



CENTRE FOR NEW DEVELOPMENT THINKING

Development out of the box

The Quality of Employment: Concepts and Methodologies in Developed and Developing countries

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Nopoor, 20th November 2014

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Overview

- History of the papers on which this presentation is based
- Why consider the quality of employment in a developing country?
- An example of the deterioration of the quality of employment in Chile
- Comparison DW and QoE
- Conclusions

Presentation based on

4 papers:

Brendan Burchell, Kirsten Sehnbruch, Agnieszka Piasna,
and Nurjk Agloni:

- “The Quality of Employment and Decent Work: Definitions, Methodologies, and Ongoing Debates”
- “Human Development and Decent Work: Why some Concepts succeed and others fail to impact the Development Agenda”
- “Why has ‘Decent Work’ not worked internationally? A conceptual model of ‘job quality’ for evidence-based policy”
- “The Quality of Employment: Methodologies and Measurement”

History of the Papers

- Born out of an overview of the development of concepts related to the quality of employment in the academic literature
- ‘quality of working life’ concepts and measures (1960s and 1970s), job satisfaction studies (1970s and 1980s), Job Quality concerns, (1990s), Decent Work 1999.
- Empirical, methodological and conceptual approaches remain fragmented, contradictory and often confused
- Most successful results: European Union, eg European Working Conditions Survey
- Most “unsuccessful” approach (academically, but not rhetorically): Decent Work

Why do we care about DW's impact? LM problems in Developing Countries

- Informality and precarious employment conditions in the formal sector
- High job rotation, sub-contracting, multiple tax IDs, Freelance contracts for salaried workers, etc.
- Labour market segmentation with little mobility (esp for older workers)
- Antiquated legislation that segments labour market further (esp. severance pay), only 40% of LF covered by it and Labour reform is stalled
- Weak unions, unconstructive in development process

Data problems and monitoring

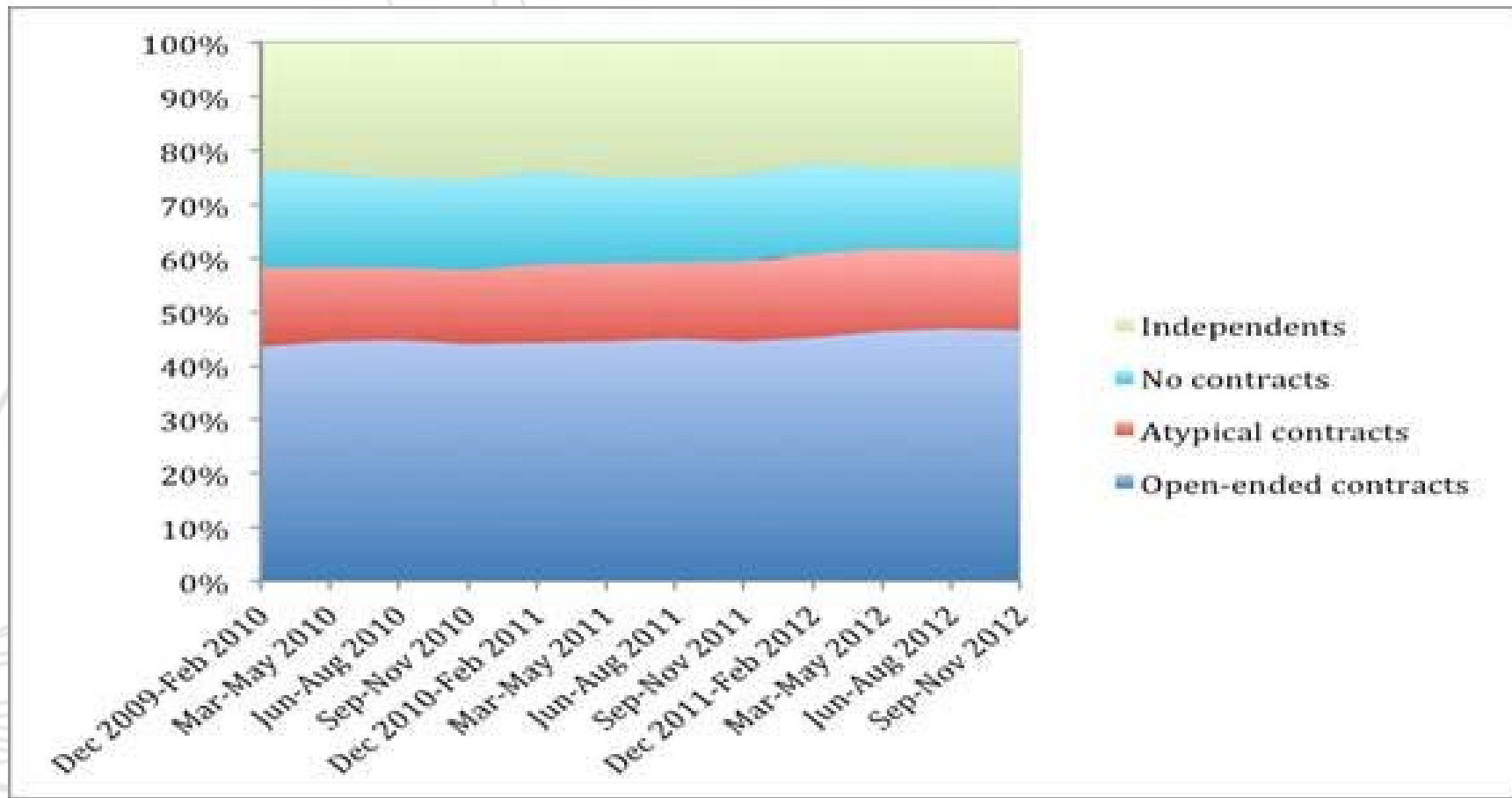
- LMs have been left to their own devices following “flexibilisation” mantra of the Washington Consensus
 - Lack of data
 - “We measure what we believe in” (Somavia)
 - “We ignore what we don’t measure” (Ward)
- Political focus on unemployment rate, not quality of employment**

Why is this relevant for the EU?

- Employment conditions in LatAm create unfair competition
- European trade partners and individual companies have to monitor employment conditions in the field, but there is little available data
- EU trade agreements have a positive impact on employment conditions, unlike US and Asian FTAs

Empirical Evidence Chile

Chilean Labour Force by Occupational Status, 2009 - 2012



Job rotation in Chile

Tabla: Duración actual de los empleos asalariados registrados en la base administrativa del seguro de cesantía por tipo de contrato en Chile.

	2010	2011	2012
Contrato indefinido, duración promedio	26.7	27.8	28.4
Proporción de contratos indefinidos que duran 3 meses o menos	16.9%	16.3%	16.1%
Contrato definido, duración promedio	19.1	19.5	20.0
Proporción de contratos definidos que duran 3 meses o menos	29.4%	29.8%	29.1%
Total contratos, duración promedio	21.6	22.2	22.8
Proporción de todos los contratos que duran 3 meses o menos	25.3%	25.4%	24.9%

Nota: Los datos representan aproximadamente el 80% de la fuerza laboral asalariada formal en Chile.

Example of public policy: Coverage of UI system

	%
Open ended insufficient contributions	24.2
Atypical insufficient contributions	24.5
Other reasons	5.7
Atypical covered single payment	6.5
Right to FCS	13.4
Enough savings, no FCS	25.7
<hr/> Total	<hr/> 100.0

Decent work

- ILO launched this concept in 1999
- Definition: “Opportunities for women and men to obtain decent and productive work in conditions of freedom, equity, security and dignity.”
- 4 pillars: Human Rights and Labour, Employment and Wages, Social Dialogue and Social Protection
- The ILO’s intention was to achieve a standardised definition that could serve as a basis for empirical measurement, and international comparisons
- DW now consists of 61 different indicators of employment conditions

Human Development

- Launched in 1990 with first Human Development Report and HDIs
- “We need a measure of the same level of vulgarity as GNP – only a number – but a measure which is not as blind to the social aspects of human life as is GNP.”
- HDI: 3 indicators summed up: income, education (literacy rates) and health (life expectancy at birth)
- A development of successive multidimensional indicators of human development and poverty

Relevance of the paper

- A comparison of the relative success of two development concepts: explaining the intuitive
- Lessons from HDI and DW are relevant for many policy and development issues: eg. environment, industrial diversification, health, happiness, etc.
- Allows us to discuss the use and relevance of indicators for public policy and development
- Allows us to examine the relative advantages and disadvantages of synthetic vs dashboard indicators
- AmLat: illustrates measurement problems of LMs
- Warning: methodology used is partly unsatisfactory

Impact: Google searches

Search term	Google.com	Google Scholar	Google Books	Jstor*
ILO	78.700.000	474.000	7.930.000	2919
UNDP	39.400.000	366.000	2.270.000	3053
Decent Work	168.000.000	254.000	83.400	246
Human Development	878.000.000	4.290.000	4.440.000	6645
Human Development Index	98.600.000	4.520.000	156.000	1093
Human Development UNDP	7.310.000	419.000	240.000	2676
Decent Work ILO	818.000	21.500	133.000	375

Terms such as basic needs, social exclusion, social capital informal sector, quality of employment and job satisfaction also throw up more google search results than DW.

Other Google Searches

Search term	Google		Google Books	Jstor*
	Google.com	Scholar		
"Human Development"	1,670,000	1,910,000	4,440,000	56,223
"Basic Needs"	6,690,000	331,000	1,790,000	20,217
"Social Exclución"	2,850,000	168,000	527,000	7,122
"Social Capital"	7,740,000	986,000	1,130,000	20,973
"Decent Work"	1,180,000	16,900	83,200	602
"Informal Sector"	1,430,000	155,000	787,000	9,500
"Job Satisfaction"	4,440,000	693,000	1,510,000	16,462
"Job quality" + "quality of employment"	1,590,000	24,600	396,000	948

Impact: Books and other indicators

- Books on DW are published by the ILO
- Landmark publications by prestigious authors are associated with the human development (and capability approaches)
- Institutions have been founded to further research on HD or capabilities, et. OPHI, HDCA, Max Planck, UIHaq Centre etc
- MDGs did not include an employment indicator until 2005 (bc not ends based)
- EU has not adopted DW indicators (even though it is the only region with available data)
- Policy making: ILO has undertaken country studies, but no policies specifically designed to improve indicators: government pay “lip service”

Fundamental differences between HDI and DW

- HDI easier to measure and achieve consensus on measurement
- DW indicators much more conflictive in all dimensions
- Methodological differences: categorial and numeric indicators
- Also data at the individual level on employment is more useful
- Is it a fair comparison? DW covers a more narrow subject matter

Comparative Theoretical Framework: HDI

- Developed by an independent team of experts led by Mahbub ul Haq and based on the capability approach
- Expressed as an explicit alternative to traditional utilitarian GDP based development approaches
- Theoretical grounding in ethical philosophy
- Evaluative and agency aspects: people are the protagonists of their own development
- HDIs based on “functionings” ...what people can do and be
- Organic development of academic literature in parallel to the institutional literature: a new academic discipline

Comparative Theoretical Framework: DW

- No engagement with established theoretical economic literature , in particular not formulated as an alternative to the Washington Consensus
 - Based on ILO's own institutional literature, which is not very coherent
 - No engagement with capability approach, which could have formed the perfect theoretical grounding
 - No connection with independent or academic literature was established
- ➔ DW was solely a political initiative

The HDI and DW parallel

Human Dev Indicators

- Washington Consensus
- New theoretical literature emerges that reorients development thinking (capabilities approach)
- ➔ launch of Human Development Indicators in 1990 by UNDP
- A new academic discipline

Decent Work

- Washington Consensus
- Labour market theory focuses on the need for deregulation in developing countries
- Developing countries deregulate to varying degrees in a changing labour market context, but with almost universal lack of “success”
- Jobs become universally more precarious
- ➔ Launch of Decent Work concept by ILO in 1999

Institutional Comparison:

HDI

- HDR and HDI launched and published by an “independent” office (also at country level)
- Theoretical concept and synthetic indicator published simultaneously
- Indicators launched to “market” human development and attract attention
- HDR and HDI also established to enhance profile of the UNDP
- Other institutions use the HDIs

Institutional Comparison:

DW

- DW launched by Director General with two purposes:
 - As an organising principle for the institution
 - To project the ILO as an institution to the rest of the world
- ILO is not an institution that works “organically” rather than imposing rigid concepts
- Theoretical concept launched with intention of measuring it at some point
- ILO is a tripartite institution with a membership of governments, employers’ association and unions

Empirical Foundations: HDI

- 3 basic variables
- Further indicators added over the course of the last 22 years: Freedoms, Gender, Poverty, Income Distribution and Multidimensional Poverty (10 variables)
- UNDP has invested in improving data production and in extending their work to individual countries
- HDIs are now widely quoted in development publications from all disciplines as well as in the press

Empirical Foundations: DW

- Launched in 1999 without an empirical foundation (as it is much more complicated to produce comparable data on employment conditions)
- Several years of debate followed about potential methodologies for measuring DW with different publications proposing different methodologies
- 2008: the official decision was published that the ILO would not produce a synthetic indicator of DW: instead a matrix of 69 indicators was established
- 2009: decision to undertake individual country profiles based on this matrix

Successful Synthetic Indicators

- Coherent definitions and methodology that is easy to understand and simple to calculate (politicians and press!)
- Minimal data requirements (especially if comparing developed and developing countries)
- International comparability makes them more interesting to the public
- Press efficient

See Quantifying the World: United Nations Ideas and Statistics, Ward, 2004

Dashboard Indicators

- A multifaceted look at a subject useful to a sophisticated audience
- Useful when variables have to be compared that cannot easily be synthesised in a single indicator: eg legal rights and income, carbon footprints and preservation of biodiversity, etc.
- The more indicators dashboards include the more difficult they are to use
- Highly specialised public policy makers use dashboards every day (eg Central Banks)

Conclusions

- Theoretical, institutional and empirical factors all matter in whether a development concept is successful
- An unsuccessful development concept can cause damage:
- DW failed to articulate an alternative to Washington Consensus policies and place labour market issues on the development agenda, esp by preventing other UN institutions from taking up the issue
- In LA: labour policy often does not figure on the agenda and LM institutions are weak