# International Labour Review

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123 Developing a diagnostic tool and policy instrument for the realization of decent work

Edward WEBSTER, Deborah BUDLENDER and Mark ORKIN

Based on nine of the indicators identified by the ILO's 2008 Tripartite Meeting of Experts on the Measurement of Decent Work, the authors develop a questionnaire, supplemented by in-depth interviews, to assess job quality in the security, farming and hospitality industries in South Africa's Gauteng province. Their diagnostic tool differs from the standard ILO index in that it focuses on individual workers at industry level rather than conditions at country level. This approach, the authors argue, can be used to monitor progress towards decent work while enabling key actors at industry level to develop evidence-led strategies to overcome decent work deficits.

Keywords: decent work, measurement, industry level, service sector, farming, data collecting, questionnaire, South Africa.

147 Employment effects of trade in intermediate and final goods:
An empirical assessment Xiao JIANG

The steady growth of international trade in intermediate goods and services has made the relationship between trade and the international division of labour more complex. For 39 countries, the author decomposes the employment effects of international trade into five components, namely, the labour content of – or employment generated by – (1) exports; (2) imports; (3) the import content of exports; (4) the export content of imports; and (5) the third-country import content of imports. He shows that in 2009, trade in intermediate goods accounted for some 88 million jobs – 14 per cent of all jobs generated by international trade – while the import content of exports accounted for 44 million.

Keywords: trade, employment creation, trade policy, import volume, export volume, developed countries, developing countries.

### SPECIAL FEATURE: QUALITY OF EMPLOYMENT IN LATIN AMERICA

### 167 Introduction: Quality of employment in Latin America

José Antonio OCAMPO and Kirsten SEHNBRUCH

KEYWORDS: EMPLOYMENT, LABOUR MARKET, LATIN AMERICA.

## 171 Quality of employment in Latin America: Theory and evidence Joseph RAMOS, Kirsten SEHNBRUCH and Jürgen WELLER

Historically, the development literature concerned with Latin American labour markets has focused on job numbers and productivity. But given the persistence of large shares of informal and now otherwise precarious employment, the authors argue that meaningful analysis also requires consideration of the implications of occupational status for the quality of employment. Based on empirical evidence from recent decades, they conclude that most dimensions of this concept – including social protection – depend on the conclusion of a written contract of employment. This finding leads them to outline policy options for stabilizing formal employment and securing adequate funding for social protection.

KEYWORDS: DEVELOPMENT THEORY, LABOUR MARKET ANALYSIS, EMPLOYMENT POLICY, LABOUR FLEXIBILITY, WORKING CONDITIONS, LITERATURE SURVEY, LATIN AMERICA.

# 195 A multidimensional employment quality index for Brazil, 2002–11 Federico HUNEEUS, Oscar LANDERRETCHE, Esteban PUENTES and Javiera SELMAN

In countries where informal, insecure jobs are widespread, traditional labour market indicators – such as the unemployment rate, labour force participation rate and wages – are not necessarily the most meaningful. The authors use a multidimensional employment quality index to analyse the Brazilian labour market over the period 2002–11, across three dimensions: earnings, formality (measured by the existence of an employment contract and social security contributions) and job tenure. The results show a significant increase in employment quality overall, especially in the years 2009–11, but with considerable differences between wage employees and self-employed workers, and between industries.

KEYWORDS: WORKING CONDITIONS, LABOUR MARKET ANALYSIS, UNEMPLOYMENT, LABOUR FORCE PARTICIPATION, TRENDS, BRAZIL.

# 227 More but not better jobs in Chile? The fundamental importance of open-ended contracts

Jaime RUIZ-TAGLE and Kirsten SEHNBRUCH

Chilean governments since 1990 have relied on economic growth to generate employment, higher wages and better conditions of employment. But the results of this policy have been mixed: quantitative improvements in employment and wages have not been matched by improvements in job quality. Contrasting Chile's seemingly rigid regulatory framework with its actual labour market flexibility, the authors stress the importance of employment conditions in assessing labour market performance. They empirically explore the effects of individual and job characteristics on employment and income-generating capabilities, whose most powerful determinant, they find, is employment under an open-ended contract. They conclude with a discussion of policy implications.

KEYWORDS: LABOUR CONTRACT, EMPLOYMENT POLICY, LABOUR MARKET, LABOUR FLEXIBILITY, WORKING CONDITIONS, CHILE.

# Economic growth, labour flexibilization and employment quality in Colombia, 2002–11 Stefano FARNÉ and Carlos Andrés VERGARA

Over the period 2002–11, the Colombian labour market saw a marked improvement in employment opportunities, accompanied by an increase in non-standard forms of employment. The authors look at how this affected employment quality, using a composite index based on Categorical Principal Components Analysis (CATPCA). They observe a small but widespread improvement in employment quality – mainly for self-employed women – brought about by higher earnings, increased social protection and less time-related underemployment. However, a

considerable "quality deficit" remains, which calls for policies to strengthen labour market institutions and stimulate productivity and investment.

Keywords: Labour Flexibility, economic growth, working conditions, precarious employment, trends, Colombia.

### Book reviews

- 271 L'entreprise dans un monde sans frontières: Perspectives économiques et juridiques. Edited by Alain Supiot. Reviewed by Francis MAUPAIN
- The price of rights: Regulating international labor migration.

  By Martin RUHS. Reviewed by Michelle LEIGHTON