
Differentiation of employment conditions in Argentina. An analysis from occupational profiles

Paula Cesana*¹

¹CEPED - UBA (Centro de Estudios sobre Población, Empleo y Desarrollo - Universidad de Buenos Aires) – Argentina

Abstract

Over the last few decades, there has been a significant increase in income inequality, both personal and functional. Some evidence on this phenomenon include differential trajectories of productivity and wages, differential trends in wages of qualified and non-qualified workers, differential incidence of unemployment, and income concentration (Berg, 2015). As a result, the debate about income inequality has flourished, together with the discussion about the causes of its rise and persistence.

In this context, the theory of human capital (Acemoglu, 2002) has proven itself insufficient to explain the totality of wage inequality. This has given rise to complementary approaches, such as the hypotheses of segmentation and discrimination (Blau et al, 2002; Cahuc & Zylberberg, 2004).

Specifically, in Latin America labor markets are characterized by high levels of informality and self-employment (Maurizio, 2016). This is why studies on labor market segmentation have focused on the formal and informal sector. Furthermore, a large part of the literature has associated the characteristics of the labor markets with those of the productive structure. In particular, Latin American economies -and more specifically, Argentina- are defined by an important productivity gap, both "internal" (within sectors) and "external" (regarding other economies). This heterogeneity then imposes special limitations on the characteristics of jobs (PREALC, 1978; Pinto, 1973; Salvia, 2003; CEPAL, 2010; Graña, 2013; Cimoli et al., 2014; Poy, 2017; Arakaki, 2017; Bernat, 2015). From a different but complementary perspective, Iñigo Carrera (2008) has argued that the labor force in Argentina has been undergoing a process of differentiation. Owing to technical transformations in the production processes and the specific characteristics of this economy, different portions of the population face distinct possibilities to access a good quality, well-paid job.

This paper aims to present the differentiation of employment conditions of the Argentinean population. Accounting for the heterogeneity of this economy's productive structure, we will construct occupational profiles based on both job qualification and establishment size (which is usually used as a proxy variable for productivity). We will then examine different trajectories of these occupational profiles, mainly, in terms of wages and job quality. We will also provide evidence on distinct performance throughout the business cycle (boom and bust).

Keywords: labor market, wage inequality, job quality

*Speaker