



THE LONDON SCHOOL
OF ECONOMICS AND
POLITICAL SCIENCE ■

Better Data for Better Jobs and Lives

8th December 2025

- Kirsten Sehnbruch, International Inequalities Institute, LSE
- Mauricio Apablaza, Universidad del Desarrollo (Chile), LSE and OPHI
- Xavier Mancero, CEPAL
- Pablo Villatoro, CEPAL
- Pablo Gonzalez, Universidad de Chile



lse.ac.uk/inequalities
quality-employment.org
[@LSEinequalities](https://twitter.com/LSEinequalities)
[@quality-employment.org](https://twitter.com/quality-employment.org)



Quality of
Employment



The
British
Academy



International
Inequalities Institute ■

Three Key points

1. Age of AI requires focus on quality *and* quantity of jobs
2. We need to measure poor-quality employment to protect most vulnerable ≠ not the same as informal sector
3. Policy making must take account of cumulative disadvantages, especially given likely impact of AI on labour markets

Future of Work Polarisation Hypothesis and Social Security

Example for Chile based on UI Admin data:

Table 1: Characteristics of Employed workers (Raw data - January 2018)

	Type of Contract %	Income (USD)	Average Age	Duration	% Duration of less than 3 months	
All Employment Relationships	<i>Open-ended</i>	69.8%	1460.9	39.3	41.1	5.7%
	<i>Fixed term</i>	30.2%	738.7	35.8	8.5	42.8%
	<i>Total</i>	100%	1243.3	38.2	31.3	16.9%

Source: Authors' own calculations using administrative data from the Chilean Unemployment insurance system. January 2018 exchange rate (602.3 CLP). Because of data management constraints, this table uses a 3% sample only.

- **Result: 50% of unemployed workers receive no UI benefits due to conditionalities.**
- **5.7% of unemployed workers request UI benefits. Most vulnerable workers least protected.**

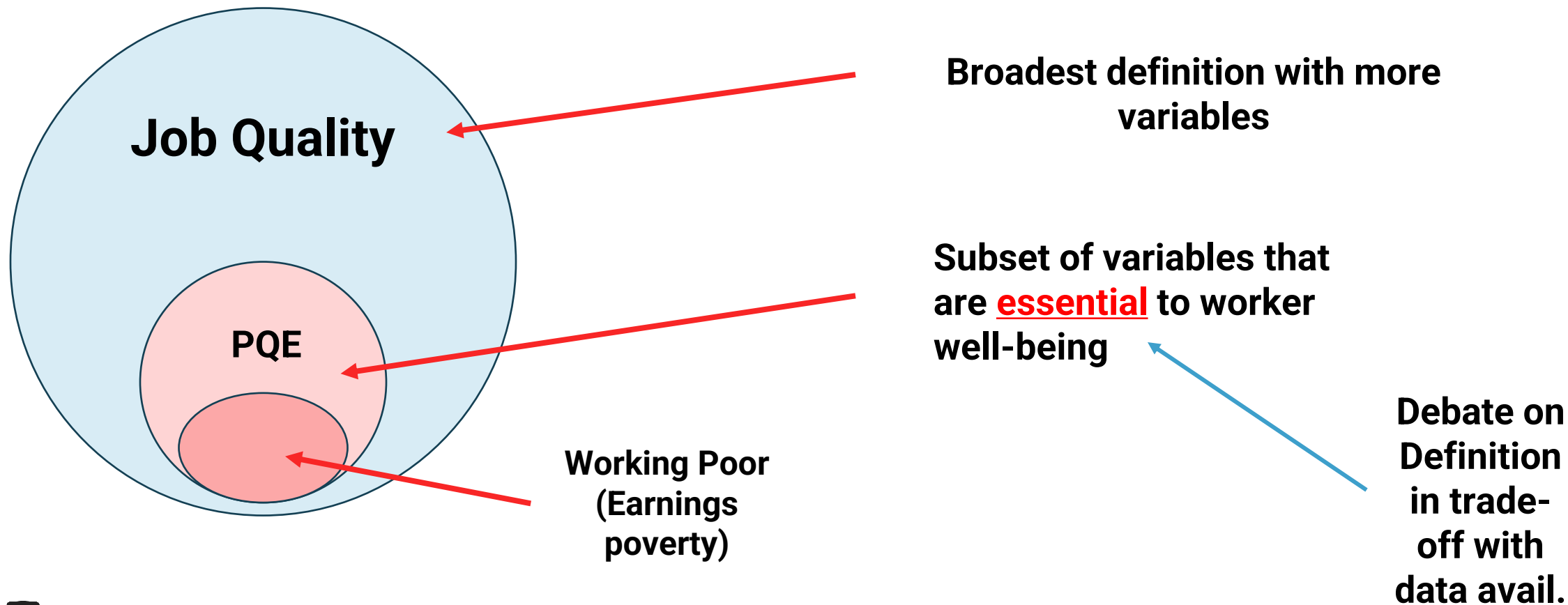
“Good” Jobs vs “Bad” Jobs

- Issues of definition (linked to different perspectives)
- Issues of measurement (data)
- “Infant Issue” (vs other policy issues, e.g. poverty or inequality)
- Fragmented literature across disciplines, issues, sectors.
- Policy focus on quantity of jobs + quantity/quality trade-off

- DON'T TALK ABOUT “Better jobs” (or Decent Work)!

Poor- Quality Employment is not the same as Job Quality

- PQE is a subset of JQ, but defined with different variables



Some costs associated with poor-quality employment that we do not account for

- Fiscal costs (lower taxes + income support)
- Reduced contributions and income tax receipts: Sustainability of Social Protection Systems and Welfare States
- Decreased productivity and skill development
- Increased physical and mental health costs
- Potentially decreased educational outcomes for children
- Significant political costs as employment conditions of middle class eroded linked to impact of new technologies?

**How
Much**

?

Sustaining (or building) welfare states and a productive economy on labour markets with a high % of poor-quality employment is like.....

Building Houses on Sand



Questions that current measures of Labour Market performance do not answer:

- How many workers are deprived in the labour market?
- How do workers compare to each other?
 - How deprived is one individual/subgroup of the workforce versus another?
 - How do individual countries/regions compare?
- Do workers get stuck in poor-quality employment?
- How is poor-quality employment related to other socioeconomic variables or regulation
- What is the cost of poor-quality employment (benefits + productivity)?

➔ Current research is fragmented and based on limited data

We ignore Clustered Disadvantages (and the inequalities they generate)

Jenny	Ali	Gloria
<ul style="list-style-type: none"> • Minimum Wage • Stable Contract • 45 hour week 	<ul style="list-style-type: none"> • 1.5x Minimum Wage • Irregular zero-hours + gig economy job • 55 hour week 	<ul style="list-style-type: none"> • Minimum Wage • Irregular zero-hours • 20 hour week

How can we compare these workers?

Which worker needs which type of public policy support?



- Workers will likely have their own preferences: e.g. work informally, flexible hours, excessive hours.
- Unions prioritise their own interests reinforcing focus on wages
- Firms prioritise profits and generally productivity
- Central Banks focus on wages and unemployment/participation rates
- Only governments:
 - Can balance these interests and regulate them
 - Can act in the interest of the “Common Good” and take normative decisions (e.g. mandated pensions)
 - Pay for costs associated with poor-quality employment (e.g. benefits, ui, health care costs, education and potentially vocational training)
 - Need to monitor performance
- PQE measure designed for **policy making**

**Measuring poor-
quality
employment**



Alkire-Foster Method

A Normative Approach

- Selection of dimensions, indicators, **Cut-offs** deprivation or non-deprivation and weights
- Coheres with a normative focus on **individual deprivations**
 - Decomposable as far as data allows
 - Can combine with distribution information
 - Can measure deprivation gaps
 - Requires all questions from same dataset
- Counts how many people are deprived, in how many dimensions
- Defines an overall line of deprivation: e.g. **$k=0.333$**
- Final result expressed as a **Headcount Ratio (H), Intensity Score (A) and Final Index ($H \times A = M_o$)**.
- Cross country comparisons BUT individual country methodologies should be adapted with expert input and according to data availability
- **PQE: Public policy perspective (not workers or other social actors)**

Latin American Data Sources and Years

Country	Survey	R1	R2	R3	R4	R5
Argentina	Encuesta Permanente de Hogares – EPH/a	2008	2014	2018	2019	2020
Bolivia	Encuesta Continua de Hogares – ECH	2008	2014	2018	2019	2020
Brasil	Pesquisa por Amostra de Domicílios – PNAD Pesquisa por Amostra de Domicílios Continua (PNAD C)	2008	2014	2018	2019	2020
Chile	Encuesta de Caracterización Socioeconómica Nacional (CASEN)	2009	2013	2017		2020
Colombia	Gran Encuesta Integrada de Hogares	2008	2014	2018	2019	2020
Costa Rica	Encuesta de Hogares de Propósitos Múltiples Encuesta Nacional de Hogares (ENAHO)	2008	2014	2018	2019	2020
Ecuador	Encuesta de Empleo, Subempleo y Desempleo en el Área Urbana y Rural	2008	2014	2018	2019	2020
El Salvador	Encuesta de Empleo, Subempleo y Desempleo en el Área Urbana y Rural	2009	2014	2018	2019	2020
Guatemala	Encuesta Nacional de Empleo e Ingresos (ENEI)	2011	2014	2018		-
Honduras	Encuesta Permanente de Hogares de Propósitos Múltiples	2009	2014	2018	2019	-
México	Encuesta Nacional de Ocupación y Empleo (ENOE)	2008	2014	2018		2020
Panamá	Encuesta de Mercado Laboral (EML) Encuesta de Propósitos Múltiples (EPM)	2008	2014	2018	2019	-
Paraguay	Encuesta Permanente de Hogares	2008	2014	2018	2019	2020
Perú	Encuesta Nacional de Hogares – Condiciones de Vida y Pobreza	2008	2014	2018	2019	2020
República Dominicana	Encuesta de Fuerza de Trabajo (EFT) Encuesta Nacional Continua de Fuerza de Trabajo (ENCFT)	2008	2014	2018	2019	2020
Uruguay	Encuesta Continua de Hogares	2008	2014	2018	2019	2020

Dimensions, Indicators, Cut-offs and Weights

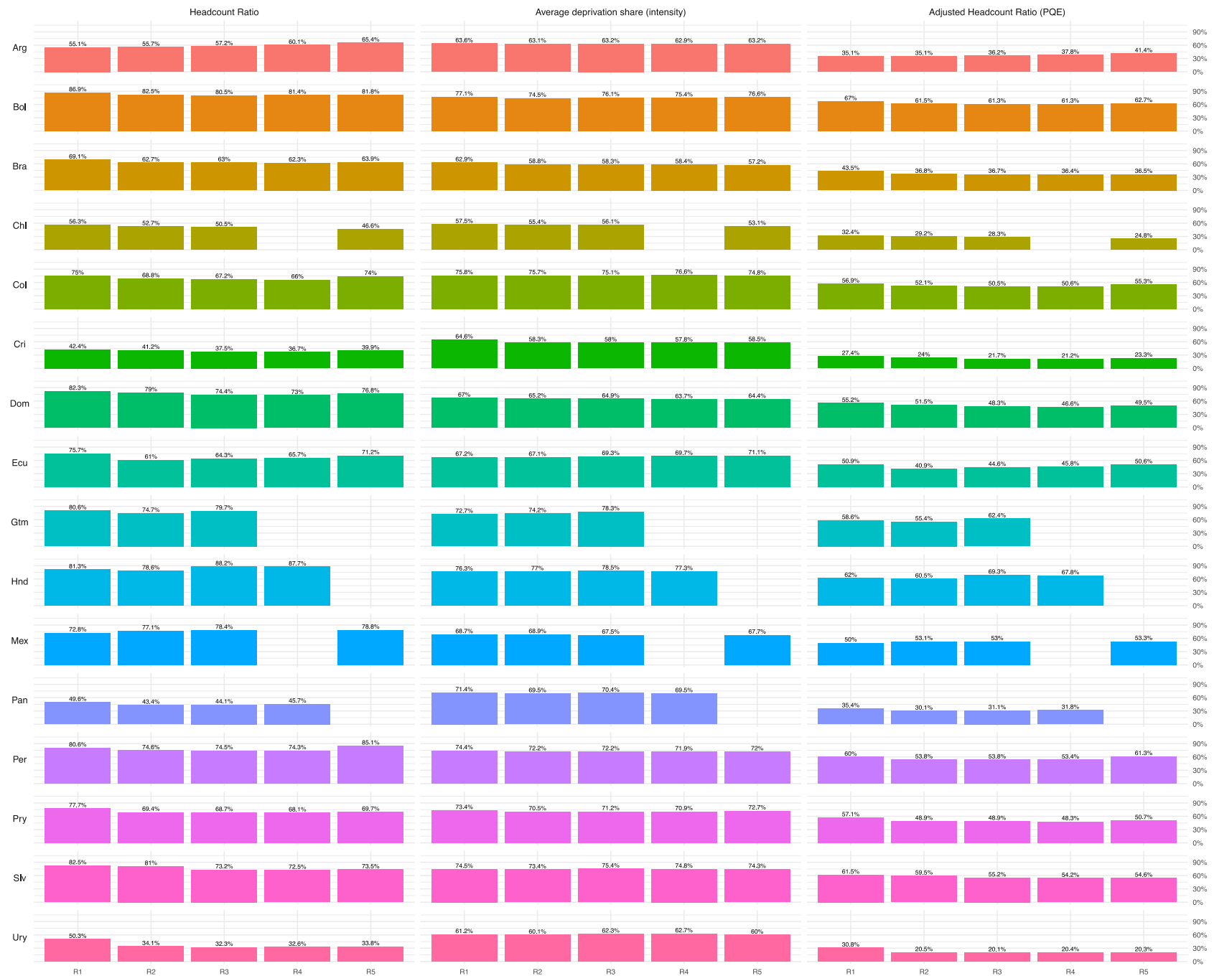
Dimensions	Earnings	Job Stability	Working Conditions	
Indicator			Social Security	Hours Worked
Weights	1/3	1/3	1/6	1/6
Cut-off	Net earnings are below 6 food baskets	Salaried workers without signed contract or non-professional self-employed	Workers not contributing (affiliated) to a pension system.	Workers declaring that they work more than 48 hours per week
Justification	4 food baskets is equivalent to poverty line for 1 worker and 1 dependent. 6 food baskets gives workers a little extra to develop their capabilities in the labour market	These workers have no employment rights, no legal recourse and no rights to benefits (e.g. sick pay)	Contributions to a pension system serve as a proxy for all social insurance systems.	Legal working week in most Latin American countries and based on ILO convention

- Dashboard of indicators on income, contracts, pension contributions (affiliations) and working hours



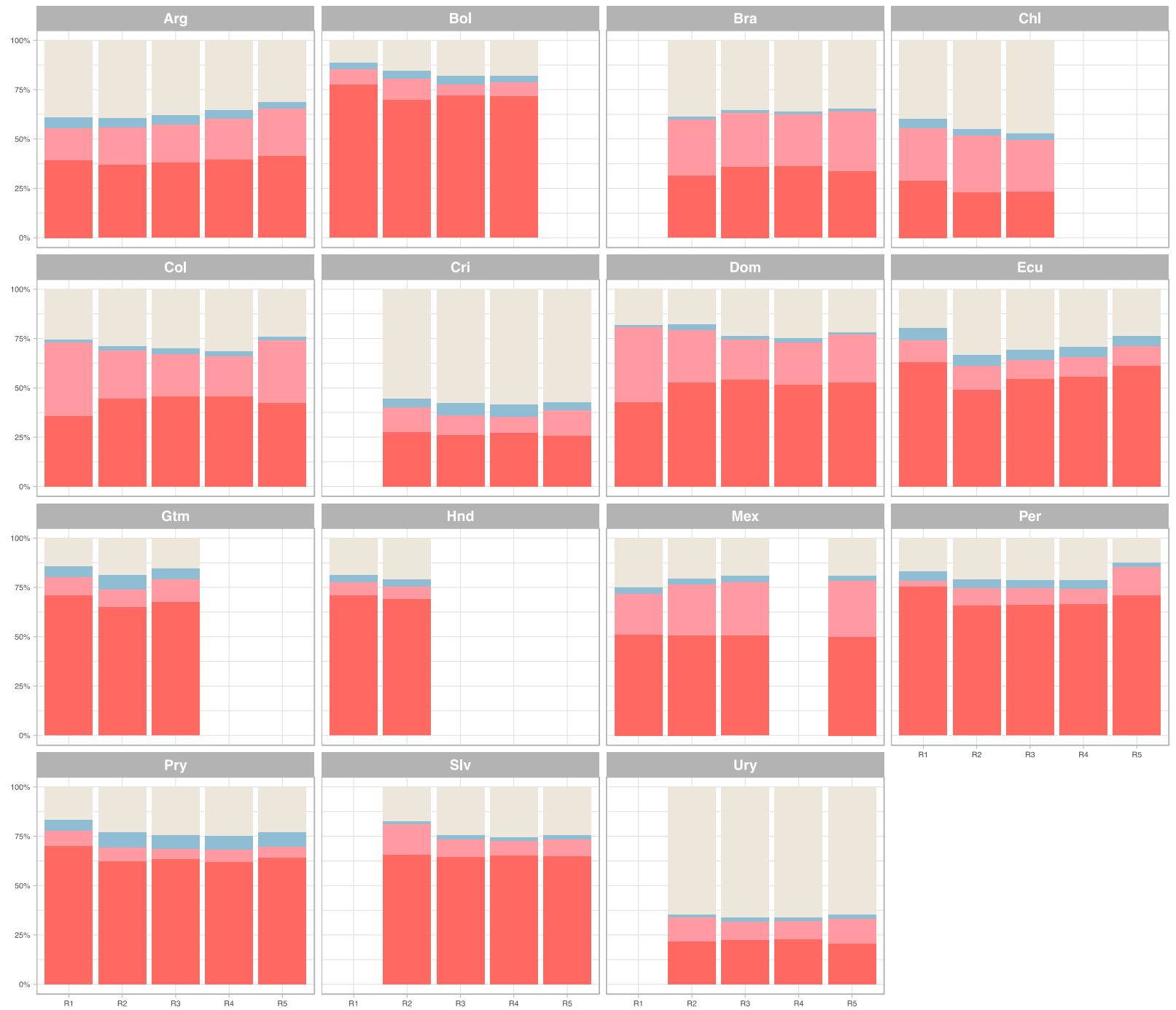
- Headcount Ratios (H, % of PQE)
- Intensity of Deprivation (A)
- Overall Measure of PQE M_0

- Data: BADHOG, 2010-2020

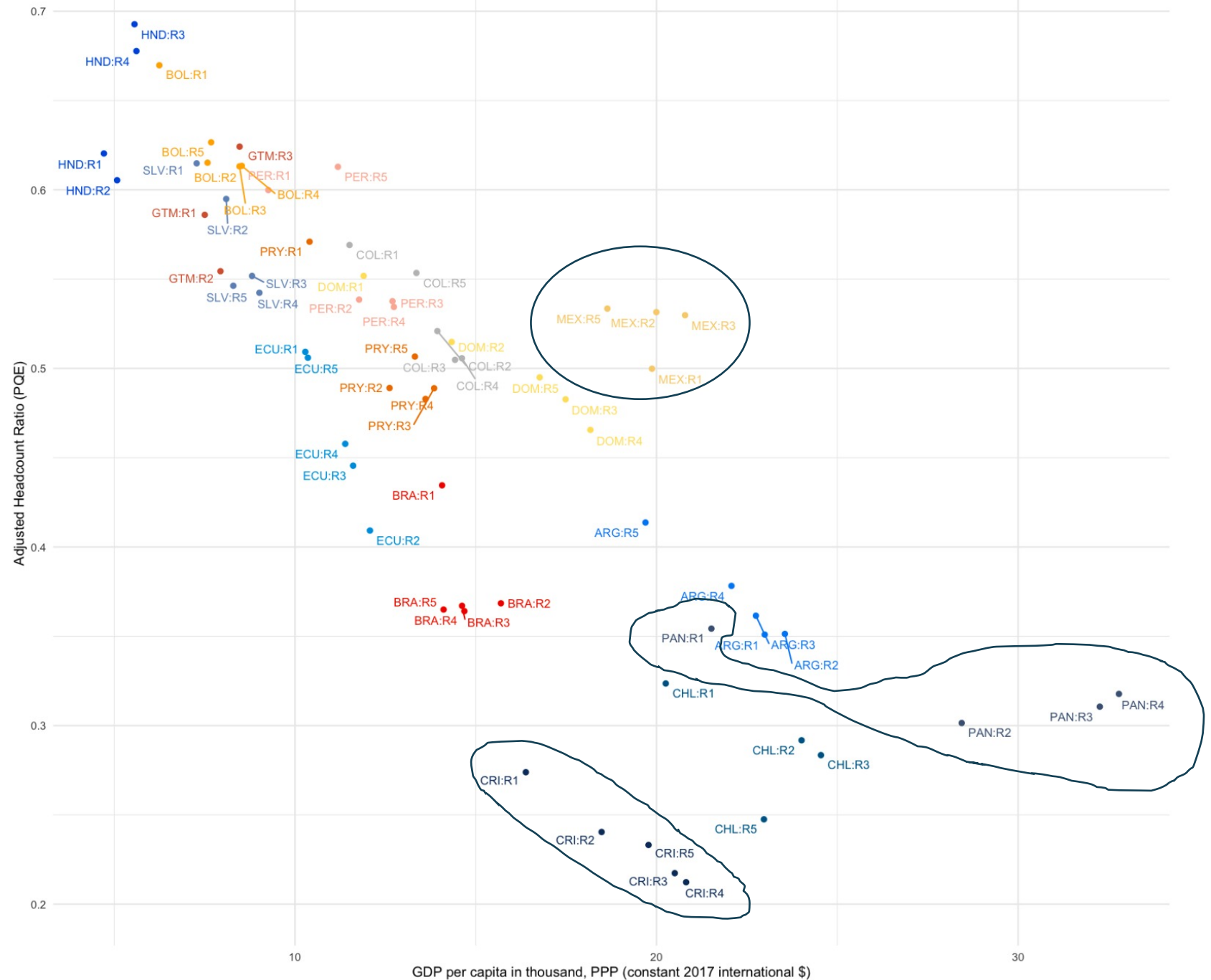


• Informality vs Poor-quality employment:

- In higher income countries in the region ~50% of formal jobs are of poor quality**
- Implications for productivity and social security**



- **GDP per capita vs Headcount ratio**
- In some countries PQE improves with GDP growth, e.g. Costa Rica
- In others it does not, e.g. Panama
- Mexico: no progress

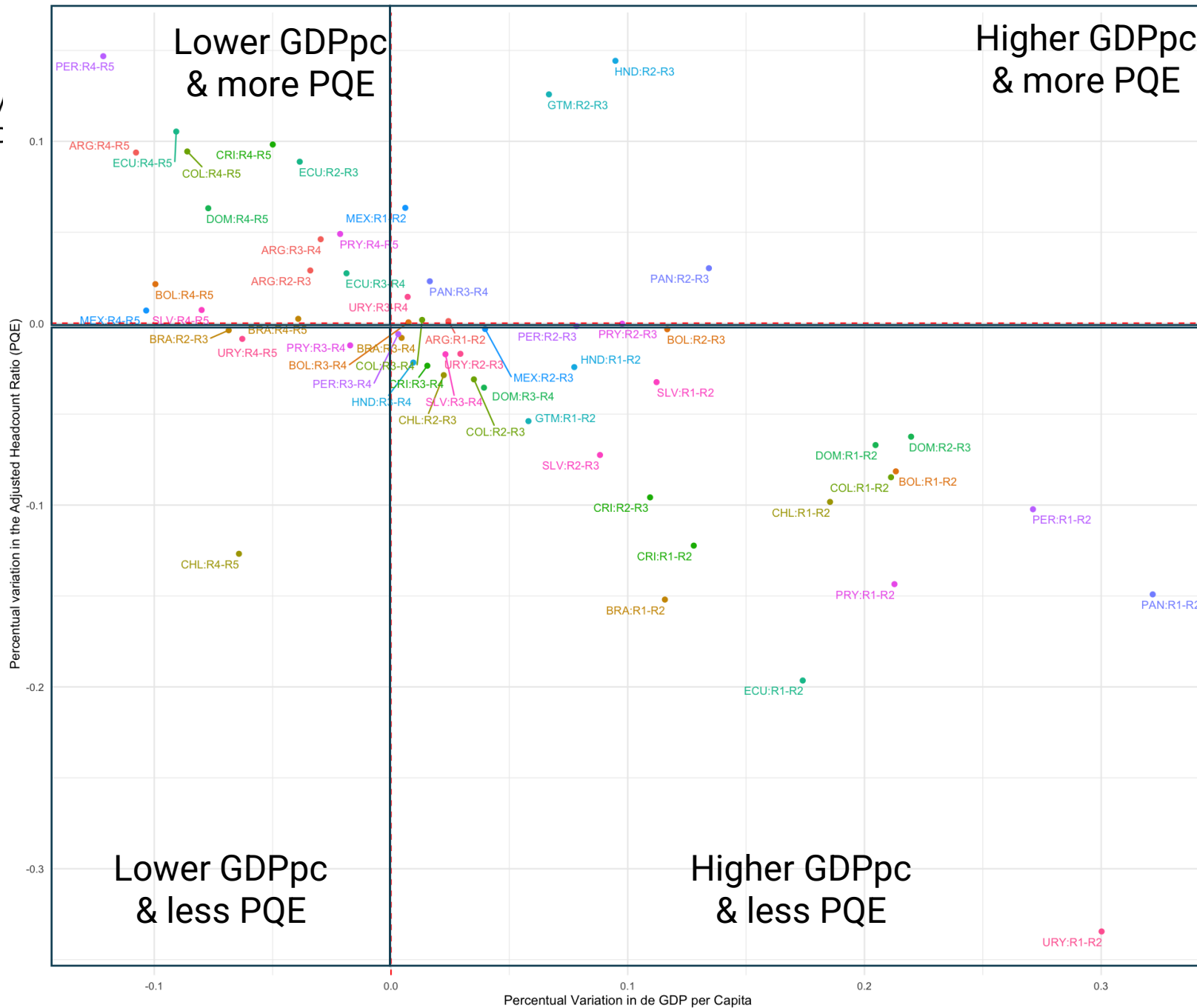


- **Employment rate to M_0**
- Decreasing employment rates with stable Poor-quality employment, e.g. Brazil or Uruguay
- Fluctuating employment rates, improving Poor-quality employment





THE LONDON OF ECONOMY POLITICAL SCIENCE



lse.ac.uk/inequalities
quality-employment.org
[@LSEinequalities](https://twitter.com/LSEinequalities)
[@quality-employment.org](https://twitter.com/quality-employment.org)

International Inequalities Institute



Preliminary Conclusions

- Growth (and the quantity of jobs) do not necessarily reduce the proportion of workers in PQE
- Shifts occur when there are regulatory changes (e.g. minimum wage regulation or reduced working week)
- Policy systematically ignores the stability of jobs and social security contributions



THE LONDON SCHOOL
OF ECONOMICS AND
POLITICAL SCIENCE ■

An Advanced Economy: Chronic Poor-quality Employment in the United Kingdom



lse.ac.uk/inequalities
quality-employment.org
[@LSEinequalities](https://twitter.com/LSEinequalities)
[@quality-employment.org](https://twitter.com/quality-employment.org)



Quality of
Employment



The
British
Academy



International
Inequalities Institute ■

Selecting Dimensions, Indicators, Weights and Cutoffs

Understanding Society Panel Data

Income (1/3)	Stability (1/3)	Working conditions (1/3)
<p>2/3 median hourly wage using regional estimates</p>	<p>Precarious contract: temporary (<2 years), salary paid by a third party, freelance or gig work (1/6)</p> <p>Tenure: less than 24 (when EPL entitlement begins). If workers are <25 years old, tenure is set at 12 months (1/6)</p>	<p>Working >48h and <20h and would like to work more (1/9)</p> <p>Pension coverage: Employer offers no pension scheme; or self-employed without personal pension scheme (1/9)</p> <p>No autonomy over work pace, manner or task order (1/9)</p>

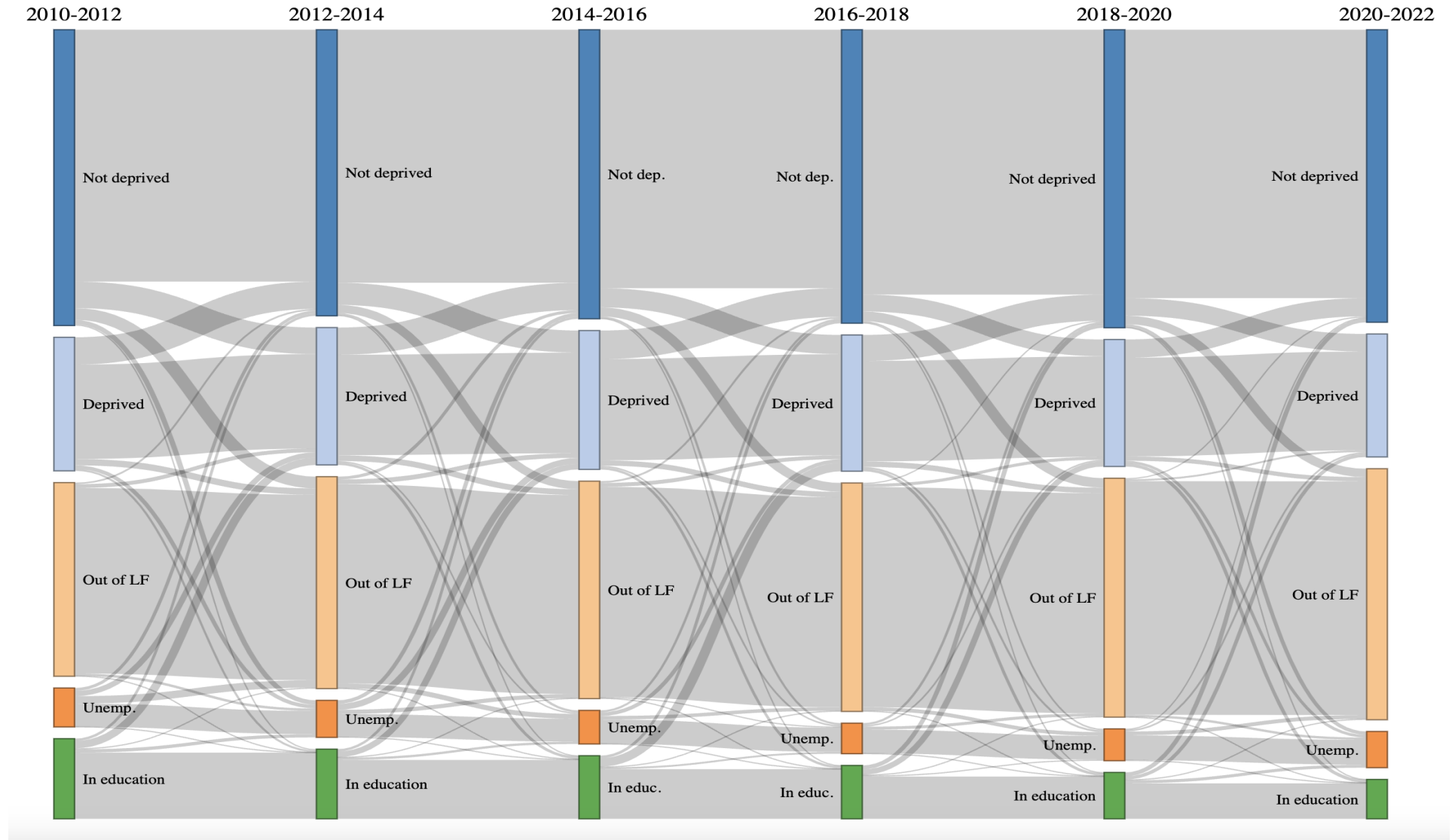
Cut-offs based on evidence from existing literature

Variables used based on available data

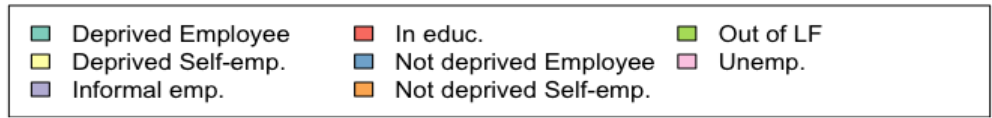
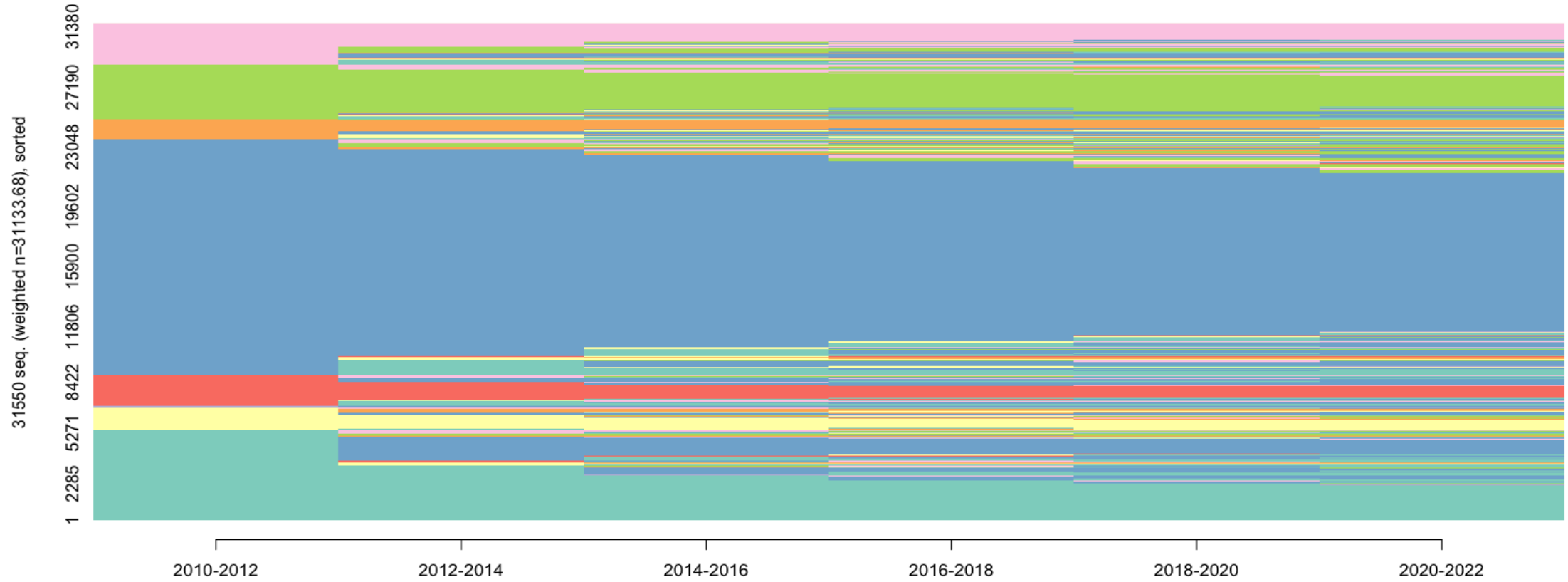
Overall cut-off: $k=0.333$

The Dynamics of Poor-quality Employment

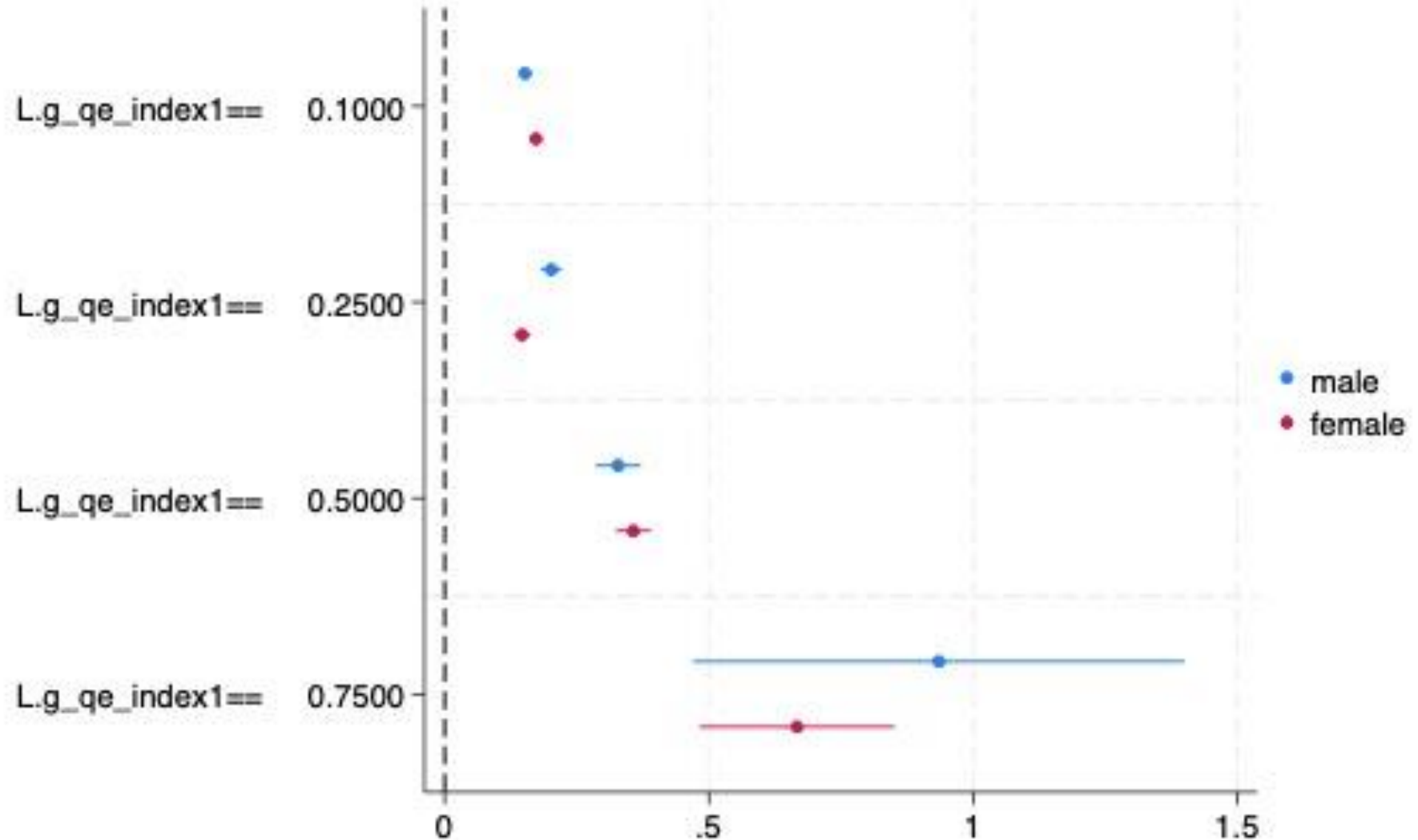
- Workers get “stuck” in bad jobs although there is mobility
- Deprived workers are more likely to move into other categories than non-deprived workers



Mobility across employment categories



Probability of moving out of PQE by number of deprivations



- Measure PQE not just Unemployment, participation rates and wages (use commission of experts to define relevant measure)
- Political signal that you care about workers and multiple deprivations
- Do not rely on economic growth to resolve the problem of poor-quality employment
- Regulation: why are precarious contracts systematically cheaper than traditional ones even though they generate more costs (welfare states + productivity)
- Employment policies do not take account of clustered disadvantages in the LM
- Improve data. Replicate measure with administrative data.

- What are the hidden costs of poor-quality employment? (sustainability of welfare states + productivity)
- Much more research with panel and admin data is required to examine determinants of poor-quality employment and pathways out of it
- Research on the connections between poor-quality employment and health, well-being and other social security costs
- Research on connections between labour market regulation and poor-quality employment outcomes
- Does investment in vocational training help workers out of poor-quality employment?
- How will AI impact poor-quality employment?
- Simulate tax changes if companies were to be taxed differentially depending on the job quality they generate

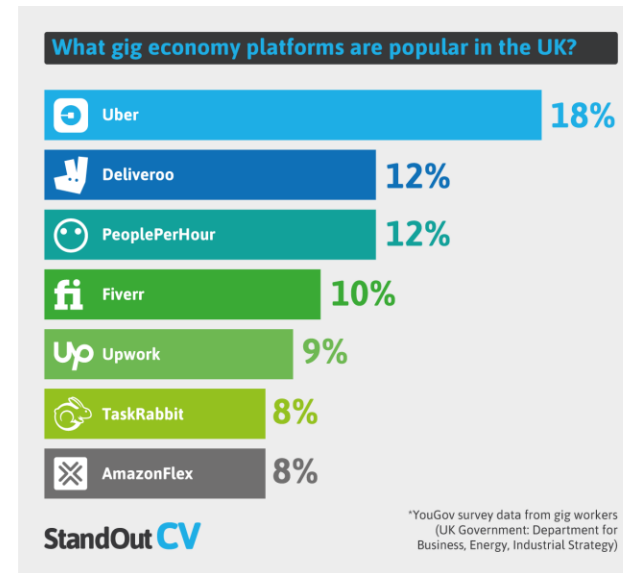
Thank you!



What we are not capturing:

- **Example of the Gig Economy**

- **1 in 6 adults** in the UK currently work a gig job at least **once a week**.
- Gig workers contribute **£20bn to the UK economy**, the same as the **aerospace** industry.
- **Almost half (48%)** of gig workers in the UK also have a **full-time job**.
- **Women** earn an average of **10% less** than men in the gig economy.
- For most, **71.5%**, gig work makes up **less than half of their income**.
- The UK gig economy workforce is **now estimated at 7.25 million**.
- **89.7% of UK gig workers** said that the **cost of living crisis** in 2022/23 had **influenced them** to take up extra work.
- More than **3 in 4** gig working taxi drivers and couriers **increased their working hours into 2023** because of **rising fuel costs**.
- A **third of young people** (18-34) **returning to work** post-pandemic did so into the **gig economy**.
- **The growth of the Gig economy (among other developments) illustrates why we should measure job quality and PQE regularly!**
- **Other factors driving change: Covid, Cost-of Living Crisis, migration, climate change, technology, work from home**



- Conceptual distinction between poverty and insufficient earnings
 - Existing literature on PQE: official UN poverty lines multiplied by average number of dependents
 - Minimum wages: political negotiation; policy tool; does not necessarily take account of cost of living or family circumstances (basic needs, capabilities)
 - Living Wages: theoretically based on a basic needs calculation that accounts for dependents. Not scalable across countries, methodologically not always comparable or sound.
 - Relative earnings cut-offs at 60 or 66% of median earnings. Limitations relating to absolute cost of living and economic fluctuations (among others)
 - Government cut-offs: political decision.
 - Different cut-offs may cross each other (e.g. MW increases more than earnings poverty)
- ➔ Expert commissions best achieve consensus on definitions

Why Poor-Quality Employment?

- Why look at PQE as opposed to JQ or working poor:
- JQ: meaningful improvements may pass workers with poor PQE by
- PQE and in-work poverty are not the same thing...
- and we measure the latter very badly: relative cut-offs
- Compounding effect of clustered disadvantages on PQE trajectories
- Public policy neglect of chronic deprivation
- WS Conditionalities: Assumption that any job is better than no job
- **PQE is related to other variables of socioeconomic performance, but particularly responds to regulation**