

## Labor Movement forecast on the base of I-O approach

Topic: Demographic Shifts and Economic Modelling

Author: Ekaterina Aleksandrovna Edinak

The labor force movement is one of the economic growth factors associated both with the changing situation in the economy's sectors and in the regions. The use of an intersectoral approach is one of the ways to improve the reflection quality of this interrelation.

In a context of the general aging of the population, one of the Russia problems is the increase in regional inequality in population and labor force. The modern structure of Russia internal migration makes a significant contribution to the regional inequality growth. The country records a long-term population and labor force migration outflow from most of the northern and eastern regions of the country towards the western and southern regions. As a result, the population and labor force is concentrated in a small number of regions, primarily in megacities. These processes are a consequence of the spatial and sectoral structure of the Russian economy that has taken shape in the past two decades.

The Russia development is impossible without the gradual elimination of the most acute imbalances in the regions development. One of the conditions for regional balance is meeting the regions needs in the labor force corresponding to the sectoral needs of regional economies. Taking into account the demographic constraints, the main source of labor force growth in a region in the short and in the medium term is interregional migration.

Thus, on the one hand, migration is a consequence of socio-economic differences, including in the sectoral structure, the system of inter-sectoral relations between regions, and on the other, determines the potential for their economic growth.

In this regard, the study develops an approach to forecasting the labor migration structure to meet the regions needs and ensure their sustainable development.

The migration structure forecast is simultaneously built into several models. This makes it possible to link the macroeconomic forecast for the Russia development, which is being developed in the framework of the RIM and CONTO models, with the current opportunities and needs of regional labor markets, which are reflected in the regional labor resources balance. The result will be a multi-regional / sectoral distribution model of interregional labor migration. The main methods used in the process of building a model are balance method and correlation and regression methods. The lack of in-country migration models that would link macro forecasts at the level of economy's sectors on the one hand with regional development forecasts on the other determines the novelty of the study.