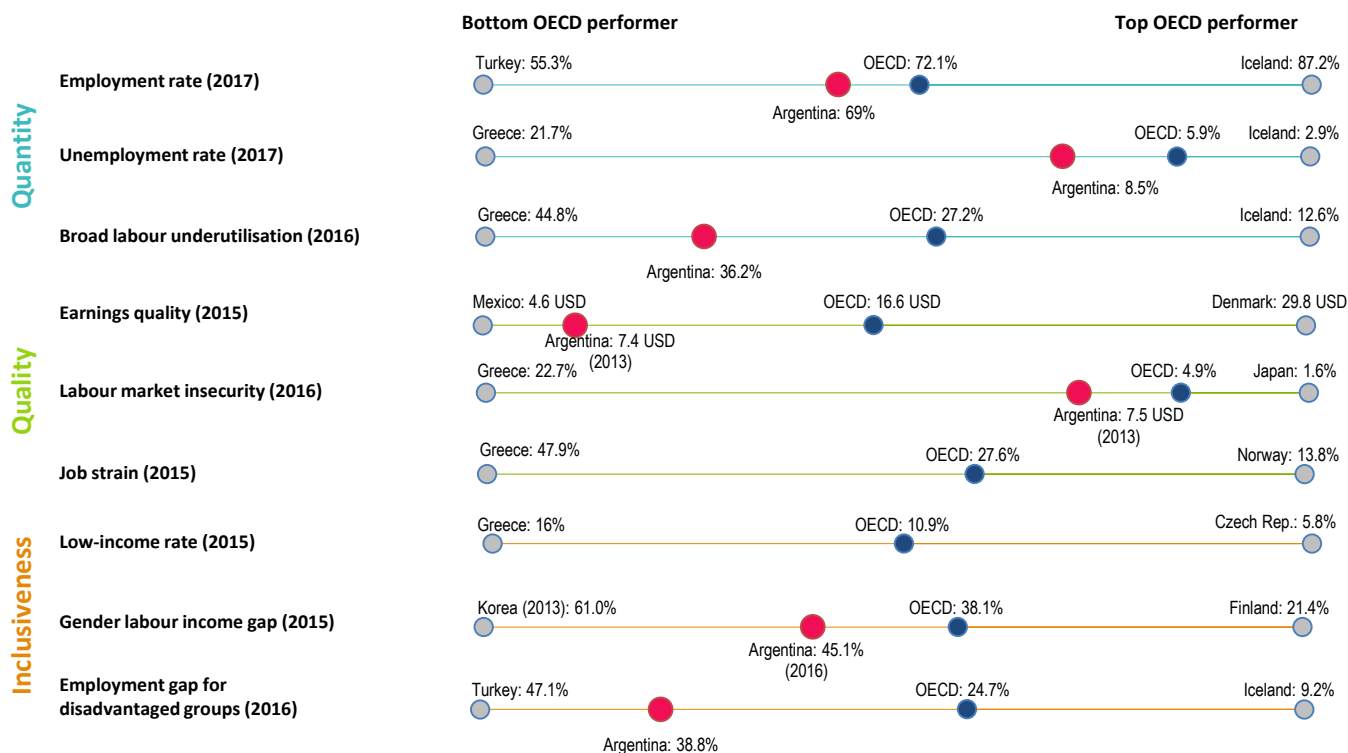


### How does ARGENTINA compare?

The digital revolution, globalisation and demographic changes are transforming labour markets at a time when policy makers are also struggling with slow productivity and wage growth and high levels of income inequality. The new *OECD Jobs Strategy* provides a comprehensive framework and policy recommendations to help countries address these challenges. It goes well beyond job quantity and considers job quality and inclusiveness as central policy priorities, while emphasising the importance of resilience and adaptability for good economic and labour market performance in a rapidly changing world of work.

Dashboard of labour market performance for Argentina



Notes: Employment rate: share of working age population (20–64 years) in employment (%). Broad labour underutilisation: Share of inactive, unemployed or involuntary part-timers (15–64) in population (%), excluding youth (15–29) in education and not in employment (%). Earnings quality: Gross hourly earnings in PPP-adjusted USD adjusted for inequality. Labour market insecurity: Expected monetary loss associated with the risk of becoming unemployed as a share of previous earnings. Job strain: Percentage of workers in jobs with a combination of high job demands and few job resources to meet those demands. Low income rate: Share of working-age persons living with less than 50% of median equivalised household disposable income. Gender labour income gap: Difference between per capita annual earnings of men and women (% of per capita earnings of men). Employment gap for disadvantaged groups: Average difference in the prime-age men's employment rate and the rates for five disadvantaged groups (mothers with children, youth who are not in full-time education or training, workers aged 55–64, non-natives, and persons with disabilities; % of the prime-age men's rate).

### ASSESSING JOB QUANTITY, QUALITY AND LABOUR MARKET INCLUSIVENESS

The new *OECD Jobs Strategy* presents a dashboard of labour market performance that provides a comprehensive overview of the strengths and weaknesses of different national labour markets, going well beyond the standard measures of employment and unemployment rates. These include measures of job quantity (employment, unemployment and broad underemployment), job quality (pay, labour market security, working environment) and labour market inclusiveness (income equality, gender equality, employment access for potentially disadvantaged groups). Some countries score well on most or

all indicators, implying that there are no hard trade-offs that prevent countries from performing well in all areas.

- Although Argentina has an employment rate close to the OECD average, the employment gap for disadvantaged groups is one of the highest among countries covered by the new *OECD Jobs Strategy*. Youth unemployment of 24% is well above the OECD average, and the employment rate for women is more than 20 percentage points below the one for men. At



36%, the share of the working age population that is either inactive, unemployed or working part-time involuntarily is much higher than in the average OECD country.

- Labour market insecurity is relatively close to the OECD average, partly due to high severance payments for formal employees. However, more than 30% of the labour force are in informal employment and have no protection against income losses from unemployment at all.

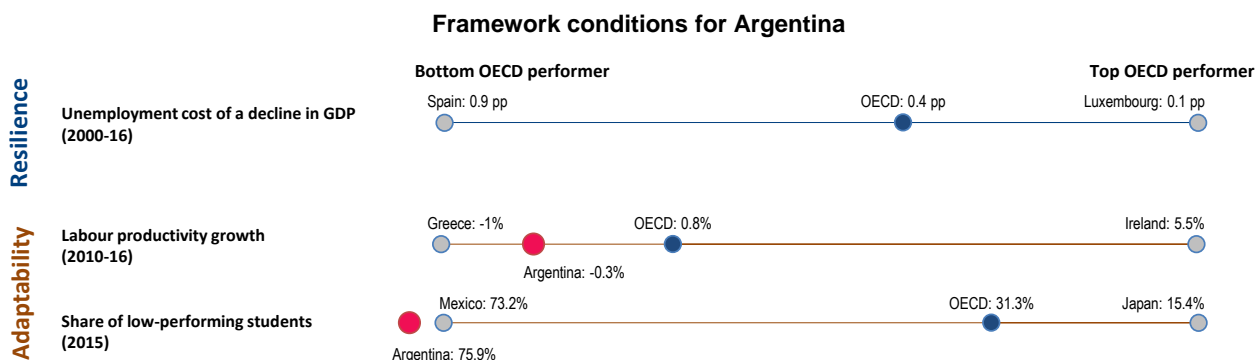
- With low average wages and high wage inequality, Argentina ranks among the countries with the lowest earnings quality, with an indicator value of less than half of the average OECD country and only one fourth of the top performer.
- Women earn 45% less than men in Argentina, a difference that is 7 percentage points larger than in the average OECD country.

## FRAMEWORK CONDITIONS FOR RESILIENCE AND ADAPTABILITY

Labour market resilience and adaptability are important to absorb and adjust to economic shocks and make the most of new opportunities. Resilience is crucial to limit the short-term costs of economic downturns. Labour productivity is a key precondition for high growth of output, employment and wages and central to long-term growth in living standards. Finally, skills are key to improving workers' productivity and wages and provide an indication of the readiness to respond to future challenges.

- Argentina scores low relative to the OECD in all the main indicators of resilience and adaptability, suggesting that they contribute to underperformance on job quantity, job quality and inclusiveness.
- Average annual labour productivity growth from 2010-2016 was negative (-0.3%), which places Argentina

among the weakest performers of the countries covered by the new *OECD Jobs Strategy*. This partly reflects low investment and misallocation of resources due to policy distortions, including high barriers to domestic and foreign competition and burdensome regulation for entrepreneurs. Another reason is low skills, as the share of low performing students is higher than in the least performing OECD country. The Argentinian education system exacerbates inequalities, with student performance being closely related to socio-economic conditions. Over three quarters of students have low performance, many of whom drop out of the system without a secondary school qualification.



Notes: Note that top and bottom are among OECD countries only. For non-OECD countries some indicators are missing. Resilience: average increase in unemployment rate over 3 years after a negative shock to GDP of 1% (2000-16); Labour productivity growth: annual average productivity growth (2010-16), measured in per worker terms. Share of low performing students: Share of 15-year-olds not in secondary school or scoring below Level 2 in PISA (%) (2015).