

Introduction: Quality of employment in Latin America

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During the past two decades, an increasing amount of public policy and academic attention has focused on different aspects of the quality of employment. Analysts have recognized that, for many people, just having a job may not be enough to ensure even a basic standard of living. As the dual processes of globalization and liberalization have generated continuous calls for labour market flexibilization, employment conditions such as wages, job stability and career prospects have changed and become at least as important a subject of study as traditional indicators such as employment or unemployment rates.

However, the literature on the subject is highly diverse and scattered across academic and institutional publications. Theoretical conceptualizations of the quality of employment have been diffuse, thus limiting their political impact (Burchell et al., 2014; Sehnbruch et al., 2015). Only the ILO has attempted a systematic definition of job quality through its concept of “decent work”, which was officially launched in 1999.

This special feature of the *International Labour Review* was born of a conference held at the Economic Commission for Latin America and the Caribbean (ECLAC) in Santiago in 2011. This conference proved to be an important first step towards understanding the changes that were affecting quality of employment in Latin America as well as its public policy and development contexts. Although the reasons for worrying about the quality of employment in Latin America seem self-evident, it is nevertheless surprising how little academic research has examined this issue in any systematic way. Indeed,

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conference participants highlighted the lack of both conceptual definitions and internationally comparable data within the region. These limitations, in turn, restrict both empirical research and public policy focus.

This special feature brings together some of the papers presented at the above conference, relating them to the role that the quality of employment has played in the international development literature. The selected articles examine not only theoretical aspects, but also case studies on Brazil, Chile, and Colombia. The first article by Ramos, Sehnbruch and Weller traces and critiques the treatment of employment and the quality thereof in the post-Second World War literature on economic development. It begins with Raul Prebisch's clarion call for industrialization and W. Arthur Lewis' thesis on development with unlimited supplies of labour. It then traces ECLAC's subsequent doubts, aroused by the surprisingly slow growth of industrial employment and the "premature" expansion of tertiary employment and eventual underemployment. Analysis and discussion in the region then turned to the labour market. On the one hand, ECLAC and structuralists drew attention to labour market segmentation (formal/informal) and underemployment, which they explained in terms of "structural heterogeneity" arising from differential rates of incorporation of modern technology. On the other hand, neoliberals and more orthodox analysts focused on labour market rigidities to account for underemployment and unemployment. Both approaches, however, assume that a tighter labour market will improve overall employment conditions. Yet, the empirical evidence on Latin American labour markets presented in this article challenges this assumption by showing that this relationship is by no means automatic. This conclusion opens up new challenges for public policy in the area of employment, which should focus much more specifically on improving employment conditions.

It should be noted that the articles in this special feature do not present a clear definition or theoretical foundation of the quality of employment from the outset. There is indeed no standardized international definition that we can work with given Latin America's data restrictions (see Burchell et al., 2014). The contributing authors have therefore adopted a reverse approach based on the results of their empirical research: they have developed different methodologies that serve to illustrate how the quality of employment can be measured in the region. One of the most important results of this approach is that it highlights the need to distinguish between employment variables or job characteristics that respond relatively quickly to changes in a country's economic circumstances, and those that do not. In the first group of indicators, we find "traditional variables" such as labour force participation, employment, and unemployment rates, as well as average real wage growth. Broadly speaking, we could refer to this group of indicators as being related to the overall *quantity of employment*, which, as mentioned, is strongly correlated to the economic cycle. The second group of indicators comprises "non-traditional variables" related to the characteristics of the jobs being created, such as occupational status, contractual conditions, social security provisions, tenure, union

and collective bargaining rights, and vocational training provision. This group of variables can be referred to as relating to the *quality of employment*. Our empirical case studies show that this group of variables is much less likely to be correlated with movements in the economic cycle, but instead responds to regulatory changes.

Two examples highlight this point: in Chile, recent years have produced high economic growth rates together with unprecedented levels of job creation. Nevertheless, the contractual conditions of employment have remained almost unchanged: roughly the same proportion of workers is working informally, without social security protection or contract, and with very short job tenure. We can therefore conclude that the quality of employment in Chile has not improved despite the country's spurt of economic growth.¹ In Brazil, by contrast, a package of new legislation designed to promote the formalization of employment, together with policies that stimulated economic growth and investment in certain sectors, produced a significant positive shift in the quality of employment, even though the quantity of employment did not increase that much.²

In Colombia, however, the evidence is more mixed. Although the use of atypical contracts and mechanisms that flexibilize employment relationships has increased, strong economic growth has led not only to high levels of job creation, but also to improvements in some indicators related to the quality of employment.³

The different conclusions of the three case studies presented in this special feature as regards the relationship between economic growth and the quality of employment also serve to highlight that much depends on how we define "quality", and on which variables we include in its analysis. Finally, we must consider that all of their conclusions point to the need for Latin American countries to invest in better, more comprehensive and internationally comparable data on employment conditions. Examining the exact impact of economic growth on job characteristics or the relationship between employment variables related to the quantity and the quality of employment is indeed a tall order in the light of the region's current data limitations. This, in turn, reinforces the relative neglect of job quality in academic research, which then fails to challenge established labour market theories – such as the need for deregulation and flexibilization – with appropriate empirical evidence. As a result, public policies also tend to neglect these concerns, thus establishing a vicious circle between the lack of data and the consequential lack of research.

¹ See Jaime Ruiz-Tagle and Kirsten Sehnbruch: "More but not better jobs in Chile? The fundamental importance of open-ended contracts", in this special feature of the *International Labour Review*.

² See Federico Huneus, Oscar Landerretche, Esteban Puentes and Javiera Selman: "A multidimensional employment quality index for Brazil, 2002–11", in this special feature of the *International Labour Review*.

³ See Stefano Farné and Carlos Andrés Vergara: "Economic growth, labour flexibilization and employment quality in Colombia, 2002–11", in this special feature of the *International Labour Review*.

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