

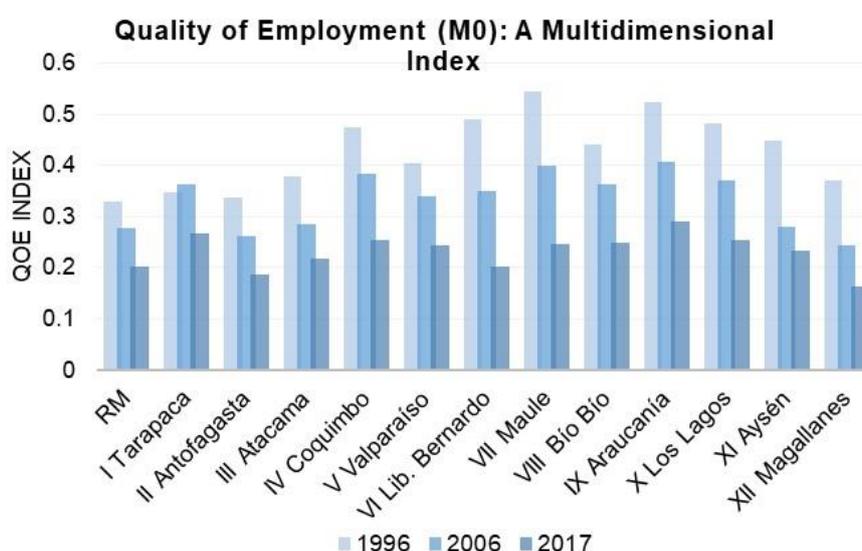
Measuring the Quality of Employment (QoE) at the Regional Level: Lessons from Horizontal Inequalities in Chile

As the paper submitted to this conference on “Measuring the Quality of Employment (QoE) in Middle-Income Countries” shows, labour markets must be considered as an important space in which inequalities manifest themselves. Much has been written about the fact that households from lower-income deciles have lower participation rates and higher unemployment rates than households in higher income deciles (Sehnbruch, 2019). This paper contends, however, that the existing literature can be complemented with an important facet of inequality through the measure of the quality of jobs.

Workers in low-income households have fewer opportunities for labour market participation, and their jobs are extremely precarious. While this may seem like an obvious conclusion, this paper proposes a methodology for measuring this inequality (Sehnbruch paper proposal). In this context, it is important to consider how the QoE is distributed at the macro- level as well as presenting emerging findings related to these inequalities at a regional level.

This paper builds on the work of Sehnbruch et al. (2019), by analysing Chile, and it examines how the QoE and its distribution has developed over time, nationally and at the regional level. Alkire and Foster’s (2011) multidimensional methodology is used to measure the quality of employment with Chilean cross-sectional national household data over 21 years (1996, 2006 and 2017).

Over time, the empirical evidence shows that some regions in Chile have improved significantly more than others in terms of both their absolute levels of QoE and the distribution of job quality across income deciles. Furthermore, persistent gaps appear, such as in the case of men and women over time. Additional results show that although many regions have improved in the quality of their employment, yet some remain persistent in their deprivation, and geographic realities may contribute to these results.



By proposing a measure for this type of inequality, this paper presents a method to track these changes. Also, the paper examines the possible causes of shifts in the QoE by looking at how the QoE index relates to regional GDP growth, to the economic structure of regions, sociodemographic characteristics and to policies that may have affected the QoE.

The Chilean case holds important lessons for other developing Latin American countries. Not all regions in the country have benefitted equally from the country's high economic growth rates. In those regions, where the QoE remains low or has improved slowly, this perpetuates inequalities of other social indicators as well, access to social protection mechanisms or access to investment in worker skills. The labour market is a key space for policy intervention where inequalities generated by unequal education systems, productive services, assets or social protection can be remediated, either through individual social mobility or through public policies that level the playing field in the labour market. However, unless the QoE is adequately measured and tracked, policymakers ignore the inequalities that quality employment opportunities can generate.

Please note that this paper builds on another Abstract submitted by Kirsten Sehnbruch. It would, therefore, make sense to include both papers in the same panel – if accepted.