Comparative Analysis of Social Inequalities in the Latin American Labour Market

Pedro López-Roldán and Sandra Fachelli

1. Presentation[1]

In this paper we propose a comparative typological analysis of the labour markets of Latin America and the Caribbean, focusing on the cases of Argentina and Chile, with the aim of applying an analysis model from the perspective of labour market segmentation and structural heterogeneity to explain the processes of social inequality occurring in the labour sphere.

One of the main concerns of social research is to account for the inequalities that persist and recur over time. Although a longer-term view might reveal certain tendencies towards social improvement in the populations of different countries, disparities and social injustice continue to be a pending issue in our societies, particularly in Latin America, given its unequal and heterogeneous capitalist development model, as well as the many internal differences. In the framework of labour markets, such dynamics can be observed in a context of globalisation and technological and organisational changes that lead to flexibilization strategies and precarious labour conditions, generating low quality employment, labour poverty and unemployment for large sectors of the population, all of which falls far short of the Decent Work standards established by the International Labour Organisation and the United Nations Sustainable Development Goals. Significant socio-economic inequalities (in terms of conditions and results) are thus reproduced, leaving little room for compensation and reduction of these inequalities through socio-political action and the creation of opportunities for all individuals, households and social groups. The full crudeness of this is especially apparent in times of crisis such as the current Covid pandemic. The trade-off between economic efficiency and social justice remains unsolved. The analyses presented in this text seek to explore these dynamics in order to provide new elements of diagnosis from a comparative perspective.

We therefore set out two objectives. This first is to perform a comparative analysis of the main characteristics of the labour markets of a group of 28 Latin American and Caribbean countries. To this end, we use a set of indicators on the functioning and structure of the labour market in these countries to identify the main differences and similarities in order to subsequently produce a typology of the general structure of labour markets.

Second, we propose a model to comparatively analyse the processes of labour inequality from the theoretical perspective of labour market segmentation and structural heterogeneity, analysing the cases of Argentina and Chile. Following these theoretical approaches, an analysis model is constructed and a general hypothesis is formulated that, despite the existing differences in terms of economic structures, social models and degrees of development, with specific institutional frameworks and socio-historical processes, common dynamics can be observed in the structures of capitalist labour markets. From the confluence of demand and supply factors, similar typification of employment segmentation form a fundamental division between a primary segment of quality employment and a secondary segment of precarious

labour. This division is in line with what has been theorised from the perspective of structural heterogeneity by differentiating between two large sectors of the economy, one with low productivity and informality and another with high productivity. Using equivalent databases on the labour force in each country and harmonising the information for comparative analysis, we will construct a typology of employment segmentation in each country that will show the similarities in the structuration of the labour market and its expression in terms of employment and social inequality.

2.   Comparative analysis of Latin American and Caribbean labour markets

The labour markets of Latin America and the Caribbean (LAC) are the result of socio-economic processes that generate labour inequalities with particular characteristics that can be used to establish specific features of the structuration of a social space in which to situate the countries of the region. Factors regarding productive structure, level of development, historical processes and the institutionalisation of labour relations explain these differentiated positions. We shall begin with an account of this differentiation in order to show the socio-economic distances between them in terms of the characteristics of their labour markets and, at the same time, to show the groups of countries with similar profiles, thus configuring a general descriptive typology.

To compare countries, we will use a set of indicators based on the proposal developed by the International Labour Office, choosing 20 variables from the 17 Key Indicators of the Labour Market -KILM- (ILO, 2016) that appear in Table 1, which provides a set of attributes that offer a general and basic overview of the reality of the labour market in 28 countries in the region[2].

A recurrent problem with international statistics is the absence of information and/or indicators on certain countries, which makes detailed comparisons difficult, especially with poorer and/or smaller countries. This is also the case here, so, based on the available data, we also had to make a selection that we will report on below. As far as possible, we have sought to maximise the information available to us, although we had to reduce it for two reasons: lack of information and relevance of the indicator. In the first case, the lack of data meant that some indicators (such as those relating to labour relations or dependency) were not considered. For the second reason, some of the indicators (such as labour costs and unemployment rate) did not generate significant differences between countries and are not correlated with the other indicators. Therefore, in our comparative analysis we considered 11 indicators for the 28 countries, as highlighted in Table 1. These datasets, albeit to a much lesser extent, still contain some missing values for some countries. To validate the consistency of the results, the analyses presented below were replicated by eliminating the countries with missing information in order to check the stability of the content of the results achieved and thereby ultimately consider all 28 countries and impute the missing data with the value of the mean.

In order to synthesise and structure the set of information on the 11 variables for the 28 LAC countries, we performed a principal component factor analysis with the aim of obtaining the most important patterns of differentiation between countries, together with a cluster analysis to group the countries that are most similar in a general classification of labour market typification.

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[2] The complete data matrix is attached in the appendix.

Table 1. Key Indicators of the Labour Market (KILM)

| No.	KILM Indicator
1*	Employment-to-population ratio
2*	Status in employment: employees
3*	Employment by sector: agriculture
4*	Employment by sector: services
5*	Employment by occupation: managers, professionals and technicians
6*	Employment by education: advanced level
7	Hours of work
8*	Informal employment
9	Unemployment rate
10	Labour underutilization
11	Youth not in employment, education or training (NEET rate)
12	Time-related underemployment
13*	Monthly earnings
14	Labour costs
15*	Labour productivity
16*	Employment by economic class: extremely poor
17*	Higher economic class
18	Labour dependency ratio
19	Industrial relations: trade union density rate
20	Collective bargaining coverage rate

Source: International Labour Office, 2016.
* KILM variables considered in the final analysis which characterize 28 LAC countries.

Figure 1 shows the results obtained from the two main factorial axes that accumulate 68% of the information or explained variance. Factor 1 accumulates the largest share (56%) and reveals a latent dimension associated with a higher or lower quality labour market, partly linked to the level of development and wealth of the countries. This main dimension contrasts, in the polarity on the left, high levels of extreme poverty, the prevalence of occupation in the agricultural sector and high rates of informal employment, against the polarity on the right, which is characterised by low levels of these variables, as well as the importance of the service sector, a higher proportion of high income, high productivity, high occupational levels and high salaries.

Factor 2 is less important, with 12% of the explained variance, and expresses a secondary dimension associated with education and employability. It fundamentally contrasts the countries that have higher or lower levels of higher education, and is thus a relatively independent feature of the first quality factor, which is why we find countries with a high percentage of higher education (upper space in the graph), but that vary in terms of higher or lower quality labour markets. Higher education is associated with a higher proportion of employed persons in a country's population, and thus generates economies that create employment, and, in particular, lower proportions of informal employment. The bottom part of the graph shows how informal work is more strongly associated with countries with lower educational levels and less development (in some Central American countries). However, in other cases, lower levels of education correspond to higher development and salary rates (in some Caribbean and Central American countries).

Figure 1. Social space of the Latin American and Caribbean labour market
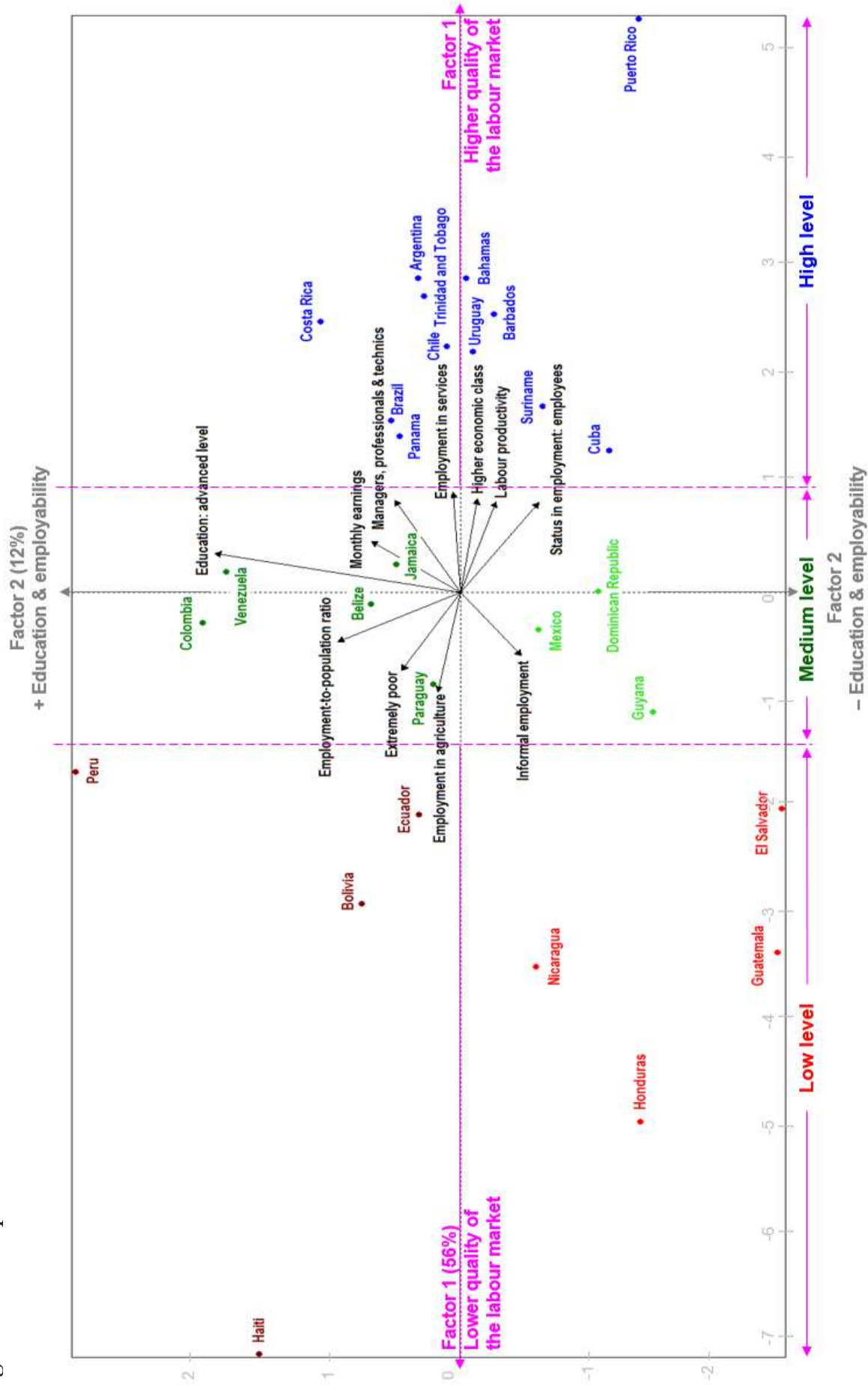
Thus, a social space is drawn (Bourdieu, 1979; Blasius et al. 2019) that structures and typifies the social reality of the labour market in Latin American and Caribbean countries. The different countries are located in this space, and the distance between them reflects the similarity or dissimilarity of their profiles. As shown in Figure 1, and taking into account the centrality of the first factor obtained, we can establish a clear distinction between three groups of countries according to their position on the axis, and which are identified in red, green and blue. On the extreme left are the countries with the lowest quality labour markets and levels of development, with characteristically low income, high informality and a large proportion of agricultural work. This group includes Central American (El Salvador, Guatemala, Nicaragua and Honduras) and Andean countries (Peru, Bolivia and Ecuador), together with the extreme case of Haiti. In contrast, on the extreme right are the countries with the best labour market indicators, which tend to have high income, productivity, occupational levels and employment in the service sector. This group includes countries that are distributed throughout the entire continent: The Southern Cone (Argentina, Uruguay and Chile), the Caribbean (Cuba, Barbados, Costa Rica, Trinidad and Tobago and Bahamas), along with Brazil, Panama and Suriname, with Puerto Rico being an exceptionally extreme case. The intermediate countries between those with low and high relative labour quality are also diverse: from the north of South America (Colombia, Venezuela and Guyana), Central America (Mexico and Belize), the Caribbean (Dominican Republic and Jamaica) and Paraguay.

These three groups of countries also present an internal diversity that is particularly expressed by the second dimension of education and employability. Especially noteworthy is the division between low and medium quality employment groups: in the former case, the Andean countries are separated from the Central American ones, and in the latter, Mexico, the Dominican Republic and Guyana are separated from the rest.

There is therefore diversity in the general structuration of the main features of the labour market in Latin America and the Caribbean, giving rise to three particular types according to the confluence of higher or lower levels of quality. This typification proposal could be validated in the light of new analyses and better information in the future, but it does offer a synthetic overview of labour markets to facilitate comparison and determine the relative position of the different countries, while at the same time offering a global scheme for the structuration of labour markets that can be used to guide adequate socio-political improvement actions. This will also require examination of the specific reality of each country, contemplating historical and institutional elements, productive changes and longitudinal visions of changing trends over time in light of each particular context and its interrelation with the dynamics of globalization that also affect the reality of work and employment. One way to account for such advances is to choose representative countries of each of these general types to serve as models or case studies from which to derive conclusions that can serve as a reference and contrast for similar labour realities elsewhere. This presents the possibility of developing common theoretical explanations involving the development of comparative analysis methodologies (Fachelli and López-Roldán, 2021).

In what follows, we perform a detailed comparative study of Argentina and Chile based on the analyses carried out within the framework of the INCASI project (López-Roldán et al., 2020; López-Roldán et al., 2021). As we have just seen, these two countries share the same general profile of higher labour quality, although the reality is profoundly unequal within each. This is shown, in particular, by the theoretical perspectives of structural heterogeneity

and labour market segmentation. Based on these theoretical approaches, we formulate a comparative analysis of these two cases in order to test the extent to which similar labour markets are structured. In the future, it will be of interest to extend this type of comparative study to other labour realities in the region in order to build a general explanatory framework.

3. Labour market segmentation in Argentina and Chile

This analysis serves a dual purpose. The first is to investigate labour market segmentation, as a peculiar characteristic of contemporary economies. We follow the well-known hypothesis in the socio-economic literature, and in contrast to neo-classical economics, that there is no single labour market based on pure exchange between supply and demand. On the contrary, we can identify a range of segments in which employment positions are differentiated hierarchically, in correspondence with their individual characteristics and professional profiles. In order to structure and measure different types of labour market segmentations, multivariate techniques (combining multiple correspondence and cluster analysis) were adopted and applied to multidimensional socio-economic indicators.

The second objective is to verify, from a comparative perspective, the extent to which the dynamics of labour market segmentation and the social aspects of inequality are similar or dissimilar in different national contexts. The comparative analysis is between Argentina and Chile, two Southern Cone countries with relatively high levels of labour quality, albeit with different social models, as commented below.

The interest of this contribution lies precisely in shedding both theoretical and methodological light on the structure of occupational inequalities. We are able to use transnational comparative analysis to demonstrate that there are strong and unexpected similarities between the contexts considered, both in the trends and configuration of occupational segmentation. This means that despite the presence of somewhat different levels of socio-economic development, conformations and weights of activity sectors and models of labour regulation, the intrinsic logic that is so functional for the needs of global capitalism means that inequalities are similarly structured in both countries.

3.1. Theoretical perspective

To explain how the labour market works and the persistent labour inequalities that arise from it, we take the theoretical perspective of segmentation and structural heterogeneity.

From the point of view of segmentation theory, it is argued that the adjustment between supply and demand -as a result of competitive allocation based on wage productivity, technological changes and trends in economic growth- is an insufficient explanatory mechanism to account for differences in wages and career paths, and the unequal positions that are generated in terms of labour conditions and job quality. From this perspective, we stress the need to consider the institutional aspects that affect the labour market: the strategies of the parties involved taking into account the system of labour relations, with its regulatory framework and collective bargaining, different social and welfare policies, the social characteristics of the workforce, the sexual division of labour, as well as contextual elements of national production structures, of the global economy and of economic cycles, in a capitalist system dominated by neoliberal policies.

These different elements affect the configuration of common general dynamics regarding the division of work and employment in terms of segmentation, beyond specific local or

national configurations. Following Grimshaw et al. (2017), we propose the adoption of a multidimensional perspective involving factors that explain how the labour market works and how labour inequalities are generated. This proposal combines three theoretical traditions to account for inequalities in work and employment: labour market segmentation, comparative institutionalism and the feminist socioeconomic approach. Based on the foregoing, we propose a specific analysis model that is adapted to the study of employment as illustrated schematically in Figure 2.

First, from the perspective of segmentation, and in contrast with the traditional postulates of neoclassical economics, the demand side must be viewed as fundamental. At the centre of the analysis are the business strategies for the organisation of production and labour (especially flexibilization, outsourcing and subcontracting) that, seeking to maximise profits by minimising costs and controlling the workforce, generate unequal labour conditions and opportunities for the salaried working population, and consequently for their career paths. However, inequalities are also reproduced and arise in interaction with the supply side. Certain social characteristics of workers hired both formally and informally, such as class, gender, age, immigrant origin and race, are unevenly distributed and overlapped according to the configuration of segmented jobs, thus benefitting the ultimate goals of employers. Inequalities are thus constructed, creating a hierarchy of greater or lesser quality employment segments and career paths, filled by people from different social profiles. The segmentation literature has identified this as the duality of the labour market, differentiating between a primary and a secondary segment. This idea has been raised, in general terms, in numerous contributions since the 1970s, including among many others Doeringer & Piore (1971), Rubery (1978), Gordon, Edwards & Reich (1982), Wilkinson (1981), Craig et al. (1982), Recio (1991), Grimshaw & Rubery (2005), Rubery (2005, 2007), Gibert (2011) and López-Roldán & Fachelli (2019).

Figure 2. Labour market segmentation. Analysis model
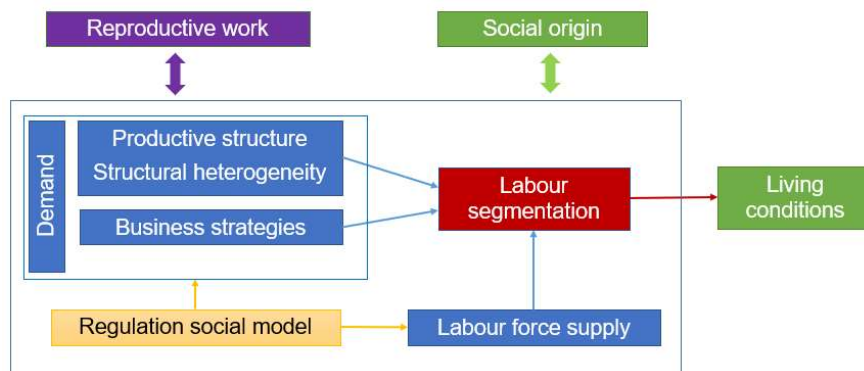
Source: López-Roldán & Fachelli (2019); López-Roldán, Semenza, Fachelli & Sarti (2020); López-Roldán, Semenza & Salvia (2021).

Secondly, from comparative institutionalist theory, the societal effect derived from the role of institutions and the power relations between stakeholders is considered a fundamental issue for explaining the configuration and workings of the labour market. In this regard, we may speak of varieties of capitalism or social models. In particular, the regulatory regime of each state establishes a specific framework for modulating the labour market and its effects in terms of labour inequalities. Studies along such lines include those by Esping-Andersen (2000), Hall & Soskice (2001), Menz (2008), Vaughan-Whitehead (2015), Burroni (2016), Del Pino & Rubio (2016), Doellgast, Lillie & Pulignano (2018) and Martín-Artiles et al. (2021).

Thirdly, the tradition of feminist socioeconomics has focused the study of segmentation processes in terms of gender inequality, broadening the perspective and breaking away from androcentric views focused on the productive sphere. From this perspective, a broad vision of the concept of work -taking into account the interaction between productive and reproductive spheres and revealing the segregation and discrimination of women in the labour market- serves to explain the different career paths of men and women (Bettio & Verashchagina 2009; Bettio & Plantenga 2004; Simonazzi 2009; Borrás et al. 2012; Torns et al. 2013; Carrasquer & Amaral 2019; Rubery 2014).

These three core areas of segmentation theory can also be framed in an analysis of patterns and trends in the global economy, as well as in the specific context of a territory's productive structure and level of economic development. It is particularly in this regard that we also contemplate the perspective of structural heterogeneity (Prebisch 1949; Pinto 1970; PREALC 1978; CEPAL 2012).

This approach takes the perspective of historical structuralism to understand the economic and social workings of Latin American countries. According to this theory, in capitalist economies subject to an unequal, combined and dependent development model, we can distinguish two types of sector. Modern, high productivity sectors that are integrated into world markets, with similar labour organisations and relations to those of the most developed countries, coexist together with very low productivity sectors that are mainly focused on the domestic market, linked to social subsistence needs and informal economic units or activities.

The existence of an absolute surplus of labour and labour segmentation would be a consequence of these productive constraints whose corollary would be the segmentation of jobs into the typical subsistence activities of the secondary segment and similarly typical formal jobs in the private and public sectors of the primary segment, and hence inequalities in living conditions that are persistent over time (Salvia 2012).

Salvia (2021), analysing 19 countries of Latin America, considers different ways in which the economic growth model (primary income distribution) and social policies (secondary income distribution) are associated with inequality in the distribution of household income. The author assesses how the different paths can be explained by more structural factors affecting each region-country, namely the productivity of the capital-labour ratio (in terms of structural heterogeneity, institutional regulation models and ways in which these factors segment the demand for labour), and the role of social expenditure in the gross domestic product (as an expression of the level of coverage and redistribution of the income provided by social policies). On a macro-level, he presents three patterns of Latin American countries as opposed to European ones: low GDP per capita and high rate of poor population associated with a high Gini index, and low GDP per capita associated with a high rate of poor population. At the meso-level, the author also presents three patterns for Latin American countries: low average productivity per worker and low social spending associated with a high Gini index, and low social spending and low average productivity per worker. The conclusion is that the behaviour of inequality in Latin American countries is more related with the roles of labour productivity and social expenditure, than the relationship between social expenditure and Gini. Compared to European countries, Latin American countries appear at the lower extreme of the "Development and Equity" axis and nearer the top of the "Redistribution-inequality" axis, thus revealing an increase in inequality, lower redistributive efficiency, and reduction of productivity.

Martín-Artiles, Molina and Semenza (2021) sustain that the concept of structural heterogeneity is more complex, and is not only defined by the segmentation of the labour market, but also by the coexistence of vestiges of pre-capitalist economies of an informal and non-mercantile nature in sectors whose productivity is lower than others, which in turn generates greater social inequality.

In that sense, and following these authors, we can contextualise Latin American countries as belonging to a social model in which labour relations and the welfare state are were interrelated regulatory institutions that correct social inequalities from the pre-distributive or post-distributive point of view. In general terms, we can class Latin America as an "Uncoordinated Informal economy" that is characterised by: a low level of social expenditure; a very low number of workers with unemployment benefits; very high inequality rates in the pre-distributive and post-distributive Gini indexes; and a very high rate of informal employment that hinders coordination between pre and post-distributive policies.

3.2. The contexts of labour markets

According to the analysis by Martín-Artiles et al. (2021), not only do Latin American countries all share the phenomenon of Structural Heterogeneity, but we can also distinguish two different social models. Three countries, Argentina, Uruguay and Brazil, have an "Uncoordinated Informal Economy", while Chile is a peculiar case that belongs to the Liberal Cluster, called "Uncoordinated Economies", sharing characteristics with the United States, United Kingdom, Ireland, Hungary, Poland, Czech Republic and Bulgaria.

In Argentina, four aspects can be underlined: a low level of social expenditure; a very low number of workers with unemployment benefits; very high inequality rates in the pre-distributive and post-distributive Gini indexes; and a very high rate of informal employment that hinders coordination between pre and post-distributive policies. Informal employment makes it difficult to govern wages through collective bargaining, so structural heterogeneity leads to inequality in Latin American countries in a similar way to that of liberal countries, despite the fact that they have intermediate systems between coordinating wages at the sector level and collective bargaining. In fact, Argentina has certain sector-type neo-corporatist elements (Marticorena 2014), with a system of collective bargaining at the sector level combined with a large amount of informal employment and very low coverage of unemployment. Then there are major labour inequalities between the formal and informal sectors. This model has led to the construction of fragmented, stratified protection systems (OIT 2018) that can be classified as an uncoordinated economy. Martínez-Fronzoni & Sánchez-Ancochea (2018) define the trend among Latin American regimes as a struggle between universalisation and segmentation: universalisation due to the increase in welfare policies and segmentation because of the formal/informal (and therefore protected and unprotected) dualization of the labour market.

Chile has gone from a state protection model to the radically liberal capitalisation regime that was instated in 1980, with liberal labour relations, a decentralised collective bargaining system at the company level and low coverage of collective bargaining with low social expenditure that influences inequality in the labour and post-distributive Gini indexes. Its unemployment protection rate is also low, and informal employment is more moderate in volume. It is a liberal country that usually has micro-economic type policies and weak unions with little political influence for pre and post-distributive coordination (Martín-Artiles et al., 2021). Both the decentralisation of collective bargaining at the company level (typical of

uncoordinated economies), and informal employment (widespread in Latin America) generate strong dualized segmentation of labour relations, with a clear difference between protected (insider) and unprotected (outsider) workers. In this sense, Latin American countries have very similar results to liberal ones due to the large amount of informal employment and weak social protection institutions.

3.3. Analysis model and methodology

In our comparative analysis of Argentina and Chile from the perspective of labour market segmentation and structural heterogeneity, we establish the general hypothesis that there is no single market that adjusts supply and demand, but that different and hierarchized segments are configured, which depending on job quality are placed in two main groups, namely the primary segment and the secondary segment, where people are positioned unequally according to job conditions and social characteristics such as gender, age, nationality (immigrant origin) and education, as a result of the interaction between factors of supply and demand and a regulatory social model. We also expect to find a similar structuring of labour markets in both countries in terms of employment and the generation of labour inequalities resulting from structural and institutional processes that act as specific mechanisms in each social model, but which lead to similar general results in terms of the structure of inequalities in the labour market.

To test our hypothesis, we designed an analysis with a quantitative methodology that we present below. First of all, this is a static comparative study of the two countries with data for the years 2014 (Chile) and 2016 (Argentina) for the entire wage-earning population (72% of the employed population in Argentina, 74% in Chile). Labour survey data is used to examine the labour market from an employment perspective[3] and to obtain a macro-social snapshot of an aggregate structuring of the segmentation of employment. This measure is expressed in terms of the results or effects of segmentation processes. Other factors are involved, such as institutional aspects, activity sector patterns, the framework of labour relations, the link with the reproductive sphere and other meso-social matters, as we explained in the theoretical perspective, but these are not explicitly measured here. Those elements of our model are captured partially or indirectly.

Our model of labour segmentation and its operationalisation are conditioned by the information available in the sources and by the need for comparable data between the two countries. Following the proposal formulated in López-Roldán (1996a) and López-Roldán & Fachelli (2019) indicators are distinguished from the points of view of both demand and supply, with a set of 8 dimensions that give rise to a total of 13 variables (Table 2). The dimensions that define the demand side are: security, as a dimension of job stability and instability; qualification, which differentiates between formal occupational levels or professional categories; wages, as an indicator of job quality; and, finally, various characteristics of companies that contextualise the social and organisational frameworks in which jobs are offered: company size, sector and ownership. From the supply side, four dimensions of the workforce are considered: gender, age, immigration and education.

For Argentina we use data from the fourth quarter of the *Encuesta Permanente de Hogares* (Permanent Survey of Households) published in 2016 by the *Instituto Nacional de Estadística y*

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[3] We refer to contract conditions and the quality thereof, and we do not specifically capture the characteristics of labour from the demand side contextualised the way production and labour are aorganised, with effective functions and qualifications that are observable in the micro-social realities of jobs.

Censos (INDEC), with a sample of 17,798 members of the wage-earning population. The data from Chile come from the 2014 *Encuesta Nacional de Empleo*, with a sample of 34,664 individuals.

Table 2. Dimensions and indicators of the employment segmentation model [(*)]

Dimension	Indicators/variables
Labour market demand	
1. **Security**	**Type of contract and duration**: *Open-ended, >6 months, <6 months, Informal*
	Type of workday: *Full-time, Part-time*
	Seniority in the company: *aggregation in months-years*
2. **Qualification**	**Occupation**: *Managers and professionals, Technicians and administrative staff, Skilled workers, Unskilled workers*
	Supervision: *Management, Middle management, Person in charge, Employee*
3. **Salary**	**Salary deciles**: *Decile 1 to Decile 10*
4. **Characterization of the company**	**Sector**: *Primary, 3 Industries, Construction, Retail, Transportation-communications, Financial-professional, Public administration, Other services*
	Ownership of the company: *Public, Private*
	Size: *<5, 6-10, 11-49, 50-250, >250 workers*
Labour market supply	
5. **Gender**	**Sex**: *Male, Female*
6. **Age**	**Age**: *16-24, 25-29, 30-34, 35-39, 40-44, 45-49, 50-54, 55-59, >59 years*
7. **Immigration**	**Nationality**: *National, Foreign*
8. **Education**	**Educational level**: *Primary, Secondary, University*

(*) For some variables, the categorization will differ slightly depending on the source of information in each country.
Source: Authors

From the methodological point of view, we pursue a dual objective. On the one hand, we seek to compare the factors that structure inequalities in the labour markets of Argentina and Chile and to determine the degree of similarity or dissimilarity of labour segmentation between the two countries. On the other, we seek to obtain a variable for the segmentation of the labour market in each country and thus compare the degree of similarity or dissimilarity between the labour segments that emerge from the analysis. Formally, the idea is to obtain a typology of employment segments defined in the form of 13 original variables and 74 associated categories. To this end, we apply a typology-building methodology that we call structural and articulated (López-Roldán 1996b), which principally involves sequentially combining two multivariable analysis techniques: multiple correspondence factor analysis, to analyse the relationship between the variables and synthesise them in a reduced set of factors of differentiation that define the structure the labour market, and classification analysis, to group individuals into a number of employment groups or segments that are most internally homogeneous or heterogeneous from each other. In this process, the main factors obtained, synthetic and measured on a quantitative scale, are then used as classification criteria in the cluster analysis that combines Ward's method of ascending hierarchical clustering with an optimisation of the initial classification applying the mobile centres method (Lebart et al. 1997; López-Roldán & Fachelli 2015).

### 3.4. Results of the comparative analysis

The results of the analysis show one main finding, namely the very similar structuration of the labour markets in the two considered countries. Figure 3 presents the correspondence analysis for Argentina and Chile. In all cases, with small variations, we find the same pattern

of differentiation of positions in the labour market. The first factor explains 62-71% of the variance, while the second explains around 13-15%. The fact that the first factor accumulates the largest amount of variance reveals an important one-dimensional reality. On the basis of the positions of the variables in the Cartesian plan (labour market social space) the x-axis can be deemed to characterise the quality of occupation: the first factor is a dimension of employment quality. It expresses the opposition between bad and good jobs in terms of instability (on the left, temporary employment and part-time contracts), associated with low qualifications, low wages, and smaller-size companies. On the other side, the profile is related to permanent contracts, seniority, higher qualifications, and well-paid jobs, particularly in the public sector. This is a general segmentation factor that accumulates, in a single component, all the considered variables.

The second factor mainly differentiates the industrial and construction sectors from the service sector, characterized by intermediate qualifications and medium wages, and full-time and permanent contracts. This factor distinguishes the intermediate positions from the extreme poles, and also the traditionally male-dominated sectors from the service sectors, where women are the majority. This is a dimension of occupational segregation, which contributes to a division between the Lower and Upper Primary sectors.

Regarding social profiles (gender, age, immigration and education), we can associate young people, immigrant workers and the less educated with the social space of the Secondary segment on the left. The right side is the space of the Primary sector that is associated with higher education, older people and being of national origin. Women are distributed across both the precarious and quality segments, while men are mainly associated with the Primary segment.

Figure 3. The social space of labour market segmentation
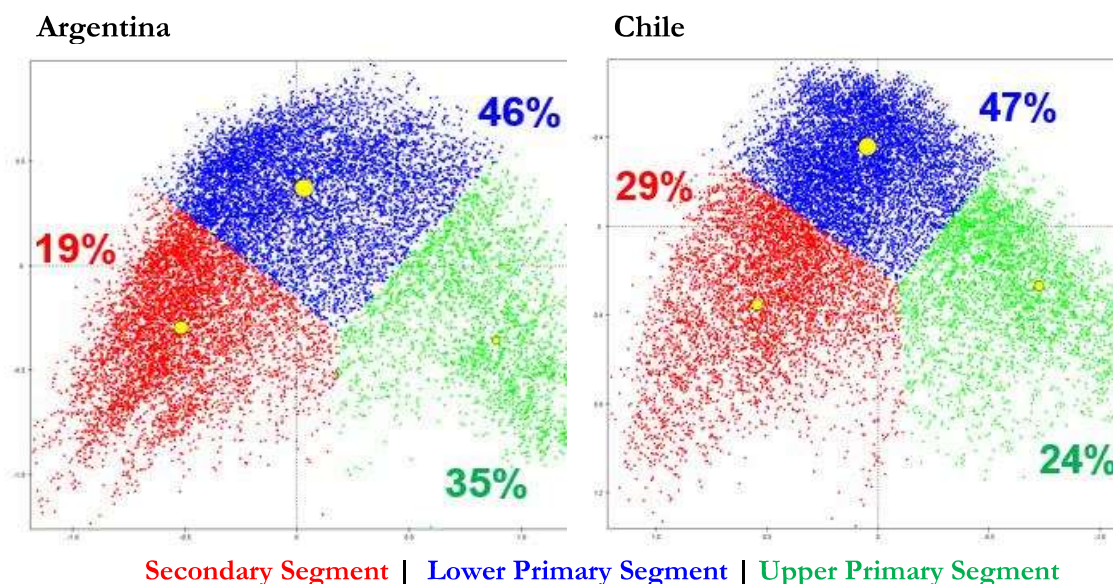**Argentina**
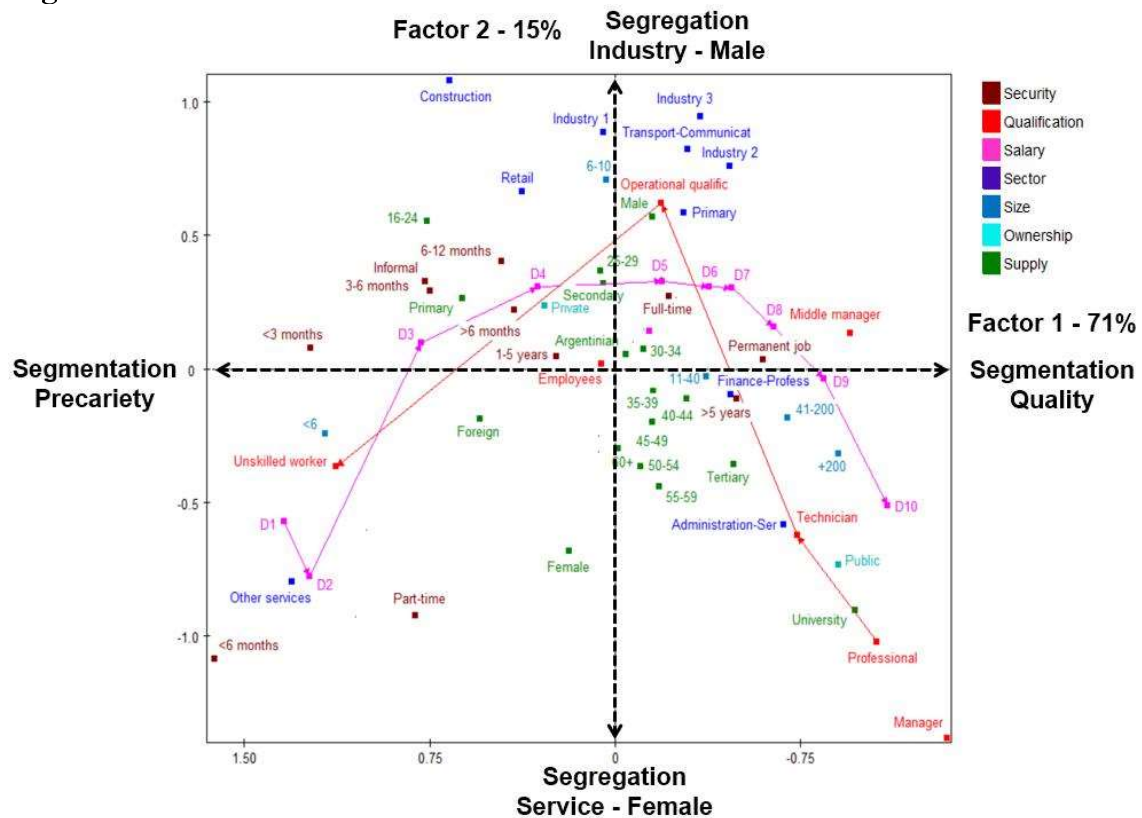
Chile
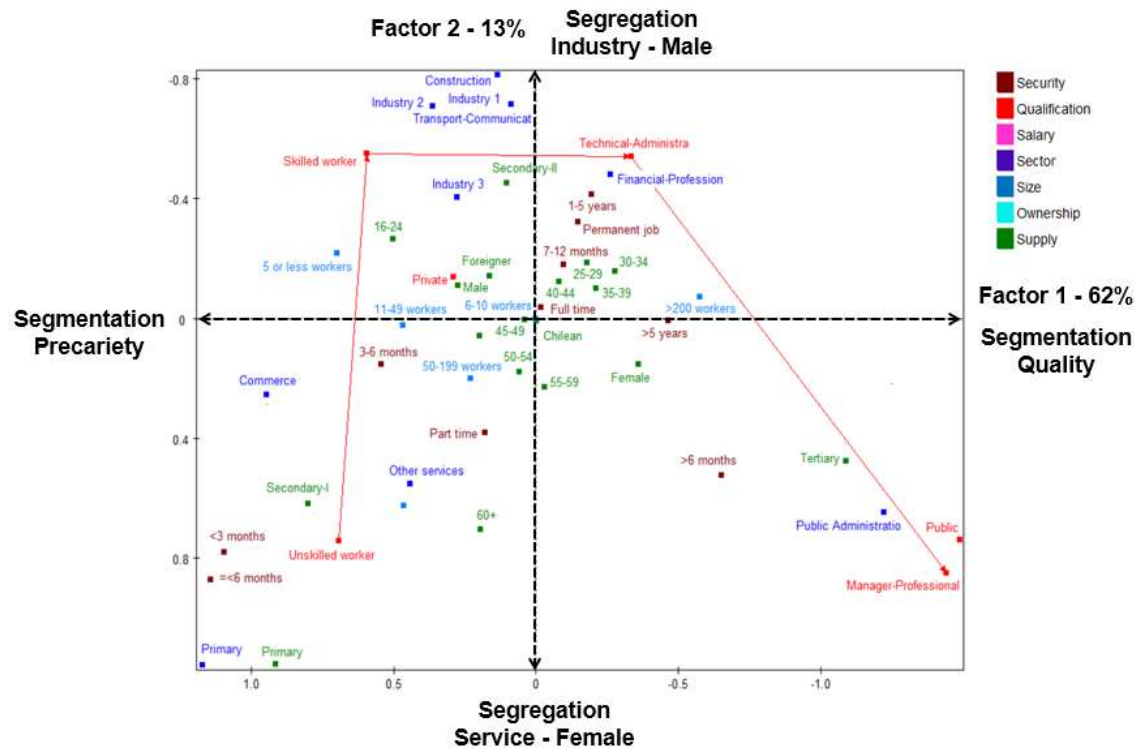
Source: own elaboration with EPH 2016 for Argentina and ENE 2014 for Chile.

The findings on typological segmentation, based on the cluster analysis, are shown in Figure 4. Taking into account both factors and classifying employees we obtain three main clusters in both analyses, with similar general profiles. We identify these clusters as segments of the labour market labelled "Secondary", "Lower primary" and "Upper primary" segments. These can be profiled by crossing the occupational characteristics with the clusters.

Figure 4. Employment Segmentation Typology

Secondary Segment | Lower Primary Segment | Upper Primary Segment

Source: own elaboration with EPH 2016 for Argentina and ENE 2014 for Chile.

The secondary segment, which is larger in Chile (both 29%) and smaller in Argentina (both 19%), is characterized by non-standard employment (part-time jobs, short and recent contracts), elementary occupations, being employed by households, and lower education levels. The most frequent occupational categories in this segment are service and sales workers without supervision, and the most frequent economic sectors are accommodation and food services, administration and support, primary sector, other service activities, wholesale, retail and repair of vehicles. The companies are small and incomes are low, while the proportion of immigrants, youth and women is higher.

The lower primary segment is larger in both countries (46% in Argentina and 47% in Chile). This segment is characterized by permanent full-time jobs and seniority in such occupations as craft and related trade, plant and machine operators without supervision and short cycle labour. Employees in this segment generally have differing levels of education (from tertiary to secondary or less). The typical activity sectors are manufacturing, construction, transport and storage, wholesale, retail and repair of vehicles in medium-size enterprises with intermediate wages. The proportion of natives is high, the most frequent age range is from 30 to 44 years old, and men are more present than women.

The upper primary segment is larger in Argentina (35%) and smaller in Chile (24%). Contracts in this segment are most frequently permanent full-time jobs and with greater seniority, typically concerning professionals and managers, technicians and associate professionals, with supervisory responsibilities and high education levels. The most common sectors of activity are education, public administration, information-financial sectors, health

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and social work, professional areas, and scientific and technical activities. Companies here are large, salaries are higher, and the workers are more likely to be native, older than 45 years, and without significant gender differences.

Despite some differences, the profile of the clusters is very similar between both countries, and the different sizes of the three segments could suggest both different levels of inequalities in the salaried labour market and different social models. They could also suggest the presence of a more homogeneous labour market in the Argentinian case, with an important part of workers employed in higher quality jobs (better paid and protected). In Chile, on the contrary, the most advantaged segment is smaller.

4. Final remarks

With this type of research and analysis, we aim to show the extent to which the structuration of inequalities in the labour market in different countries follows similar patterns in terms of segmentation that generate similar classifications of employment segments. The theoretical perspective we adopted is to consider the segmentation of the labour market and structural heterogeneity in order to explain the structure of social inequalities. In our empirical analysis we considered a set of market (the characteristics of the demand-side and supply-side) and extra-market factors, such as the role of institutions, the social model and employment relations. Argentina, as a typical Latin American country, is characterized by a large informal and uncoordinated economy, with major public balance problems, a relevant role of trade unions and a weak industrial sector. Chile, in turn, has had a radical neo-liberal regime since 1980. Its uncoordinated economy features liberal labour relations, and a decentralised and poorly covered collective bargaining system at the company level that influences inequalities in the labour market.

Empirical evidence has shown that, despite the specific institutional configuration of each country, a similar picture can be traced in terms of the segmented structure of the labour market. In other words, the hypothesis is confirmed that there is no single labour market, but instead at least three major segments defined by the quality of work and the distribution of material (wages) and symbolic (status) resources. Secondly, the analysis revealed substantial similarities between the countries, even in terms of proportions given the proper proportions. The results support the argument that Argentina and Chile share a fairly similar configuration in terms of two main aspects: the quality-precariousness ratio, and the service-industry/segregation dimension. These two factors explain around 80% of the variance in the most important variables describing the labour market (employees only). The cluster analysis of workers shows similar proportions. In particular, three segments have been identified: a "secondary segment", representing underprivileged work; a "lower primary segment", characterized by an intermediate quality of work; and an "upper primary segment", connected to the most privileged work. The distribution of these groups is slightly different by countries. While Argentina and Chile present the same proportions for the "lower primary segment", they differ in the other two segments, the "upper primary segment" in Argentina being 11 percentage points large than that of Chilean. Despite the limitations of this study, in particular the absence of self-employment in the analysis, the results reveal some robust similarities between the two countries. They also tend to confirm the second hypothesis, which supposes similar mechanisms of social stratification, associated with employment positions. The generation of inequalities in the labour market therefore seems to be influenced by institutions and the social model, even in different socio-economic contexts.

One might ask whether these primary results for labour market segmentation in Argentina and Chile can also be observed in other Latin American countries. Future work will be required in order to answer this question, but our hypothesis is that they do, as we already found when comparing the Argentinean and Chilean cases with Spain and Italy (López-Roldán et al., 2020). It seems that part of the explanatory mechanisms of inequalities in labour segmentation are necessarily specific to the socio-economic context in which they occur, and others obey common global logics, and together they are generators of similar results in terms of the employment segmentation that can be observed in both Latin American and European countries.

Further analysis is needed to better understand and more accurately validate employment segmentation. We would also like to extend our model and analysis by including all workers (e.g. self-employed and informal workers) and integrating productive and reproductive labour, as well as including other Latin American countries and introducing a long-term perspective and trajectory analysis. However, better data will be needed in order to do this.

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Appendix. KILM variables that characterize 28 Latin-American and Caribbean countries

	Country	Employment_to_population ratio	Status in employment	Employment Agriculture	Employment Services	Managers Professionals	Advanced Education	Hours of work	Informal Employment	Unemployment rate	Labour underutilization	Youth NEET rate	Time-related underemployment	Monthly earnings	Labour costs	Labour productivity	Extremely poor	Higher economic class	Labour dependency ratio	Trade union density rate	Collective bargaining coverage rate
1	Argentina	54,8	74,7	0,1	77,5	24,7	22,6	38	43,8	9,5		19,3	11,9	1201	1,1	46753	0,1	96,4	1,4	27,7	
2	Bahamas	65,7	85,6	2,6	81,3	30,1				11,9						53657	0,0	95,8	0,9		
3	Barbados	59,3	83,4	2,8	78,0	30,9				9,6			3,0			35691	0,1	94,7	1,1		
4	Belize	60,9	66,2	17,6	67,8	25,7	20,0	43		9,4	12,7	27,3	3,6	997		18643	3,4	73,4	1,4	9,1	9,1
5	Bolivia	65,7	37,6	28,1	50,2	17,2	18,8	43	74,7	3,3	10,2	11,6	5,3	1004		15585	5,3	81,5	1,2	39,1	
6	Brazil	55,9	67,8	9,4	70,2	23,8	22,0	38	36,0	12,5	24,3	24,2	7,3	1036		32578	0,8	89,6	1,3	18,9	70,5
7	Chile	57,9	71,5	9,2	68,1	26,2	18,3	40	22,2	7,2	21,7	15,9	8,7	896	13,6	50669	0,3	95,6	1,2	19,6	17,9
8	Colombia	63,6	49,1	16,4	64,3	18,8	28,1	44	58,3	9,1	17,2	22,9	8,0	1294		27492	1,9	81,5	1,0	9,5	15,7
9	Costa Rica	55,2	75,8	12,5	69,1	23,3	20,1	42	35,5	8,1	25,6	19,0	8,2	2071	6,8	36699	0,3	95,3	1,3	19,4	10,6
10	Cuba	52,4	90,7	18,3	64,9	21,5	16,0	41		2,3						36390	0,0	93,6	1,3	81,4	81,4
11	Dominican Republic	60,3	56,3	9,5	71,1	16,4	12,5	41	50,9	5,8	17,1	24,3	5,4	683		35298	0,9	84,7	1,3	11,0	
12	Ecuador	66,4	50,9	27,5	54,0	13,3	15,4	38	52,4	3,9		17,7				22306	3,9	80,7	1,1		
13	El Salvador	58,3	60,0	18,5	59,7	10,7	5,8	42	68,2	4,4	14,9	28,4	8,7	609		17419	0,7	77,1	1,4	19,0	5,0
14	Guatemala	60,6	62,5	29,3	50,0	9,5	4,3	43	72,6	2,7	12,7	27,3	10,3	653		18951	3,5	68,2	1,5	2,6	
15	Guyana	50,5	39,4	18,5	55,9	17,9	7,3		35,9	12,2	30,6	1,4	7,0	826		21259	1,8	79,8	1,8		
16	Haiti	58,7	13,8	49,8	39,9	6,5				13,5		35,2				4213	19,8	29,0	1,5		
17	Honduras	62,6	47,8	31,9	47,6	12,1	5,4	39	77,1	4,1	20,2	27,7	10,9	677		10770	12,8	56,8	1,3		
18	Jamaica	60,7	60,7	16,6	67,8	21,8		43		9,5			0,8	1439		17762	0,3	82,9	1,1		
19	Mexico	59,1	68,6	13,0	61,1	19,8	17,5	46	56,1	3,3		18,4	4,7	681		40163	1,3	68,0	1,3	12,5	
20	Nicaragua	63,7	55,2	31,0	52,3	15,2	9,6	36	74,9	4,5		1,4	25,9	1176		12109	5,3	51,7	1,2	5,3	
21	Panama	63,8	65,2	14,3	67,1	24,9	16,6	38	40,4	3,9	13,3	17,2	5,1	1298		49792	0,4	92,5	1,2	11,9	1,0
22	Paraguay	67,3	56,2	20,0	59,9	18,0	14,9	41	50,6	4,7	14,8	18,1	5,5			18803	0,4	86,8	1,1	6,7	0,7
23	Peru	75,0	45,1	27,5	56,9	25,4	30,4	39	59,8	2,8		17,7	5,0	839		22868	3,6	76,1	0,8	5,7	4,8
24	Puerto Rico	36,5	83,0	1,4	81,6	33,0				11,4				1673		99961	0,0	99,6	2,3		
25	Suriname	47,7	86,0	7,0	68,3	32,4				7,6						39627	6,3	77,2	1,8		
26	Trinidad and Tobago	58,9	76,6	3,2	69,5	30,6	22,0			2,8		52,1				63561	0,0	95,1	1,1	19,8	
27	Uruguay	59,2	72,0	8,7	71,6	22,4	15,1	43	26,7	8,0	20,4	18,0	9,4	1219		45117	0,0	98,3	1,1	30,1	
28	Venezuela	57,0	63,5	7,2	71,7	26,7	29,4	38		8,4		19,6		833		27550	10,1	66,7	1,4	0,2	2,5

Source: Key Indicators of the Labour Market (KILM), International Labour O