virtue of their scale, networks and adva service functions, cities provide greater potential for interaction and readier acce innovation; they also afford workers higher earnings and greater opportuni appropriate productivity gains through job mobility.

However, the benefits of job mobility arguably accrue only to those indivi located in dynamic local labour markets and in growing occupations with ' skill-sets. The flip-side of flexibility is more insecurity, associated with casualisatio intense job competition for low-skilled positions. When labour markets are job rat overall, more able workers successfully compete for low-skill jobs at the expense least skilled workers (see Mitchell and Bill, 2006).

There are significant differences that exist between cities and their non-metrop counterparts, in terms of the motivations for job search and the nature of job trans holding other factors constant (Mitchell, Muysken and Welters, 2005). This a attempts to extend these findings using five waves of the survey of Household In and Labour Dynamics Australia (HILDA) data, to examine whether cities do pro greater levels of mobility and whether primary and SLM participants display diff patterns of search and occupational transition in urban areas.

For the purposes of this study, we construct a cross-sectional pooled dataset o working age population from the five waves of HILDA (first in 2001 and the la 2005) comprising 31,740 observations. Full-time students, persons aged below 15 and aged over 65 years are excluded. The variables we use in this article are summa in the Appendix A to this article. Wherever necessary we further explain the ch made in the article.

The article is organised as follows: Section 2 presents analysis of the drivers o mobility attempting to isolate whether metropolitan labour markets inherently pro turnover, and explores the possible factors driving this outcome; Section 3 em segmentation theory to test whether typical features of the metropolitan labour m intensify differences in labour market outcomes between the primary and the secoi segment; Section 4 concludes.

2   Turbulence in metropolitan labour markets

2.1   Brief literature review

Gordon (2005, p.1) argues that modern cities owing to their growing 'density, div and flexibility' have a unique capacity for matching workers and employers,

promoting job mobility. We might expect job mobility to be higher in metropolitan labour markets for a number of reasons (see summary in Buck et al., 2002, p.204). The scale of metropolitan labour markets increases the range of options available to workers and employers, making it attractive for them to use an external labour market as a means to achieve their goals. Agglomeration economies decrease the risks of labour market flexibility, since new jobs can be found more easily and when required. In addition to scale effects giving rise to greater mobility rates, Glaeser (1999) and Glaeser and Maré (2001) claim city labour markets – especially with advanced service functions – offer greater opportunities for ambitious workers to develop their skills and human capital. They argue that it is the greater opportunities for learning and the ability to translate learning into a wage premium that attracts workers, rather than the higher initial wages. Dense urban areas increase the speed of interaction, and interactions help individuals increase skill acquisition, which leads Buck et al. (2002, p.204) to conclude that cities encourage higher mobility because workers can 'appropriate more of the productivity gains associated with their growing human capital.' Meanwhile, the risks of mobility are lower right across the labour market because of scale and density; encouraging quicker hiring and firing practices amongst employers. Similarly, Fielding (1991) mounts what is termed the 'escalator hypothesis' such that in cities there is a higher rate and faster than normal progression from education into managerial posts, and a higher degree of churning between professional and managerial jobs. Thus cities promote occupational and social mobility, particularly for the young and qualified. According to Amin and Thrift (1992), higher mobility might also stem from readier access to new developments, international experience and opinions of powerful groups.

However, Buck et al. (2002, p.205) note that the capacity to access opportunities and to add earnings via a process of job mobility is likely to be unevenly distributed. Those who are in higher status, non-routinised positions and those with greater learning skills are better able to garner the benefits of job change. The OECD (1997; 1999) note that, while average job tenure has remained stable in recent years, job instability and insecurity are more pronounced among less educated workers than among the highly skilled. Thus the freedom afforded by 'flexibility' in urban labour markets may yield 'variety and mobility' in work but may also be associated with 'insecurity' (see Buck et al., 2002, p. 198).

The earlier segmented labour market literature clearly noted that unlike the human capital theory vision of job change, workers in low-skill jobs tended to change jobs regularly and cycle between one low paid position and another with spells of unemployment often interspersed and no definable career progression occurring (Doeringer and Piore, 1971). Mitchell, Muysken and Welters (2005) find supporting evidence of this, using HILDA data for the Australian economy.

White and Forth (1998) provide supporting evidence for this view in the UK labour market arguing that there is a strong tendency for the unemployed to cycle through more unstable or downgraded parts of the labour market. While older workers, on average, experience lower turnover, for those who do churn, unemployment spells may be longer. Their study of London confirms that middle-aged workers particularly exhibit high unemployment rates. More generally, higher turnover may mean that employers under-invest in non-firm specific skills, which they believe can be purchased in an accessible open market, hence there may be some shortfall in training.

Buck and Gordon (1998) employ three indicators of turnover (drawn from Labour Force Survey):

1   the probability of having started a job

2   the probability of having left a job

3   the probability of having made a job-to-job move over a 12 month period.

Inner London records the highest rates of job-to-job moves, and rates are generally in denser labour markets and those with lower unemployment rates (see Buck 2002, p.206). This remains true once we control for socio-demographic and indi characteristics and debunks the idea that the higher proportion of young unm residents are responsible for the higher rates of mobility. Buck et al. (2002, p.207) these measures down occupationally and find that all sectors and socio-economic g display higher turnover rates in London. For those higher-skilled occupations generally lower turnover rates, the differential is most marked. Mobility rates in were found to be highest amongst young workers and to disappear with age (40 plus). This lends support to the argument that higher mobility rates are not just a fur of scale but also reflect 'the particular opportunities for well qualified young peo advance their careers through movement between firms' (Buck et al. 2002, p.207). I with the OECD, the authors find no upward trend in mobility rates between 197 2000, despite temporarily high rates during the 1980s boom. After controlling for l proportion of youth, qualified and 'personally ambitious' persons in the London l market, the London region escalator adds only 0.75% per annum to the mobility average young, qualified worker and personal ambition delivers no significant ber other things constant. Buck et al. (2002, p.210) conclude career progression takes through accumulating experience across a variety of employers, rather than th internal labour markets. The proposition that city employers may be reluctant to inv staff development is also explored and controlling for other factors, staff in Londc 20% less likely to report training.

2.2   Job mobility in the Australian labour market

Higher job mobility rates in metropolitan labour markets is a key empirical finding international literature. Before analysing its effects on metropolitan labour n outcomes, we first show its presence in the Australian metropolitan labour market, consists of the central business districts of Adelaide, Brisbane, Melbourne, Perth Sydney. We apply the third indicator of job turnover from Buck and Gordon (1 job-to-job mobility. The binary dependent variable suggests a panel logit specific However, we have to take account of the fact that our dependent variables are corr across waves. For example, a person's job search activity in one period is correlatec his/her job search activity in another period. Recognising this interdependency, w clustered logit estimated, which adjusts for observations which are dependent wit cluster but independent between clusters. We report odds ratios in Table 1, whic defined as the ratio of the odds of an event occurring in one group to the odds i control group.

The first column in Table 1 reports the standard regressors, which give the exp results. Job-to-job mobility declines with age and tenure. Job dissatisfaction in ter

hours worked or job security leads to higher job mobility. In terms of our main interest, the results show that living in metropolitan areas increases job mobility.

Table 1   Job-to-job movements, 2001–2005

Independent variables / Dependent variables	Job-to-job movement (1)	Job-to-job movement (2)
–	–	–
Living outside a metropolitan area	reference	reference
Living in a metropolitan area	1.11 (0.04)***	1.06 (0.04)
Expectations in previous job	–	–
Likelihood to find another job (flexibility)	–	1.01 (0.00)***
Likelihood to lose the job (insecurity)	–	1.01 (0.00)***
Personal characteristics	–	–
Age cohort:		
16–30 years	reference	reference
31–40 years	0.77 (0.04)***	0.76 (0.04)***
41–50 years	0.59 (0.03)***	0.59 (0.03)***
51–65 years	0.51 (0.03)***	0.52 (0.04)***
Gender:		
Female	reference	reference
Male	0.97 (0.04)	0.97 (0.04)
Ethnicity:		
Non-Aboriginal Austr.	reference	reference
Indigenous	1.41 (0.21)**	1.43 (0.22)**
Education:		
(Pre-)primary/sec school	reference	reference
Certificate	1.10 (0.05)*	1.06 (0.05)
Advanced diploma	1.08 (0.08)	1.05 (0.07)
Post Grad., Bachelor	1.04 (0.05)	0.96 (0.05)
Job characteristics (previous job)	–	–
Hours worked:		
Involuntary part-time	reference	reference
Full time	0.78 (0.08)**	0.76 (0.08)***
Voluntary part-time	0.65 (0.06)***	0.65 (0.06)***
Contract type:		
Fixed term contract	reference	reference
Casual contract	1.39 (0.10)***	1.41 (0.10)***
Permanent contract	0.81 (0.05)***	0.91 (0.06)
Tenure	0.94 (0.00)***	0.95 (0.00)***
Industry level (previous job)	–	–
Industry:		
Agriculture	1.48 (0.18)***	1.40 (0.17)***
Mining	1.41 (0.20)**	1.42 (0.20)**
Manufacturing	1.27 (0.09)***	1.23 (0.09)***

Table 1   Job-to-job movements, 2001–2005 (Continued)

Independent variables / Dependent variables	Job-to-job movement (1)	Job-to-job movement (2)
Electricity, water, gas	1.50 (0.31)*	1.54 (0.33)**
Construction	1.51 (0.14)***	1.41 (0.13)***
Wholesale	1.59 (0.16)***	1.52 (0.15)***
Retail / Restaurants	1.50 (0.09)***	1.48 (0.09)***
Transport	1.35 (0.14)***	1.36 (0.14)***
Finance, property buss.	1.60 (0.09)***	1.52 (0.09)***
Government	reference	reference
Cultural services	1.26 (0.10)***	1.27 (0.10)***
–	–	–
R-squared	0.07	0.09
Number of observations	20,062	20,062

* 10% significance, ** 5% significance, *** 1% significance, robust standard errors in parentheses.

The literature review suggests two reasons for elevated levels of job mobili metropolitan areas: one positive and one negative. On the positive side, 't metropolitan labour markets provide ample job opportunities to employees, which s bolster employees' confidence to find an equal or better job than their current jo then labour market flexibility might also increase job insecurity, especially for th the bottom of the labour market. For this cohort, higher turnover rates imply mo insecurity, which enhances their expectations of losing their current job and subsequ spurs job search and, if successful, job change. Both factors can thus increas mobility. Column 2 of Table 1 reports the results of adding these factors to the regr in column 1. Both the positive and negative influences increase job turnover and importantly, once they are introduced, the metropolitan dummy becomes statist insignificant. This suggests that we have captured the idiosyncrasies of metrop labour markets. For some, the thick metropolitan labour market is an opportunity a others it is a threat. Both factors spur job search and so the rest of the article is devo studying these factors in more detail.

2.3   The global city hypothesis – escalation and bumping-down

Though metropolitan labour markets can be interpreted as providing an opportun well as a threat to employees, it does not follow necessarily that both forces will ma as increased job mobility. Mitchell, Muysken and Welters (2005) contend tha different motivations for job mobility generate qualitatively different outcomes. show that when job mobility is motivated by intrinsic motivation (that is, job cl induced by labour market opportunities) the new job is qualitatively better (pay, worked and job security satisfaction) than the previous one. However, when job mo is motivated by extrinsic search (that is, job change induced by labour market threa qualitative improvements occur as a result of the search and mobility.

This closely relates to the existing literature which proposes that metropolitan play an 'escalating' role. Gordon (2005, p.6) argues that modern cities have a u

potential for success, particularly lying in the 'range, flexibility, openness and depth' of their labour markets. Berry (2006, p.5) notes that cities increasingly can be distinguished not merely by size and growth but by advanced business services. The rise of finance and specialised services concentrated in cities creates a 'critical-mass' of profitable enterprises (Sassen, 1995). Economies of scale are said to be generated by proximity of firms to key input services and the advantages offered by face-to-face communication. As Nygaard, Wood and Stoakes (2005, p.4) argue, "greater service intensity and complexity through skill biased technical change has generated a skills premium, which induces wage and earnings inequality." Externalities flowing from co-location and reduction of transaction costs are said to significantly raise firm profitability.

That Australian cities offer a wage premium (and particularly skilled workers) is confirmed by crude analysis of HILDA. Table 2 shows average hourly gross wages by occupation for metropolitan and non-metropolitan regions.

In line with Sassen (1991) 'global city' hypothesis, Berry (2006) argues that Australian cities have become both more integrated and more segmented. Nygaard, Wood and Stoakes (2005) assess elements of the 'global cities' hypothesis for three Australian cities: Adelaide, Melbourne and Sydney. Results confirm that there is evidence of agglomeration of 'new economy' type industries in Sydney, and to a lesser degree Melbourne, similarly new economy small businesses increased their profit share in Sydney and Melbourne. The authors employ a Grubel-Lloyd Index of intra-industry trade and find that Sydney and Melbourne are marginally more internationally connected than Adelaide.

Table 2   Mean hourly wages by occupation, metropolitan and non-metropolitan, 2001–2005 Australia

Occupational level	Hourly gross wage ($A)[a]	
	Non-metropolitan area	Metropolitan area
Manager	11.70	28.41
Professional	21.49	23.24
Associate professional	15.29	19.64
Tradesperson	13.00	14.28
Advance clerical	17.21	18.10
Clerical	13.78	15.50
Intermediate production	15.98	14.39
Elementary clerical	12.45	13.00
Labourer	11.90	12.71

[a] Includes all jobs.

Source: HILDA, pooled cross-section, 2001–2005.

Australian cities traditionally, unlike those in the UK and US, do not have economically depressed inner-areas, nor has there been a significant decentralisation of employment to the suburbs of Sydney and Melbourne (O'Connor and Healy, 2002). Like UK and US cities, Australian cities do however, contain higher proportions of ethnic minorities and 'unattached young people, in search of freedom or in flight from difficult family situations' (Buck et al., 2002, p.198), groups who may find difficulties with integration.

Sassen (1991) adds a new dimension to this mix. She argues that with the growth and concentration of new economy employment, not only are highly skilled, knowledge-

intensive jobs generated, but also are routinised, low-skilled support jobs, requiring formal qualifications or training. Mitchell and Bill (2006) confirm these growth tre the Australian economy. Berry (2006, p.9) terms this a 'synergistic dual urban l market' which gives rise to labour market polarisation in income inequality as des in the Sassen (1991) 'social polarisation thesis' (see also Friedmann and Wolff, 198 Baum, 1997). Nygaard, Wood and Stoakes (2005) examine spatial income ineq using Australian Tax Office data at the post-code level and Milanovic-Gini coeffi for grouped data. They find that while in Adelaide the ratio of the ten richest to tl poorest postcodes has remained relatively unchanged, it has increased in Sydne Melbourne over the period 1995–1996 to 2002–2003. Examining census data for Baum (1997, p.1900) provided early evidence of socio-economic segmentation in S noting

> "at one end of the scale there exists a growing group of high-income, high-status individuals who are strongly attached to the global economy and have benefited from global integration. At the other end, there is both a growing group of workers who have only weak labour market attachment to the global economy (low-paid service workers) and a group who are outside the employed labour force, are dependent on welfare, and have benefited very little from global processes."

There is a close link between processes of mobility, job competition and ecor disadvantage for the less-skilled workers, particularly in times of overall job ration exists in the Australian economy in 2006. While cities may offer chances for pros relative to less-dense employment growth areas, they also generate perverse dyn including so-called 'bumping down' effects whereby as the supply of skilled we expands, more highly educated workers compete with less-skilled (educated) worke similar jobs and according to Thurow (1998, p.33), the high-skill workers 'bump the job distribution' driving the less-skilled workers either further down the occupa ladder or into unemployment (see Fields, 1975). Skott and Auerbach (2005) conclud the rising proportion of high-skill workers without high-skill employment who down into lower-skill jobs can explain a substantial increase in US wage inequ Green and Owen (1998) link the 'bumping down' mechanisms to an explanati the spatial distribution of non-employment. They note that low-skill workers an spatially mobile (through migration or commuting) and require an adequate sto spatially proximate jobs to avoid unemployment. In times of overall job rationing growth areas experience substantial net in-migration and net in-commuting from skilled workers in search of the overall scarce employment. As a consequenc less-skilled workers do not fully enjoy the high growth in jobs that they would nor access if there was full employment overall. The problem is not that the low skill not possess relevant skills, but rather that the higher-skilled workers bump dow present superior competition for the finite pool of jobs. Mitchell and Bill (2006) found evidence of these dynamics in the Australian labour market.

These processes represent the dark side of the global city. Table 3 shows educa attainment shares in the two lowest occupational categories available in HILDA b and outside the metropolitan area. The data shows that there is a higher inciden highly educated employees in low occupational jobs in the metropolitan area relat the non-metropolitan areas. The data is thus consistent with the major dynamics ex of bumping down.

Table 3   Bumping down in the two lowest occupational categories in the secondary labour market segment, metropolitan and non-metropolitan, Australia

Occupational and educational level	Share in employment	
	Non-metropolitan	Metropolitan
Labourer: Primary education	72.2	70.2
Certificate	20.7	19.3
Diploma	3.5	4.0
Bachelor	3.7	6.5
Elementary worker: Primary education	75.7	72.2
Certificate	16.3	12.8
Diploma	4.0	5.6
Bachelor	4.0	9.5

Source: HILDA, pooled cross-section, 2001–2005.

Taken together, the analysis in this section motivates an examination of career dynamics by spatial division and occupational demarcation.

3   Labour market segmentation and career trajectory

3.1   Labour market segmentation

The analysis in Table 1 suggests that two motivations for job mobility – the confidence in finding a (better) job and the fear of losing one's current job – provide indicators of upward and downward escalators, respectively. This is consistent with Mitchell, Muysken and Welters (2005). We now seek to explain the role these motivators play in career development.

Mitchell, Muysken and Welters (2005) analyse job search in the context of Dual Labour Market (DLM) theory, using HILDA data 2001–2003. DLM theory proposes that the labour market is segmented on the basis of processes for allocation and reward. The crudest demarcation defines a Primary Labour Market (PLM) and the Secondary Labour Market (SLM) with rigidities restricting mobility between the two segments. The authors hypothesise that on-the-job search behaviour is likely to be different according to which 'segment' the worker is employed within. The traditional notion of a PLM worker suggests they are employed in tight internal labour market structures which facilitate career advancement and search activity is used to enhance his/her career aspirations. Conversely, the SLM worker may be motivated to search for new employment because their jobs are typically precarious. Intrinsic search is associated with occupational and educational levels associated with the primary sector, while extrinsic search tends to be associated with individuals in the secondary sector.

We thus hypothesise that higher rates of turnover in metropolitan labour markets will have different impacts for primary and secondary workers. Primary workers with higher levels of education and skill should be able to use job mobility to appropriate productivity gains associated with their human capital. Job mobility by secondary workers is driven by extrinsic factors (fear) and generates negligible improvements in pay, security and overall job satisfaction. This is at odds with human capital theory that proposes that job search is

a process that underpins career development. We also suggest that changes in th cities are organised and associated structural shifts in employment, as per the polarisation' thesis, may be deepening the divisions between the career trajecto primary and secondary workers.

Underlying this labour market construction, however, is a tension – how shou demarcate the primary and secondary segments and allocate workers accordingly. a long-standing and unresolved issue that has meant the theory of DLM has had l empirical application. But if we want to propose that career trajectories in different market segments are aggravated by features of metropolitan labour markets, we h simultaneously provide demarcation criteria. To make our analysis operational, we Flatau and Lewis (1993) and demarcate the labour market into three segments. W middle segment not being assigned exclusively to either the primary or the sec segment, we are left with two 'extreme' categories which we assert represe characteristics attributable to primary and the secondary markets. To identify segments we employ the partition cluster technique, which is preferred to hierar clustering if the number of clusters is known (see Hair et al., 2006). We use educa attainment, occupational level and firm size (number of employees) to cluster the market which is consistent with the descriptive analysis of Doeringer and Piore (197

3.2   The role of job seeking confidence

The flexibility and richness of the metropolitan labour market should boost a pi worker's confidence in being able to find an equal or better job. To test this hypo we run an ordinary least squares regression with the percentage chance of finding a (potentially better than the current) job within a year as the dependent variabl interaction terms between the metropolitan dummy variable and a dummy vi indicating the worker's presence in the PLM segment.

Table 4 reports the results. The first two columns (the second column add characteristics) support the upward escalator theory. We find significantly confidence in the primary segment of the metropolitan labour market compared primary segment of the non-metropolitan area. Not surprisingly, we also fin confidence is higher in the primary segment of the non-metropolitan labour r compared to the secondary segment outside the city. Further, Fielding (1 observation that young workers particularly benefit from upward escalators is cont by our analysis.

3.3   Fear of losing current job

We hypothesise that the flexibility found in metropolitan labour markets also gen job insecurity in the secondary segment. To explore this notion, we run a s regression to that in Section 3.2 with the dependent variable becoming 'the perc chance the respondent loses his/her job in the next 12 months', which is provide response in HILDA. In that sense, we should exercise some caution. To contr respondents who potentially misinterpret the question and include voluntary quits expected percentage chance that they will lose their job, we include the van 'probability of leave the job voluntary' and 'confidence in finding a new (pote better) job' in the specification.

A priori, we expect employees will be less apprehensive of losing their job in the primary segment of the metropolitan labour market than in the primary segment of the non-metropolitan area. We also expect SLM workers to have more apprehension than primary workers. Table 5 reports the regression results, for job-to-job movers. The first striking result is that our a priori expectations are not confirmed. In the first column, we control for personal characteristics and sector. We find that fear plays a significantly more important role in the primary segment of the metropolitan labour market than in the same segment outside the main cities and there is no evidence suggesting there is more fear in the secondary segment. In the second column we add job characteristics and job satisfaction to the analysis. Bear in mind that this refers to the job that the job-changer has just left. Job satisfaction in terms of 'hours worked' and 'pay' leads to more fear, because there is more to lose for these employees if job loss occurs. This might also explain why age plays a smaller role in the second regression than in the first – older workers typically have better jobs. Including these variables in the analyses absorbs the significance of the interaction dummy 'Metropolitan area X primary segment', but we do not find confirmation of our a priori expectations.

Table 4   Driving forces behind confidence, job-to-job movers, 2001–2005

Dependent variables / Independent variables	Confidence (1)	Confidence (2)
Metropolitan area X primary segment	4.92 (1.52)***	4.66 (1.44)***
Metropolitan area X secondary segment	−0.72 (1.60)	−1.34 (1.52)
Non-Metrop. area X primary segment	reference	reference
Non-Metrop. area X secondary segment	−4.92 (1.65)***	−4.70 (1.58) ***
Personal characteristics	–	–
Age cohort:		
16–30 years	reference	reference
31–40 years	−4.22 (1.13)***	−1.08 (1.08)
41–50 years	−9.08 (1.23)***	−2.59 (1.22)**
51–65 years	−17.65 (1.60)***	−7.84 (1.61)***
Gender:		
Female	reference	reference
Male	−3.96 (0.96)***	−3.06 (0.93)***
Ethnicity:		
Non-Aboriginal Austr.	reference	reference
Indigenous	−7.87 (3.47)**	−5.41 (3.29)*
Job characteristics / satisfaction:	–	–
Satisfaction about hours worked	–	0.34 (0.19)*
Satisfaction about pay	–	−1.74 (0.19)***
Satisfaction about job security	–	1.76 (0.18)***
Hours worked:		
Involuntary part time	–	reference
Full time	–	4.03 (2.12)*
Voluntary part time	–	3.58 (2.16)*
Probability to leave the job voluntary	–	0.16 (0.01)***
Tenure	–	−0.96 (0.09)***

Table 4   Driving forces behind confidence, job-to-job movers, 2001–2005 (Continued)

Dependent variables / Independent variables	Confidence (1)	Confidence (2)
Industry level (previous job)	–	–
Industry:		
Agriculture	9.74 (3.18)***	7.88 (3.02)**
Mining	−0.06 (3.71)	−1.55 (3.52)
Manufacturing	−1.75 (1.71)	−2.34 (1.64)
Electricity, water, gas	−4.24 (4.75)***	−10.07 (4.50)
Construction	4.07 (2.27)*	3.35 (2.16)
Wholesale	1.24 (2.37)	−0.72 (2.26)
Retail/restaurants	4.81 (1.45)***	1.47 (1.39)
Transport	2.69 (2.67)	1.67 (2.53)
Finance, property buses	1.76 (1.43)	0.74 (1.37)
Government	reference	reference
Cultural services	−1.13 (2.01)	−2.78 (1.90)
Adjusted R-squared	0.05	0.15
N	4,394	4,392

* 10% significance, ** 5% significance, *** 1% significance, robust standard errors in parentheses. Constant not reported. Middle segment not reported.

Table 5   Driving forces behind fear of job loss, job-to-job movers, 2001–2005

Dependent variables / Independent variables	Fear (1)	Fear (2)	Fear (3)
Metropolitan area X primary segment	2.34 (1.35)*	1.31 (1.09)	1.19 (1.0
Metropolitan area X secondary segment	1.98 (1.41)	0.01 (1.14)	−0.15 (1.
Non-Metrop. area X primary segment	reference	reference	referen
Non-Metrop. area X secondary segment	2.13 (1.46)	0.50 (1.19)	0.50 (1.
Personal characteristics	–	–	–
Age cohort			
16–30 years	reference	reference	referen
31–40 years	0.81 (1.00)	−0.32 (0.82)	−0.39 (0.
41–50 years	5.07 (1.10)***	1.12 (0.91)	1.07 (0.9
51–65 years	7.29 (1.43)***	3.01 (1.20)**	3.09 (1.2(
Gender:			
Female	reference	reference	referen
Male	2.01 (0.85)**	0.99 (0.68)	1.18 (0.6
Ethnicity:			
Non-Aboriginal Austr.	reference	reference	referen
Indigenous	4.70 (3.06)	1.11 (2.46)	0.82 (2.
Job characteristics / satisfaction	–	–	–
Satisfaction about hours worked	–	0.65 (0.14)***	0.72 (0.14
Satisfaction about pay	–	0.67 (0.15)***	0.73 (0.15

Table 5   Driving forces behind fear of job loss, job-to-job movers, 2001–2005 (continued)

Dependent variables / Independent variables	Fear (1)	Fear (2)	Fear (3)
Satisfaction about job security	–	–6.29 (0.14)***	–6.23 (0.14)***
Contract type:			
Fixed term contract	–	reference	reference
Casual contract	–	–5.70 (1.20)***	–5.80 (1.21)***
Permanent contract	–	–7.35 (1.10)***	–7.30 (1.10)***
Tenure	–	–0.07 (0.07)	–0.05 (0.07)
Stress related factors	–	–	–
Mental Distress	–	–	–0.08 (0.02)***
Financial Pos.:			
Prosperous	–	–	reference
Very comfortable	–	–	–3.12 (2.77)
Reasonably comfortable	–	–	–2.72 (2.68)
Getting along	–	–	–3.17 (2.73)
Poor	–	–	2.80 (3.32)
Very poor	–	–	–4.47 (4.63)
Probability to leave job voluntary	0.07 (0.01)***	0.03 (0.01)***	0.03 (0.01)***
Confidence to find a job	–0.06 (0.01)***	0.01 (0.01)	0.01 (0.01)
Industry level (previous job)	–	–	–
Industry:			
Agriculture	13.64 (2.80)***	9.70 (2.25)***	9.74 (2.25)***
Mining	1.88 (3.27)	1.82 (2.63)	1.91 (2.62)
Manufacturing	5.06 (1.50)***	4.19 (1.22)***	4.19 (1.21)***
Electricity, water, gas	4.94 (4.24)	2.45 (3.41)	1.93 (3.40)
Construction	7.10 (2.00)***	6.06 (1.61)***	6.11 (1.61)***
Wholesale	7.64 (2.08)***	6.21 (1.68)***	6.28 (1.68)***
Retail/restaurants	–1.02 (1.28)	1.27 (1.04)	1.21 (1.04)
Transport	0.24 (2.35)	1.44 (1.89)	1.48 (1.88)
Finance, property buses.	4.91 (1.26)***	2.61 (1.03)**	2.54 (1.02)**
Government	reference	reference	reference
Cultural services	3.00 (1.77)	3.51 (1.42)	3.46 (1.42)
Adjusted R-squared	0.04	0.38	0.38
N	4,507	4,505	4,505

* 10% significance, ** 5% significance, *** 1% significance. Constant not reported.
  Middle segment not reported.

To probe these seemingly surprising results further, we include two variables that might explain why job loss in the primary segment in the metropolitan area might have detrimental consequences for primary segment employees and as a consequence lead to more fear. If the upward escalators indeed exist in the primary segment in the city, employees might bring the future fruits to the fore. That is, they take on substantial debt burdens which can only be serviced in the future if career advancements occu therefore, add the variables 'financial position' and 'mental distress' to the analysi second variable indicates a threat to climbing the internal job ladder in the p segment. The third column shows the results of adding these variables to the regr The financial position does not affect one's fear of losing their current job. I distress does affect fear positively and it reduces the coefficient of the interaction d 'Metropolitan area X primary segment' further, but there is no sign reversion. I analysis is needed.

4   Conclusions

We use HILDA data to test three key findings arising from the international em literature on the functioning of metropolitan labour markets:

1   job mobility is higher in metropolitan areas

2   increased flexibility in the metropolitan area spurs career advancement in the primary segment of the labour market

3   increased insecurity in the metropolitan area obstructs career advancement in tl secondary segment of labour market.

We find clear evidence that job mobility is higher in metropolitan areas. However, able to go further to determine what behavioural processes are driving this result. B increased confidence that search will locate a new job and heightened fear of losing current job in metropolitan areas appears to explain why job mobility is hig metropolitan areas. We use this result and earlier findings by Mitchell, Muysk Welters (2005) to test the two remaining key hypotheses drawn from the extant lite Mitchell, Muysken and Welters (2005) show that when higher confidence of fin new job (fear to lose the current job) is a motivation for job search, a person g better (equal or worse) outcome in terms of the qualities of the new job compared old one. We use these insights to test key findings (2) and (3). If the second key fin true, confidence should be higher in the primary segment of the metropolitan market, indicating the existence of upwards escalators. If the third key finding i fear should be higher in the secondary segment of the metropolitan labour n indicating the existence of bumping down. We confirm key finding (2), but not (3 lack of confirmation of key finding (3) raises the next research question. Have Pl metropolitan regions undergone dynamic change as the government has increa deregulated the labour market such that they no longer provide secure employment which dynamic (intergenerational) training allows job-specific skills to be passed o

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