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International
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BULLETIN

Labour overview in Argentina

Youth employment

and transition to formality

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EXECUTIVE SUMMARY

In Argentina, the data from the end of 2021 and the beginning of 2022 show a recovery of employment to above pre-pandemic levels and a lower unemployment rate: the employment rate rose from 41.6 per cent in the first quarter of 2021 to 43.3 per cent in the same period of 2022, while the unemployment rate dropped from 10.2 per cent to 7 per cent. The dynamic of employment recovery was gradual and changing: it varied between men and women and according to the different occupational categories and branches of activity. In fact, the improvement in employment was more intense among women. And for men, the improvement was driven by wage earners of the private sector registered in social security and, to a lesser extent, by wage earners of the public sector and independent contractors; while among women, registered wage-earning occupations and independent contractors increased, and there was considerable destruction of job positions in the domestic services category.

Industry, trade and business services were the sectors that led the recovery of employment and economic activity. Manufacturing was the sector that contributed the most to GDP growth and accounted for almost half of the increase in registered private-sector salaried jobs for the last two years. At the other extreme, job positions in service sectors related to hotels, restaurants and domestic services have yet to recover from the consequences of the pandemic.

Real wages continue to lag behind with respect to the recovery of economic activity and employment levels. In terms of real labour income, growth is observed towards the end of 2021 with respect to the critical situation of 2020, and 2021 was the first year out of the last four in which a (slight) reversal of the downward trend in real wages and labour income was recorded. This improvement, however, was not enough to recover pre-pandemic income levels, except for those who had a salaried job in the private sector. This explains the persistence of a high percentage of working people living in poor households, especially among those with informal jobs.

The international situation (slowdown in growth and increased inflation) will affect Latin America and the Caribbean. In Argentina, this will be even more challenging, given the higher initial levels of inflation and the narrower macroeconomic manoeuvring room, and it could affect the pace of job creation being observed over the last year, as well as both labour income and household income. Labour institutions, such as minimum wage and collective bargaining, as well as tripartite dialogue between the government, workers and employers, are a crucial tool for preventing or cushioning the effects of this unfavourable international situation on poverty and inequality. But without question, the challenge is even greater for people who have an informal job or are self-employed, whose access to labour institutions is much more limited.

The youth population is one of the groups struggling the most with the challenges of the labour market in Argentina, considering this group's higher turnover and employment instability in comparison with the adult population. The economic crisis caused by COVID-19 especially affected this age group. The sharp contraction in economic activity and the lockdown measures caused a major drop in the labour force participation rate among the youth population, which was of greater magnitude compared to the

adult population, especially in the case of men. This lower labour force participation among young men coincided with an increase in the trend to be and remain a full-time student, which in turn explains the increase in a longer period of inactivity that has been observed after the pandemic.

In the case of young women, the growth trend of participation in the paid labour market and of employment that was being observed before the pandemic has recovered, although now this growth is being driven by the trade sector and public administration, while domestic work still continues to be at levels below those prior to the crisis.

The gender gaps related to education are significant. The level of young women who neither study nor have a paid job is nearly double the level of young men, and there is a greater proportion of women who remain in this condition than men. This clearly shows how the asymmetries that exist in the distribution of care tasks have a negative impact on the labour insertion of young women.

The recovery of youth employment is being led mainly by the creation of informal job positions. The higher level of temporary work among youths, together with the increasing rates of entry into informal employment, which can double those observed for adults, are a warning sign about the precariousness of the jobs being accessed by the youth population, something that seems to have been aggravated by the pandemic.

The growth in youth employment after the worst moment of the health crisis has been determined almost exclusively by self-employed work. This trend, coinciding with the growth in informality, cautions about a worsening of the indicators of decent work and employment quality. Specifically, a notable reduction is observed in the proportion of working young people who state that they simultaneously have labour rights such as health insurance coverage, paid holidays, paid sick days and bonuses. This worsening in the quality of youth employment, which is shown by the increase in labour insertions associated with lower income, is exacerbating the income gap between the youth and adult populations.

Greater and better insertion of young people in the labour market requires an integrated and inclusive response based on tripartite dialogue. In this regard, it would be advisable for public policies to ensure that, when a youth remains engaged in studies and training for a longer period (which is especially observed among young men), there is alignment with the demand for competencies in the production sector, thereby considering, among other matters, the growing need for the development of digital and transversal competencies. Furthermore, establishing an integrated framework of youth employment policies should be an urgent objective. Such a framework, based on tripartite consultations, must promote the transition of this age group to the formal economy, in line with the ILO's Transition from the Informal to the Formal Economy Recommendation, 2015 (No. 204).

Moreover, policies aimed at generating, accessing and remaining in decent jobs must consider gender inequalities to provide a successful response to the challenges faced by young women. The pandemic has made it even more evident how the unequal distribution of care work plays a central role in the labour insertion of young women. Therefore, youth employment policies must consider the specific challenges faced by young women.

I.

■ Labour market overview

A. Post-COVID recovery: key labour market indicators

1. In 2021, employment indicators returned to their levels prior to the COVID-19 pandemic

In Argentina, as in the rest of Latin America and the Caribbean region, the strongest impact of the pandemic on labour markets was recorded in the second quarter of 2020. The drop in employment was more acute than the drop in production, which reflects a greater loss of job positions in segments with low productivity and in the corresponding occupational categories. The second quarter of 2020 was characterized by a massive exodus of people from the labour market and an unprecedented drop in employment (ECLAC/ILO 2022; ECLAC/ILO 2021a; ECLAC 2021b; Maurizio 2021a and 2021b). To the extent that the vaccination process advanced in the region and that restrictions on mobility were lifted, as from the third quarter a gradual return by people to the labour market was observed, as well as employment recovery that exceeded the recovery of economic activity, although it was unequal with respect to sectors of activity and occupational category.

The magnitude of the contraction of employment in the second quarter of 2020 was unprecedented for the Argentinian labour market: the total number of employed persons plummeted by nearly 21 per cent, wage earners not registered in social security collapsed by 43 per cent, self-employed workers fell by nearly

30 per cent and wage earners registered in social security dropped by barely 4.9 per cent. The much lower contraction in cases where formal labour relationships predominated was associated, as in all other countries of the region, with important public policy measures for retaining employment, as well as with the fact that the crisis mainly affected sectors in which the incidence of informal employment is higher (ECLAC/ILO 2021b).

In Argentina, the employment and income policies that were implemented right from the beginning of the pandemic allowed formal employment levels to be sustained and allowed the negative impacts on earnings and household income to be attenuated. In 2020, the Emergency Assistance Programme for Work and Production (ATP) played a key role in formal sectors of the economy, whereby the State paid for 50 per cent of the wages in registered private wage-earning employment, among other benefits. For the most vulnerable sectors, measures such as the following were implemented: Emergency Family Income (IFE), a monetary transfer for those who have an informal wage-earning job or for the self-employed; other measures, such as the *Alimentar* (Feed) programme, which offers a fixed sum for purchasing food; and extraordinary

supplements for the beneficiary population of social protection programmes that had been established previously.

In 2021, the federal government tended to focus its policies on the production sectors that were affected the most by the crisis and on being more oriented at generating employment. The ATP was replaced by the Production Recovery and Sustainment Programme (REPRO II), with wage payments of a smaller amount for companies with a drop in sales and companies of the health sector. In the *Norte Grande* (Big North) region, an incentive was created for new labour relations in agriculture and industry through the reduction of employer contributions over three years, with decreasing percentages and greater benefits for women and sexual diversities. The *Previaje* programme was also created with a territorial, sector and macroeconomic focus. This programme subsidizes expenses in food, hotels and transport, among others, with the objective of sustaining and encouraging employment and promoting the recovery of tourism in the country, one of the activities punished the most by the pandemic. The most vulnerable sectors were dealt with by focusing on expanding the coverage of the *Potenciar Trabajo* (Empower Work) programme, which pays half of the minimum wage on social and labour projects with four hours of work daily as compensation. It currently exceeds one million recipients. Moreover, due to the inflationary situation, extraordinary supplements to the pre-existing social protection benefits continued to be granted. In 2022, the *Refuerzo de Ingresos* (Income Support) programme was added halfway through the year, known as IFE 4 due to its characteristics, which are similar to the programme of monetary transfers established in 2020.

Recent data on labour market performance show that between the third quarter of 2021 and the first quarter of 2022, the country began to get past the most serious harm caused by the pandemic, in terms of employment. Indeed, GDP growth between the first quarter of 2021 and the first quarter of 2022 was accompanied by an improvement in labour market indicators: the employment rate rose from 41.6 per cent in the first quarter of 2021 to 43.3 per cent in the same period of 2022, and the unemployment rate dropped from 10.2 per cent to 7 per cent, with the economic participation rate getting back to pre-pandemic levels.

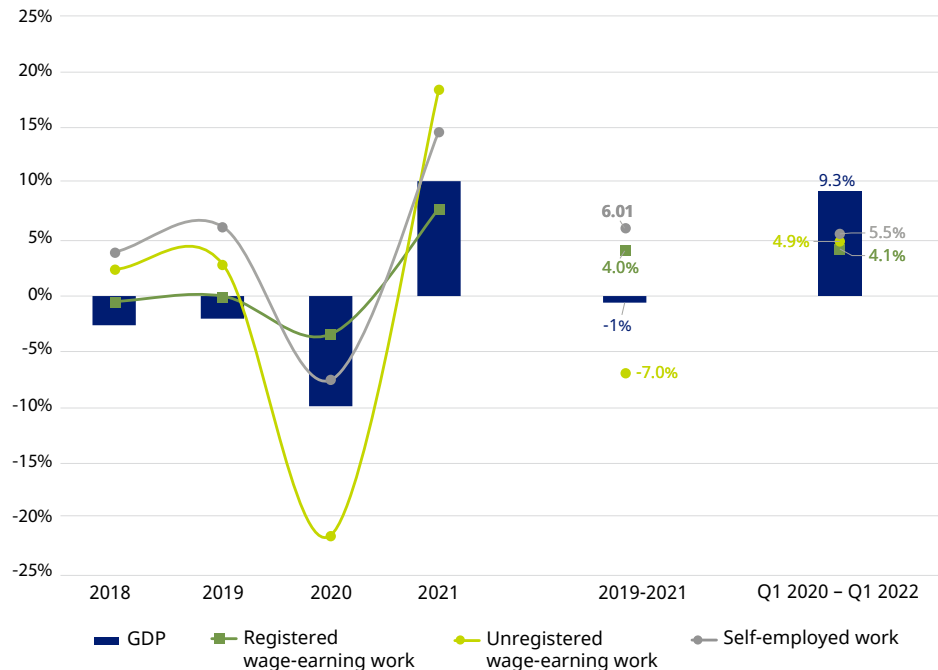
The employed population is showing growth in all occupational categories, although with a different intensity compared to the previous dynamic. Between 2019 and 2021, the occupational categories that grew the most were those of independent contractors and registered wage earners. Data from the first quarter of 2022 show that all employment categories regained their pre-pandemic levels and pre-pandemic participation (vs the first quarter of 2020). The growth trend of self-employment changed in the last two quarters, while at the same time there was recovery among those working in unregistered wage-earning employment, where recovery took the longest, given that the workers in this category had experienced a greater previous contraction. Finally, if the working population is considered according to the status of formality or informality¹, which includes an estimate of the informality among independent contractors, a similar pattern can be observed, with a 15 per cent drop in informality in 2020, strong recovery reaching 17.3 per cent in 2021 and a nearly neutral balance of -0.3 per cent for 2019–2021.

¹ Following the ILO's methodology for estimating labour informality in the different occupational categories and the production units where the working population is inserted.

GRAPH I.1

Year-to-year variations of the GDP and employed persons according to occupational category

(as a percentage)



Note: "Self-employed work" includes employers and independent contractors.

Source: ECLAC/ILO based on the Permanent Household Survey (EPH) and National Accounts – INDEC.

2. Employment among women reaches a historical peak

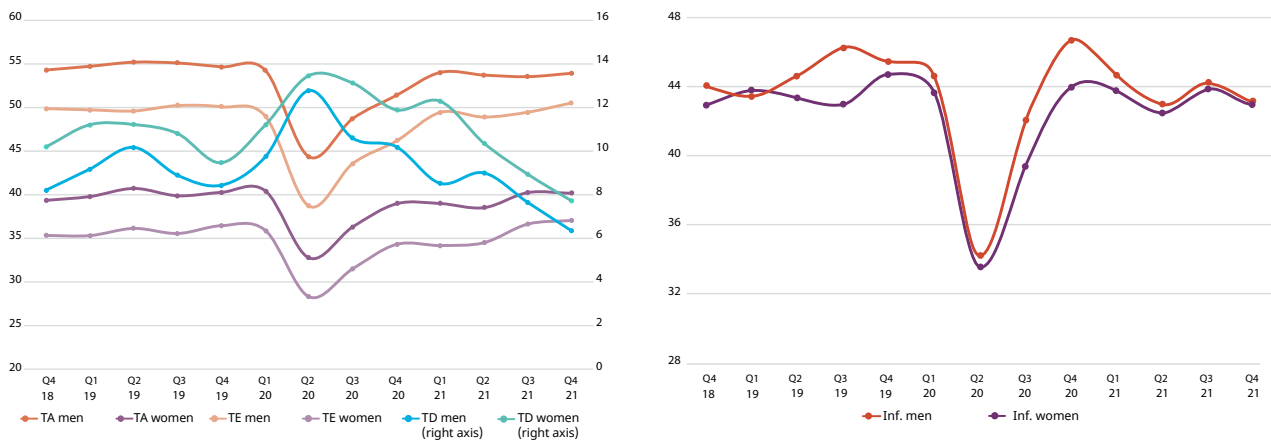
Unemployment fell more among men than among women with respect to pre-pandemic levels. For men, the drop was 2.1 percentage points (pp) in the fourth quarter of 2021 with respect to the same period of 2019, and 1.7 pp in the case of women. Part of this difference is explained by the lower labour force participation rate with respect to the pre-pandemic period for the case of men (-0.7 pp vs -0.1 pp in the case of women, who were able to reverse the contraction sustained during the pandemic). Beginning in the third quarter of 2021, the employment rate reached levels similar to those prior to the pandemic for both women and men.

Growth in the employment rate of women is notable, which reached 37 per cent in the fourth quarter of 2021, the highest historical value since 2003 (0.6 pp above the rate for 2019). During the recovery, employment grew the most in segments that had suffered the most from the crisis: informally employed persons (whether wage earners or independent contractors). This is reflected in the evolution of labour informality, which rebounded sharply in the recovery of 2020 and trended slightly downward during 2021, positioning men and women below pre-pandemic levels.

GRAPH I.2

Activity, employment, unemployment and informal employment rates by gender. Q4 2018 to Q4 2021

(as a percentage)²



Note: TA: labour force activity rate; TE: employment rate; TD: unemployment rate ; Inf: informality rate.

Source: ECLAC/ILO based on INDEC

The dynamic of the crisis caused by the pandemic was different according to the territory³. The labour market of Greater Buenos Aires (GBA), for example, sustained a greater drop in its labour rates than the drop sustained in the rest of the country. GBA, composed of the city of Buenos Aires and the surrounding districts of the province of Buenos Aires, where 54 per cent of the population and of employed persons in the country are concentrated, had to deal with prevention measures that lasted longer and had a more severe impact due to the population density and the restrictions on public transport. At the end of 2021, the labour force activity rates of men and women from urban areas of the interior of the country and of women from Greater Buenos Aires (GBA) were at levels similar to those from before the pandemic. Conversely, among men from GBA, a backslide was still observed (0.2 pp between the fourth quarter of 2019 and the same period of 2021). The contribution to the growth of the

labour force activity rate shows that the most movements of entries into and exits from activity were recorded in GBA.

Looking at employment rates, the behaviour is similar: employment for men and women from the different provinces and for women from GBA increased slightly, and it decreased marginally for men from GBA (0.2 pp). For these four groups, this translates into a drop in the unemployment rate. If the total of the provinces is broken down into regions, the Pampas region is notable, where, for both men and women, employment increases of 2 pp and 1.1 pp were recorded, respectively, between the fourth quarter of 2019 and the fourth quarter of 2021. Furthermore, for men, the increase in employment in the North-west (NOA) and the North-east (NEA) regions was considerable. In the regions of Cuyo and Patagonia, however, it dropped. For women, employment increases were recorded in all regions except for the North-west.

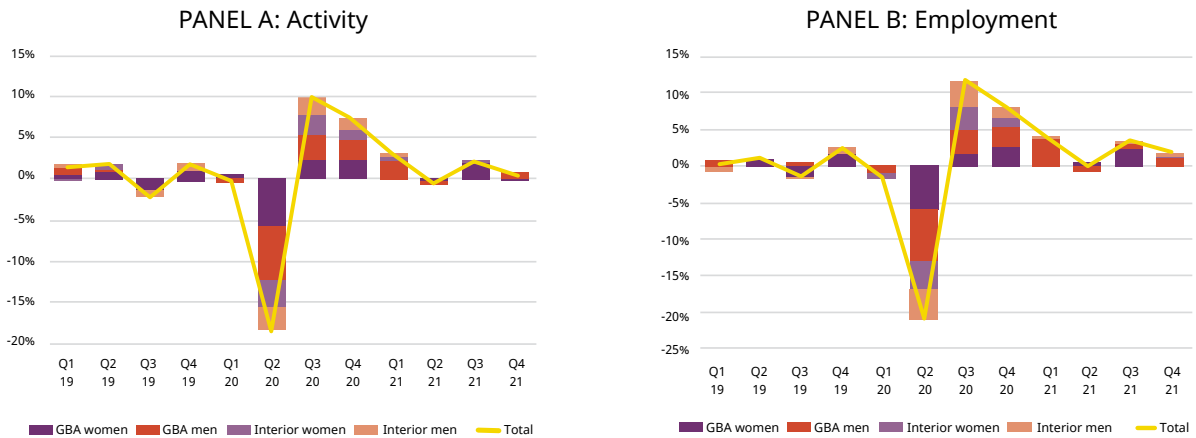
² The ILO's calculation of labour informality requires having access to the microdata of the Permanent Household Survey (EPH). Therefore, and given that the information for the first quarter of 2022 is not available to date, the graph is limited to the fourth quarter of 2021.

³ The 31 urban areas highlighted by the EPH of the INDEC were divided into two groups: the GBA urban region and all other provinces, thereby grouping together the remaining 30 urban areas from the regions of Cuyo, NEA, NOA, Pampas and Patagonia.

GRAPH I.3

Contribution to the growth of labour force activity and employment by gender and region.
Q1 2019 to Q4 2021

(as a percentage)



Source: ECLAC/ILO based on INDEC.

3. Changes in the composition of employment by occupational categories were significant, especially for women

Given the heterogeneity of the recovery, the improvement in employment after the worst moment of the pandemic changed the composition of the employed population by occupational category. The balance between 2019 and 2021 was an increase in the employment of registered private wage earners, of public wage earners and of independent contractors, and there was a reduction of participation by employers, domestic service workers and unregistered private wage earners. The consolidation of a trend that had been accelerating since 2016 can be seen in the recovery: a drop in the wage-earner rate and an increase in insertions through self-employment. Independent contractor work was the first response by households to the relaxation of restrictions on mobility in the second half of 2020. The 800 000 jobs that had been destroyed in the second quarter of 2020 were recovered in the following quarter. Even though wage-earning employment later grew in all quarters, by quantity and participation, independent contractor work remained at historically high levels (in this regard, see Graph I.1).

Men, with a lower wage-earner rate than women, recovered employment in the third quarter of 2020 with insertions through independent contractor work, but as from the following quarter, recovery by men in the wage-earning employment category also strengthened. In the following months, the employment recovery of men was driven by registered private wage earners, accompanied to a lesser extent by the recovery of public wage earners and independent contractor work. As in other countries of Latin America and the Caribbean, an unequal impact is noticed among men depending on the registration status of the wage-earning relationship: between the fourth quarter of 2019 and the fourth quarter of 2021, registered public and private wage-earning employment increased, and unregistered wage-earning employment dropped.

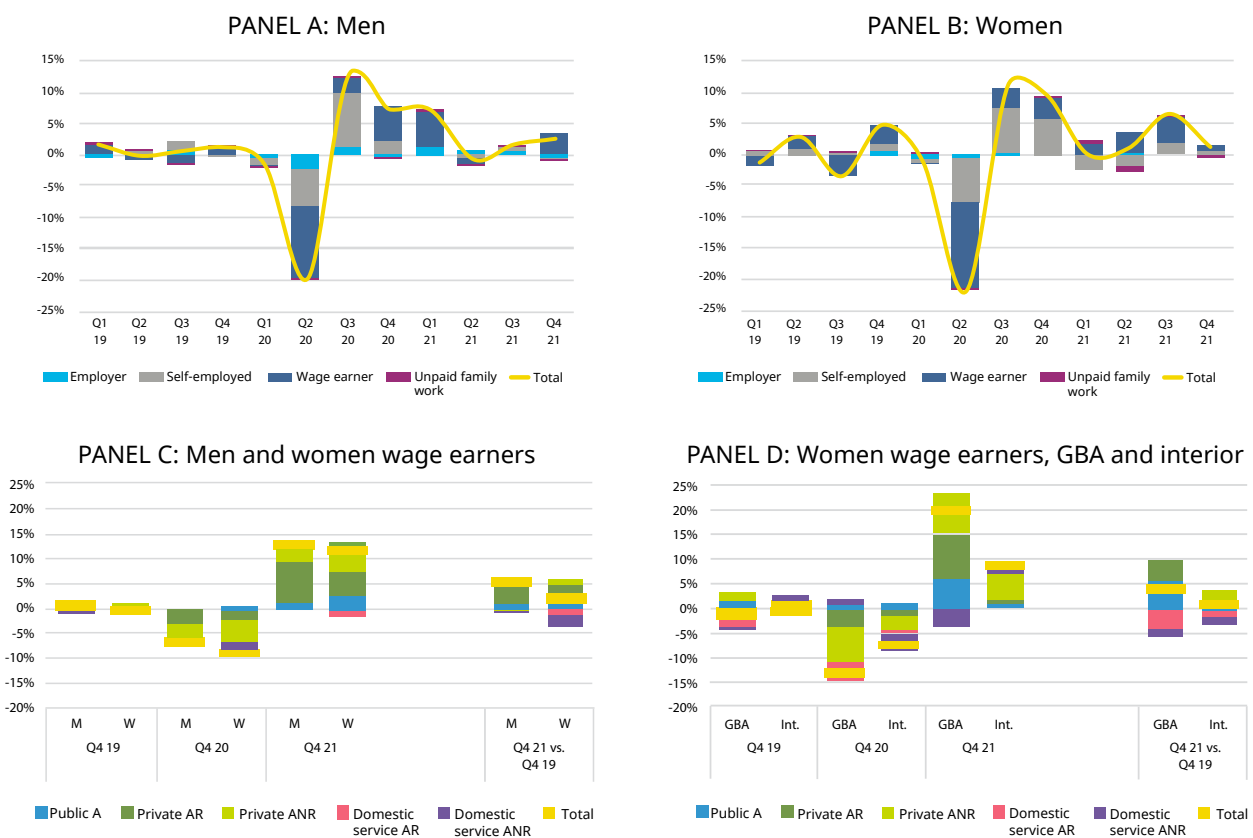
For women, the changes in the composition of employment were more acute and lasted longer over time: this dynamic suggests a shift from insertions in domestic services to other, unregistered wage-earning occupations and

to independent contractor work. At the end of 2021, an increase in the forms of employment corresponding to registered wage-earning work and to self-employed work was observed. The increase in wage-earning positions among women was due to a significant increase in

registered private and public relationships, with greater growth in public ones among men. Moreover, there was considerable destruction of positions (registered and unregistered) in the domestic services category and a major increase in unregistered private wage-earning positions.

GRAPH I.4

Contribution to the growth of quarterly employment by occupational category and annual wage-earning employment according to registration and sector, by sex (as a percentage)



Note: A: Wage earner; ANR: Wage earner not registered in social security; AR: Wage earner registered in social security.
Source: ECLAC/ILO based on the EPH-INDEC.

The increase in wage-earning employment of women occurred mainly among those registered in GBA. The magnitude of the changes in GBA reflects the effects of the greater restrictions on activities, on movement and on the possibility of combining activities outside the household with care activities during the most critical moments

of the pandemic, and subsequently the gradual re-opening of activities that ended in the return to completely on-site education at schools. GBA is also where a greater destruction of registered and unregistered domestic service positions is observed.

4. The sectors that were the most responsible for driving the creation of job positions (wage-earning and non-wage-earning) were industry, trade and the public sector

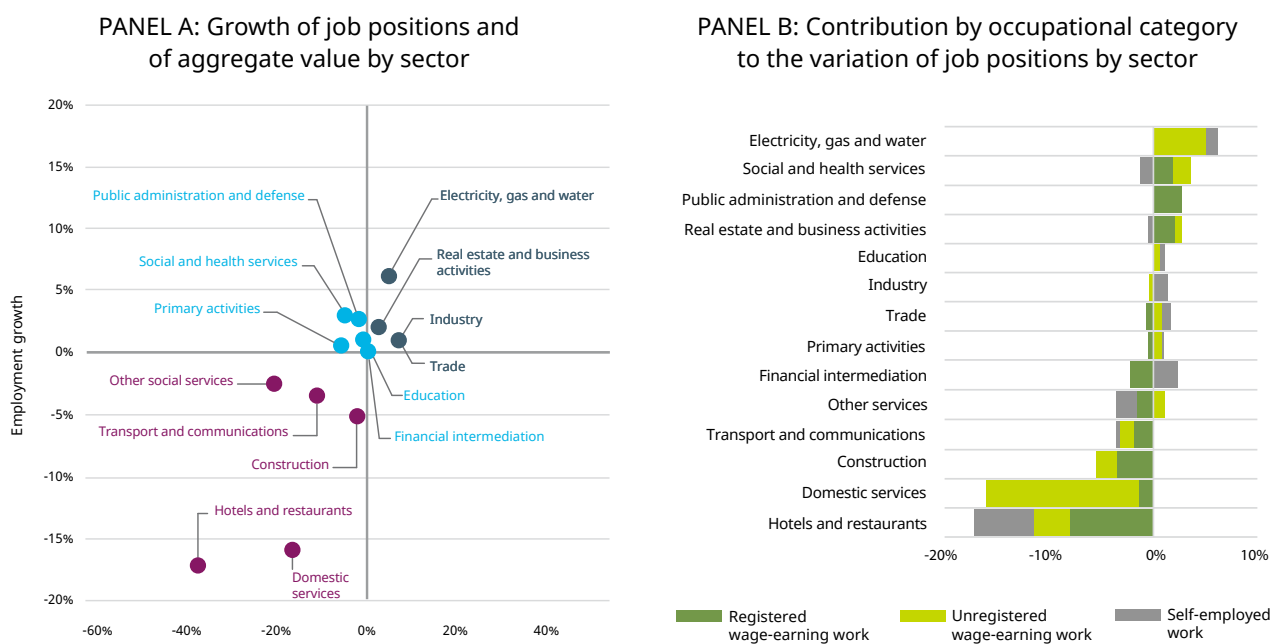
The balance between the contraction and subsequent recovery of job positions also varied according to the sector. During 2020, the sectors affected the most were those that, given their characteristics, required movement or closer contact between people, such as the construction, domestic services or trade sectors, or those associated with tourism, such as hotels and restaurants. The number of job positions recovered throughout 2021 in all sectors of activity with respect to the epicentre of the pandemic. Regarding the pre-pandemic situation, industry, trade and business services were the sectors that led the recovery of employment and economic activity, which sectors

are associated with the dynamism of production. At the other extreme, job positions in sectors related to hotels and restaurants continued to be very depressed in comparison with 2019, as well as domestic services and, to a lesser extent, construction (Graph I.5, Panel A). Those first two sectors are characterized by a high rate of feminization and a significant presence of poor workers (Graph I.11). Other sectors with high feminization, such as the public administration, health services and teaching, also showed net job creation with respect to 2019, which is associated with the aforementioned recovery of women's employment.

GRAPH I.5

Variation of job positions by sector of activity and occupational category between 2019 and 2021

(as a percentage)



Source: ECLAC/ILO based on the Generation of Income Account (National Directorate of National Accounts – INDEC).

5. As a whole, during 2021 the registered working population (wage earners and self-employed workers) recovered from the contraction of the pandemic

Beginning in the second semester of 2021, the number of people in the registered working population returned to the pre-pandemic level of the end of 2019. In fact, growth of 2 per cent was recorded in the fourth quarter of 2021 with respect to the same quarter of 2019. That growth in total registered employment was driven by self-employed *monotributistas* (small contributors under a simplified tax scheme), wage earners of the public sector and self-employed workers of the social *monotributista* scheme. Those who belonged to the registered private sector in December 2021 recovered from the contraction of the pandemic and were those who drove the growth of registered employment during the first quarter of 2022.

Within different sectors, the greatest creation of wage-earning job positions in the registered private sector with respect to the pre-pandemic period took place in the manufacturing industry

and in the real estate, business and leasing services sectors.

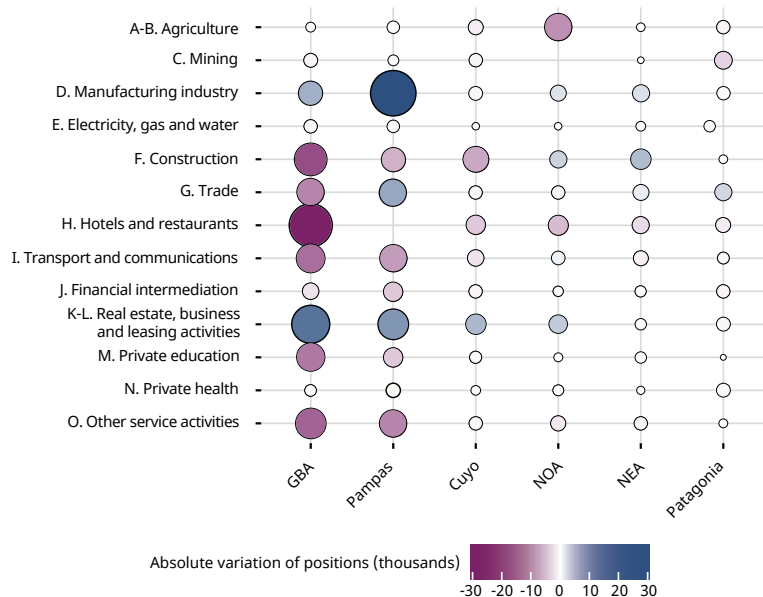
The manufacturing industry – the sector that contributed the most to GDP growth – explained half of the increase in wage-earning positions of the private sector in the same period among sectors that recorded positive variations. The increase in this sector of activity was observed in all regions of the country.

There were other sectors in which the recovery of activity was slower, given the gradual improvement of the health situation, and in which the recovery of the number of positions was lower with respect to 2019. Towards the end of 2021, the number of private wage-earning positions in the service sectors associated with tourism and with cultural and recreational activities continued to be considerably reduced with respect to pre-pandemic levels. The greatest contribution to this contraction was observed in GBA and in the Pampas region.

GRAPH I.6

Change in the number of registered wage-earning positions in the private sector with respect to the pre-pandemic period. Q4 2019 vs Q4 2021

(thousand)



Note: The size and colour of the circles represent the absolute change of registered private wage-earning positions in the reference period. The location of the job positions corresponds to the region where the people work.

Source: ECLAC/ILO based on the Ministry of Labour, Employment and Social Security.

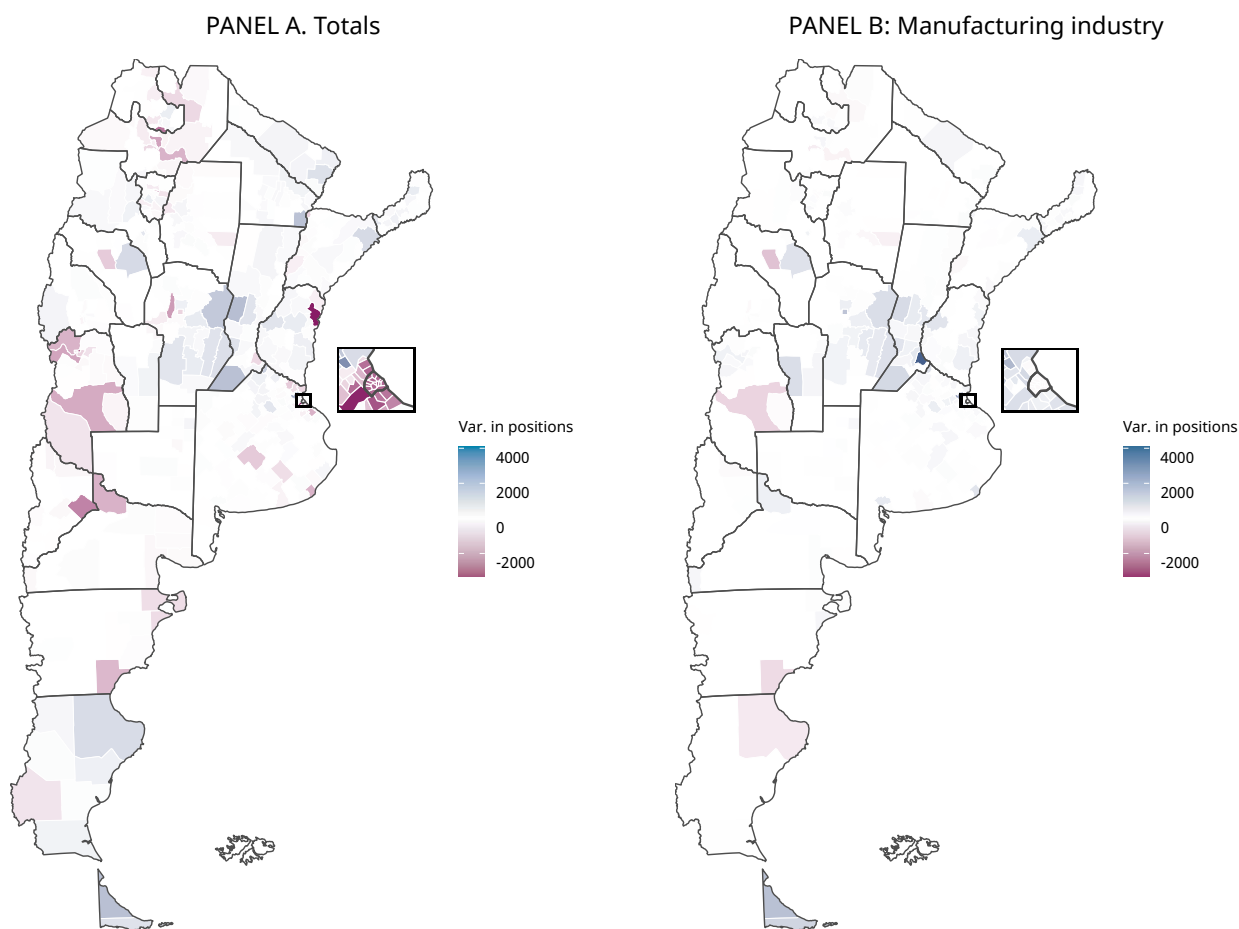
The recovery of the number of wage-earning positions in the registered private sector was also unequal between provinces. The total number of positions dropped in the most populated provinces (GBA and other cities with over 500,000 inhabitants), and they increased in the least populated, due to the location of the production units of the most dynamic sectors and due to the asymmetrical impact by the pandemic according to the demographic characteristics of each district and the need to establish greater restrictions on mobility in areas of higher population density. The majority of the push on employment in less populated cities is explained by the manufacturing industry. In provinces with less than 500,000 inhabitants,

the automotive industry was especially relevant, located in a group of districts belonging to the industrial belt of the Pampas region between the north of the province of Buenos Aires (districts of Escobar, Pilar, Campana, Zárate and Baradero) and the centre of the province of Santa Fe (Castellanos); as well as the electronics equipment sector in Tierra del Fuego and the capital city of San Luis; the textile category in the capital city of La Rioja; the food category, with increases in the provinces of Patagonia and Cuyo, as well as Rawson in Chubut, General Roca in Río Negro and Tunuyán in Mendoza; and the machinery category in cities of the Pampas region, such as Belgrano in Santa Fe and Marcos Juárez, Unión and San Justo in Córdoba.

GRAPH I.7

Change in the number of registered private wage-earning positions by province with respect to the pre-pandemic period. Q4 2019 vs Q4 2021

(in units)



Note: The number of job positions correspond to the province where the employed persons reside. For each municipality of the Autonomous City of Buenos Aires, the district average was considered.

Source: ECLAC/ILO based on CEP XXI.

B. Real labour income lags behind the levels of economic activity and employment

According to the latest ECLAC/ILO report, *Employment Situation in Latin America and the Caribbean*, in 2021 average real wages of the region experienced a contraction of 6.8 per cent with respect to the pre-pandemic situation (2019). Argentina is included within a group of countries where the drops in real wages were intermediate (under 5 per cent), together with Brazil, Colombia, Costa Rica and Uruguay

(ECLAC/ILO 2022). The acceleration of the inflationary dynamic in the country – occurring within an inflationary context that is different from other economies in the region, where the problem has only arisen recently in the last year – is deepening the drop in real wages that has been happening since 2018, although with a different impact according to the type of labour insertion and the sector of activity.

1. The downward trend of real labour income reverses during 2021

In the last year, the real average labour income of people who were working managed to recover from the majority of the drop that took place during the pandemic, although it still remains far below the levels recorded before the 2018–2019 crisis. While a similar trend in the growth of the real income of those who had formal and informal jobs during the last year is observed, the evolution during the crucial period of the pandemic accentuated a certain

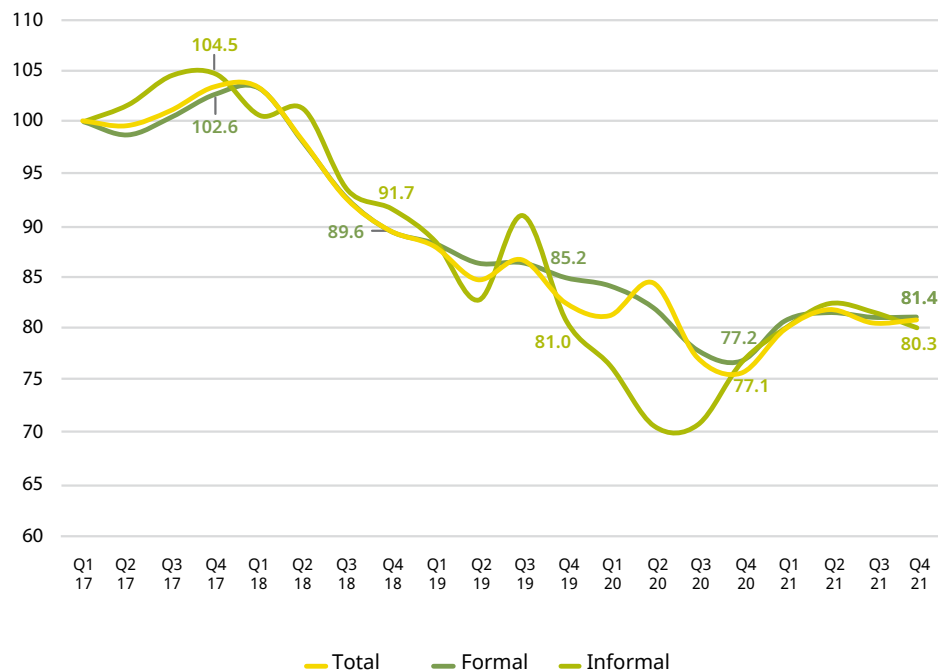
differentiated behaviour for both types of labour insertion⁴. In the fourth quarter of 2021, the real income of persons with formal employment increased by 4.2 pp with respect to the same quarter of 2020. Despite this improvement, to a great extent marked by the positive evolution of the real wages of registered wage earners (Graph I.9), at the end of 2021 the real income of those who had a formal job was 20 per cent below the level at the end of 2017.

⁴ Despite the fact that the income of both those with formal jobs and those with informal jobs dropped during the peak of the pandemic (second quarter of 2020), the total average income of the economy increased. This was due to a composition effect: the majority of employment losses took place among those who were earning less income, which resulted in an increase in the weight of job positions with higher income and, consequently, an increase in the average income of the economy (ECLAC 2021b; ECLAC/ILO 2021b). One way to isolate the “composition effect” in the evolution of average labour income is to consider only the people who continued to be employed during the period under study. Maurizio (2021b) conducts an exercise of this type, thereby finding a reduction of real income between the first and second quarters of 2020 in four countries. A reproduction of this exercise, extended to other periods, showed results that were consistent with what was expected: between the fourth quarter of 2018 and the fourth quarter of 2019, income dropped by 8 per cent for all workers and by 5 per cent for those who kept their job and their occupational category. Between the same quarters of 2019 and 2020, the evolution was a drop of 8 per cent and 1 per cent, respectively, marked by the weight of the income of workers in informal categories and by lower income after the pandemic. Between the fourth quarters of 2020 and 2021, this difference narrowed, and the income increase for all employed persons was 6.7 per cent, while for people who remained employed it was 5.4 per cent.

GRAPH I.8

Real monthly labour income of the employed population

(base index: Q1 2017 = 100)



Source: ECLAC/ILO based on the EPH-INDEC.

In the quarters prior to the pandemic, people who were working in the informal economy suffered from acuter deterioration of labour income than people who had formal employment. Likewise, while during the period of greatest impact from the pandemic there was a drop in labour income that was significantly greater among those who had an informal job than the drop among those who had formal jobs, the growth of that income during the employment recovery phase was also greater, albeit beginning at a lower level. In the fourth quarter of 2021, the real income of those who had informal jobs showed a recovery of 3.2 pp as from the fourth quarter of 2020 and a drop of 0.7 pp with respect to the same quarter of 2019. As a result of this differentiated evolution between the income of

people with formal or informal jobs, the income gap between both groups increased during the pandemic and narrowed during the recovery phase. Consequently, when considering the period as a whole, the income of the population with informal jobs remained at approximately half of the income earned by those with a formal job⁵.

The combined dynamics of employment and real labour income determine the evolution of the total real labour income of employed persons, which showed more intense recovery in 2021 among those who had formal jobs than for those who worked in the informal economy. A comparison with respect to pre-pandemic levels shows nearly complete recovery on average,

⁵ In 2017, the average income of those who had informal jobs was 50 per cent of the income of those who had formal jobs; in 2019, it was 48.5 per cent. During 2020, it dropped to only 45 per cent, bottoming out at 42.2 per cent in the second quarter; and in 2021, the distance narrowed and reached 48.9 per cent.

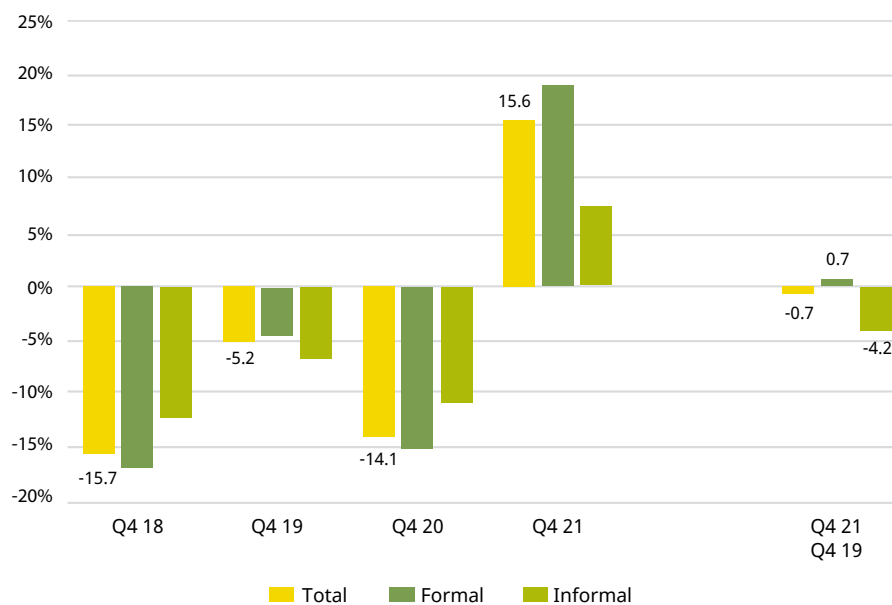
but it is heterogeneous when considering the origin of total income. While the total wages corresponding to those who had formal jobs increased by 0.7 per cent in 2021, the wages corresponding to those who had informal jobs

continued to be negative (-4.2 per cent) with respect to 2019. Recovering what was lost in the 2018–2019 crisis represents an even bigger challenge in 2022, within a framework of slowing economic growth and accelerating inflation

GRAPH I.9

Total amount of real labour income per capita. Year-to-year variations

(as a percentage)



Source: ECLAC/ILO based on the EPH-INDEC.

2. By the end of the year, the registered working population in the private sector recovered the real wage of the end of 2019, but at very low historical levels

When only wage earners from the registered private sector are analysed, greater wage recovery can be observed with respect to the drop caused by the pandemic, although it is still at levels far below those recorded before the crisis of 2018–2019. Real wage growth in December 2021 was 3 per cent with respect to December 2019 in this labour market segment. Yet despite

this improvement, in which collective bargaining and other labour institutions had a major impact, the real wages of people with registered jobs in the private sector are still nearly 12 per cent below 2017 levels. The inflationary dynamic of the initial months of 2022 is imposing new challenges on the evolution of real wages for this year, which is showing a change in trend.

GRAPH I.10

Real wage of registered wage earners in the private sector

(base index: January 2018 = 100)



Source: ECLAC/ILO based on the Employment and Business Dynamics Observatory (OEDE). Deseasonalized, normal and permanent remuneration is used (adjusted – excluding bonuses and other seasonal concepts).

The situation of average wages does not reflect the wage inequalities within the same group, or the effects of a composition change, which are especially critical in crises. The median of real wages does show part of the wage inequalities, given that it measures the value of the wage of those who are in the midpoint of the distribution. Since 2019, it can be observed that the median wage of people with registered jobs in the private sector is less than the average wage, thereby reflecting a worsening of distribution for this

group⁶. The drop in median wage is greater than the drop in average wage: in 2021 a drop of over 3 per cent was recorded with respect to 2019 and a drop of 16 per cent with respect to values from 2017. Moreover, the average wage of people with employment continuity (five years working in the same job position) shows a contraction of 17 per cent with respect to 2017 values, although in the second half of 2021, it grew more than the average wage.

⁶ This worsening of distribution for people with registered wage-earning employment is also observed in another indicator: the coefficient of wage variation (deseasonalized), which worsened until the second quarter of 2021 (see the OEDE's *Bulletin of registered worker remuneration*, available at https://www.trabajo.gob.ar/downloads/estadisticas/oede/nacional_serie_remuneraciones_mensual.xlsx).

3. A high percentage of the employed population is in a situation of poverty, which is not a new trend, nor is it uniform between formal and informal workers

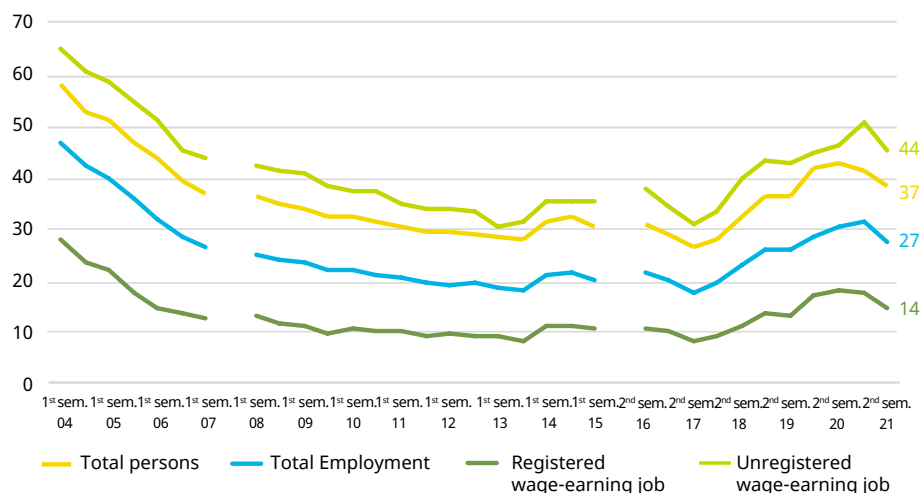
One of the most tangible consequences of the deterioration of real income is expressed by the presence of workers who live in households under the poverty line. As from 2019, at least one out of every four employed persons is living in a poor household, a figure that hadn't been seen since 2007. This phenomenon is not new: between 2008 and 2018 the percentage of employed persons living in a poor household always remained at approximately 20 per cent. If the incidence of poverty is observed according to the type of labour insertion, another expression can be found regarding the deterioration pertaining to the wages of people with unregistered jobs: while in the first semester of 2017 one out of

every three people with an unregistered wage-earning job was poor, in the same semester of 2021 the ratio was one out of every two. Even though the situation improved during the second half of 2021 (with the percentage dropping to 44 per cent), the increased inflation in 2022 is raising questions about the future dynamic. The data series also shows another expression of inequality in the labour market: since 2005 (with the exception of 2020) the incidence of poverty among people with unregistered wage-earning employment has at least tripled the incidence observed among those with a registered wage-earning job.

GRAPH I.11

Persons in poor households according to employment status

(as a percentage)



Source: ECLAC/ILO based on the EPH-INDEC. To make the poverty and indigence lines uniform, the baskets estimated by Zack, Scheingart and Favata (2020) were used.

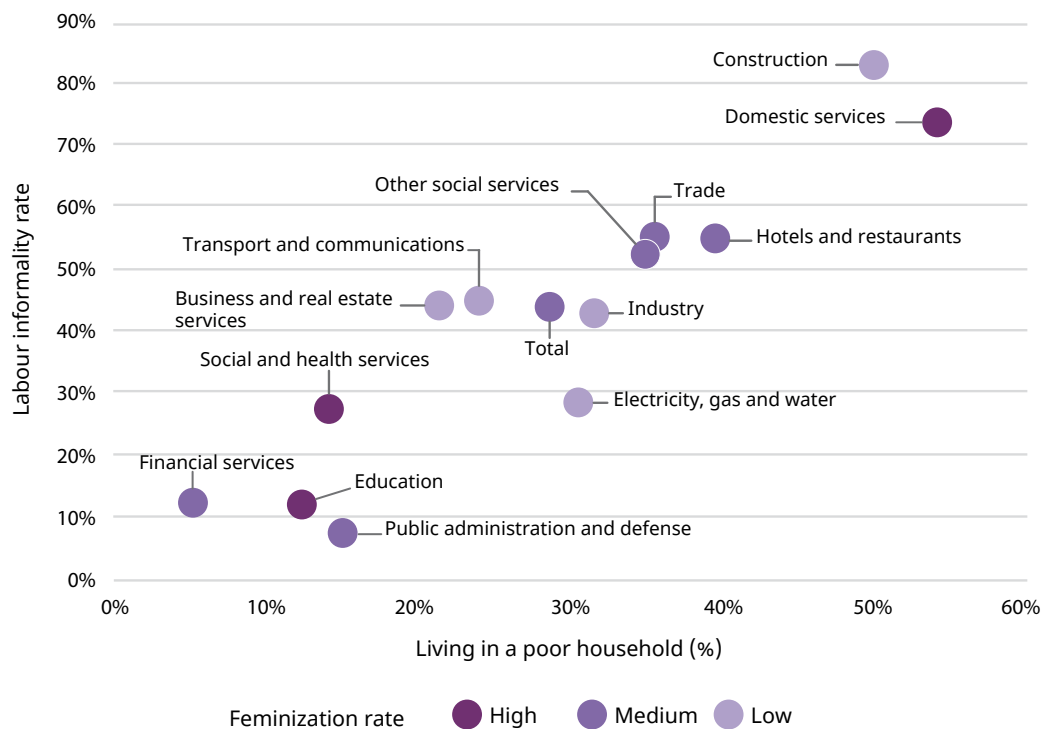
There is also an association between the sector of activity, the employment quality generated by a sector and the exposure to poverty of those who work in a particular sector. The construction and domestic services sectors are those that have the highest percentage of workers who live in

poor households. Both sectors are characterized by a high level of informality. In turn, the sectors of hotel and restaurants; community, social and personal services; and trade have a high incidence of labour informality and poverty.

GRAPH I.12

Persons in poor households and rates of labour informality and feminization, by sector of activity

(as a percentage)



Source: ECLAC/ILO based on INDEC.

II.

■ Labour insertion and informality among young people

The historical difficulties that young people⁷ have faced to complete their education and achieve quality labour insertion means that this age group is among the most vulnerable. The youth population participates in the labour market to a lesser extent than the adult population, having lower employment rates and higher unemployment rates. A long-term look⁸ shows that the participation by and employment of young people and adults were similar until the 1970s and that over the last four decades there has been a growing withdrawal of youths from the labour market and a consequent widening of the gap between both groups. Unemployment during the entire period was higher among the youth population: up to the year 2000, the average values doubled those of the adult population, and as from then the average values are triple.

Prior evidence indicates that young people face serious difficulties in achieving and keeping decent work. In this pursuit, aspects related to early entry in the labour market, school dropout, precarious labour insertions, labour instability and care tasks constitute a series of barriers for this group to finding a successful path to decent work (Bertranou and Casanova 2015; Bertranou, Jiménez and Jiménez 2018).

Within this group, women tend to face bigger barriers to finding quality employment. These and other problems, such as labour instability and precariousness, are not recent, rather

they have remained at high levels even during periods of improvement, such as 2003–2008, and periods of deterioration, such as 2013–2017 (Bertranou, Jiménez and Jiménez 2018). And now, the unfavourable socio-economic conditions left by the current health crisis caused by COVID-19 are leading to the assumption that the starting point for young people entering the labour market, now and in the future, is going to be even more adverse than what it used to be (Veza 2021). There is evidence indicating that entering the labour market during a recession could have an impact on the results of the youth population in that market for a ten-year period or more (ILO 2020). This not only means barriers to employability in the short and medium term (ECLAC/ILO 2020), but also, and as a result, a greater probability of occupying job positions that are precarious or that are inconsistent with the level of education (ILO 2020). Within this context, promoting and achieving a path towards formalization and decent work among young people – considering the economic, labour and educational impacts caused by the health crisis – has become a challenge in the design of public policies, especially those that are specifically targeted at this group.

⁷ In this document, persons from 18 to 24 years of age are considered to be youths or young people. The lower limit for this age group is due to the fact that, among other reasons, employment programmes targeted at youths include them beginning at the age of 18 years. Therefore, throughout the entire document the expression “youths” or “young people” is used to denote people who are between 18 and 24 years of age, unless otherwise stated. When presenting some long-term information, data for youths aged 15 to 17 years are used, or data for the total population from 15 to 64 years of age.

⁸ Since 1974, based on the GBA region for young people from 18 to 24 years and adults from 25 to 64 years (Bertranou, Jiménez and Jiménez 2018).

A. Insertion of young people in the labour market

1. The participation levels of young people continue to drop, with disparities according to gender

In terms of economic participation, the gaps between youths and adults have been widening for over a decade, due almost exclusively to a drop in participation by the former. This drop in activity is more acute among young men, thereby causing the gap with women peers to narrow over the last 10-year period, going from values of close to 22 pp in 2011 to 17 pp in 2021.

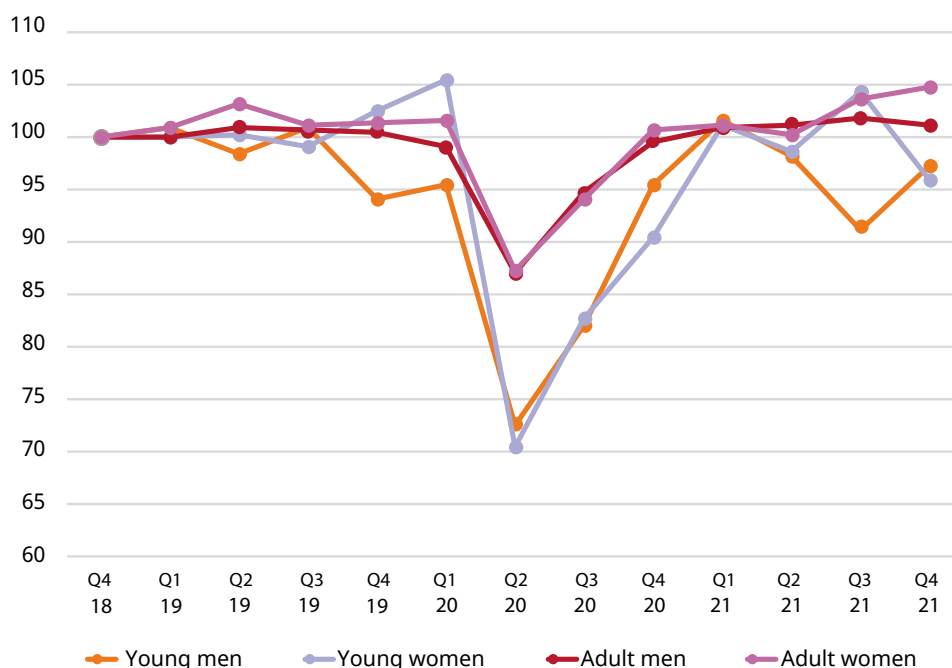
The economic participation of the youth population slumped in 2020 due to the COVID-19 crisis.

The major contraction in economic activity and the lockdown measures not only had an impact on the level of employment, which has evolved similarly to that of the GDP, but also on the expectations of finding employment within this context, factors that lowered the incentives to search for labour opportunities among those who lost their job positions (Maurizio 2021a). This gave rise to a considerable drop in labour force participation, the magnitude of which was greater among the youth population than among the adult population.

GRAPH II.1

Labour force activity rate. Youth and adult populations by gender

(base index: Q4 2018 = 100)



Source: ECLAC/ILO based on the EPH.

The participation of young people began to recover in the second half of 2020, with considerable dynamism at the beginning of 2021. The first aspect to highlight, regarding participation levels, is that in the fourth quarter of 2021 the participation rate of young men had surpassed the rate of the fourth quarter of 2019, while that rate for young women – which before the crisis had been higher than the participation rates of young men – had not yet reached its pre-crisis levels. The second point, referring to the trend, is that the behaviour of

the youth population in 2021 seemed to revert to a gradual decrease in participation⁹, although this evolution is not as clear with respect to women: prior to the pandemic, between the third quarter of 2019 and the first quarter of 2020, an increasing trend in the participation of young women had been observed, unlike what was observed for men; and in the third quarter of 2021, there was a new peak of participation among women, although it notably dropped in the following quarter.

■ 2. The recovery of youth employment is accompanied by certain challenges for young men

The gaps between young people and adults in access to employment are significant and tend to increase in the long term. However, over the last five years the differences seem to have stabilized. In both the adult and youth populations, an increase in employment among women is observed, thereby reducing the gaps with respect to men.

Within this context of significant gaps in access to employment among youths and adults, the economic crisis caused by COVID-19 affected young people to a greater extent. Between the first and second quarters of 2020, the drop in the youth employment rate (13.5 pp) by far exceeded the rate observed among the adult population (9.4 pp). During the recovery, however, the employment rate of the youth population grew by a greater magnitude – nearly 16.3 pp in the fourth quarter of 2021 with respect to the bottom that was reached in the second quarter of 2020 – in comparison with the rate for adults, which increased 12.8 pp. This has placed both groups at employment levels that are slightly above those observed during 2019.

When analysing the gender gaps within the young population, women suffered a steeper drop in their level of employment in 2020, and started the recovery more slowly than men. It is likely that the scarcity of care services and that the increase in unpaid care work during the pandemic would, to a large extent, explain the unequal behaviour between young women and men. In fact, during the initial quarters of the recovery, young women with minors or elderly adults under their care¹⁰ returned to employment to a lesser extent than young women without such care responsibilities. Beginning in the second quarter of 2021, the increase in the employment of young men was cut short, and a backslide began, while young women seemed to return to the growth trend that they had been experiencing before the crisis.

An analysis at the sector level provides some elements to explain these trends. While in all branches of activity the drop in employment during the crucial period of the pandemic was more acute among the youth population than among adults, the recovery beginning in the

⁹ Sections A.4 and B.2 offer elements of analysis to better understand this lower labour force participation.

¹⁰ These results were obtained according to the analysis of the employment rate of women who reside in the same household with minors under the age of 14 years or with elderly persons who are 65 years of age or older.

second half of 2020 was unequal. Specifically, the growth in youth employment was driven by the trade sector (where employment in the fourth quarter of 2021 was 23 per cent above the same quarter of 2019), which in turn is the sector with the largest proportion of young people. This increase, together with the public administration¹¹, contributed to the recovery of employment among young women.

Conversely, youth employment in the domestic work sector, in the case of women, and in construction, in the case of men, did not manage to return to the levels that existed before the pandemic, ending at 28 per cent and 29 per cent below the levels of the fourth quarter of 2019, respectively. Notably, employment in the construction sector had already returned to pre-pandemic levels among the adult population,

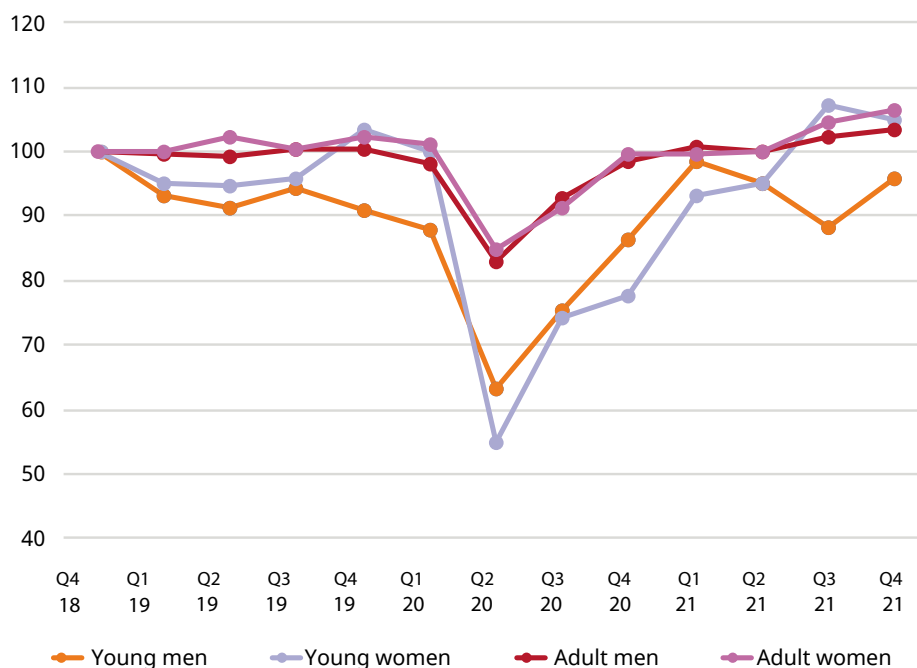
thereby giving rise to a gap in the recovery of employment with respect to young people, something that is also observed in industry¹².

Within this context, the question arises as to the reasons why these sectors have not included young people in the recovery of employment according to the same dynamism that had been occurring before the pandemic. Finally, the hotel and restaurant sector should be mentioned. While this sector does not have a high percentage of youth employment (approximately 9.6 per cent in the fourth quarter of 2021), the participation of the youth population did increase during the employment recovery phase, eventually representing 29 per cent of the total labour force in the sector (more than double the figure for youth participation in other branches).

GRAPH II.2

Employment rate. Youth and adult populations by gender

(base index: Q4 2018 = 100)



Source: ECLAC/ILO based on the EPH.

¹¹ The public administration is the second branch with the most participation by women. It had the lowest drop in 2020, and in 2021 it was at levels higher than those in 2019.

¹² In industry, employment among young people increased by only 0.3 per cent between the fourth quarter of 2019 and the same quarter of 2021, while employment among adults in this sector ended at 13 per cent above the pre-crisis levels.

3. Youth unemployment drops due to lower participation and higher employment, especially among women

Over the last ten years, the unemployment rate of the youth population has been, on average, three times higher than that of the adult population. This gap reveals the magnitude of the difference in employment opportunities between both groups. The difference between young men and young women is also significant, albeit to a lesser degree, even though this gap in youth unemployment narrowed in the four years prior to the pandemic due to a greater increase in unemployment among men.

Certain individual characteristics, as well as characteristics of the family group to which young people belong, not only affect the opportunities to which youths have access but also make them more vulnerable to unemployment. In fact, among youths from 18 to 24 years of age, certain characteristics increase the probability of being in a situation of unemployment. Such characteristics include being a woman, having a low level of education, belonging to low income strata or being part of households with a large number of members or with a single-parent or extended-family structure. While the variables related to belonging to low income strata or the number of household members have the same impact on the probability of being in a situation of unemployment among adults, other characteristics, such as being a woman, the level of education and the household structure, have the opposite effect¹³ (see Table A.1 of the Annex).¹⁴

The unemployment rate of young people population experienced an increase of 7.4 pp between the first and second quarters of 2020, while the increase observed for the adult population was 2.8 pp. The lack of employment opportunities, especially in crisis situations, is a source of discouragement and frustration, particularly in the case of young people (ILO

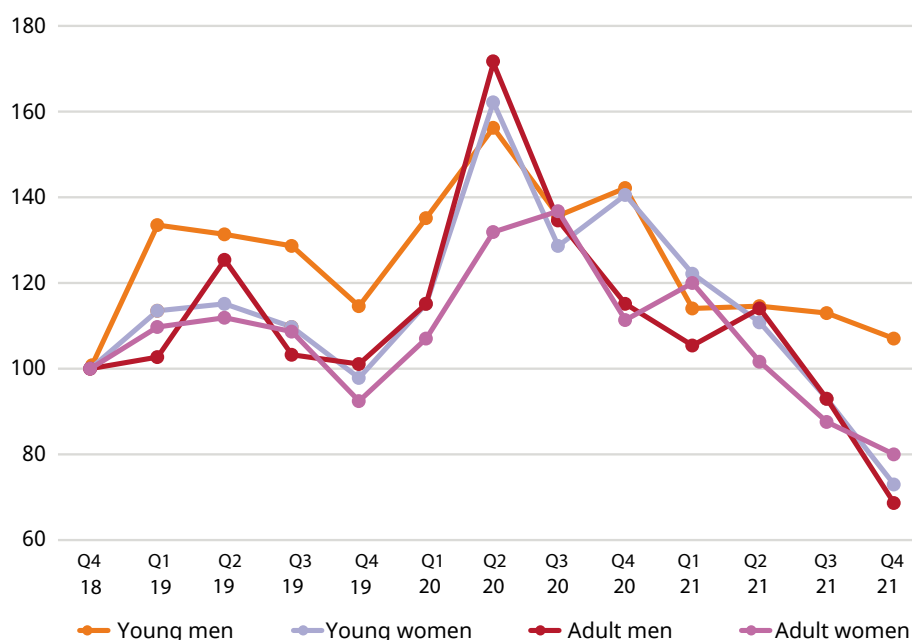
2022). It is therefore not surprising that the magnitude of the exit from the labour force that accompanied the increase in the youth unemployment rate was greater than that which was observed for adults (Graph II.3). The increase in the youth unemployment rate, therefore, would have been greater if it had not been accompanied by this drop in the labour force participation rate. This increase in inactivity of the youth population was accompanied by a considerable increase in the percentage of young people who study only (see section A.4).

The data reveal that the increase in unemployment was circumstantial, in 2021 the levels of the youth unemployment rate were below those observed in 2019. However, there were notable differences in the evolution of youth unemployment according to gender. While there was a sharp decrease in unemployment among women beginning in the third quarter of 2020, the figures remained relatively stable among men in 2021, with the unemployment rate ending higher than the rate observed prior to the pandemic.

Within this context, it should be pointed out that the characteristics of the unemployed youth population changed due to the pandemic and that they currently differ slightly from those that were observed in this group two years before: education levels are higher (the percentage of unemployed young people who have completed secondary education or higher increased by 7 pp), the labour experience is lower (14 pp more unemployed young people have no experience) and the search for employment lasts longer (40 per cent of unemployed young people in 2021 had been searching for a job for more than one year, which is 5 pp and 16.8 pp more than what was observed in 2019 and 2018, respectively).

¹³ In the case of adults, those who face a greater risk of finding themselves in a situation of unemployment are men, persons with a medium level of education and those who belong to nuclear households.

¹⁴ These results correspond to a multinomial analysis of the determinant factors associated with the probability that a person might be unemployed, conducted on a sample corresponding to all active workers divided into two groups: youths from 18 to 24 years of age and adults from 25 to 64 years of age.

GRAPH II.3**Unemployment rate. Youth and adult populations by gender***(base index: Q4 2018 = 100)*

Source: ECLAC/ILO based on the EPH.

4. The downward trend in the percentage of young people who are neither studying nor working¹⁵ at paid jobs continues after the pandemic

When evaluating the situation of young people in the labour market, considering their connection to the education system is key. Evidence has shown that interruptions in education, training and on-the-job learning limit young people's chances of entering a decent job, leading to periods of work intermittency and inactivity (Veza and Bertranou 2011; Bertranou and

Casanova 2015; Bertranou, Jiménez and Jiménez 2018). This could be the case for a group of youths from 18 to 24 years of age who are neither studying nor working,¹⁶ and who, on average, represented nearly 16 per cent of the total of young people between 2018 and 2021 (Table 1).

¹⁵ In this document, the expression "neither studying nor working" is used to define the category of youths who are neither following any course of study nor have a job, given that this is the designation traditionally used. However, it is important to highlight that, within this category, there are a considerable number of youths who do perform unpaid jobs in the household, especially in the case of women.

¹⁶ The group of youths who are neither studying nor working at a paid job (and who are not looking for employment) encompass very heterogeneous sets: people with a low level of education, with a disability or with an illness; people who, for various reasons, are neither studying nor have a paid job or who have difficulty finding employment; and, mainly, women who are engaged in unpaid domestic work, particularly care tasks. Furthermore, another aspect to consider is that a large proportion of youths who are neither studying nor working in the market perform unpaid domestic tasks and produce non-commercial goods and services that are essential for the consumption and well-being of households (Bertranou, Jiménez and Jiménez 2018).

TABLE 1

Changes in the composition of young people according to their status of activity and school attendance, by gender

(as a percentage)

	Q4 18	Q4 19	Q4 20	Q4 21
YOUTHS FROM 18 TO 24 YEARS				
Studying only	31.5%	32.8%	32.4%	34.6%
Studying and looking for work	3.6%	4.2%	3.0%	3.1%
Not studying, working or looking for work	16.0%	15.9%	18.2%	14.7%
Working only	28.6%	28.4%	26.1%	27.7%
Studying and working	12.5%	10.9%	8.1%	13.0%
Looking for work only	7.8%	7.8%	12.2%	6.9%
MEN FROM 18 TO 24 YEARS				
Studying only	27.8%	29.7%	28.7%	30.7%
Studying and looking for work	3.0%	3.7%	1.6%	3.6%
Not studying, working or looking for work	10.4%	12.2%	12.2%	9.2%
Working only	38.8%	37.3%	35.7%	35.5%
Studying and working	11.3%	8.3%	7.5%	12.5%
Looking for work only	8.6%	8.8%	14.2%	8.5%
WOMEN FROM 18 TO 24 YEARS				
Studying only	35.1%	35.9%	36.3%	38.5%
Studying and looking for work	4.3%	4.7%	4.4%	2.7%
Not studying, working or looking for work	21.7%	19.7%	24.6%	20.1%
Working only	18.2%	19.3%	16.0%	19.9%
Studying and working	13.6%	13.6%	8.7%	13.5%
Looking for work only	7.1%	6.8%	10.1%	5.2%

Source: ECLAC/ILO based on the EPH.

Prior to the pandemic, there was a decrease in the percentage of youths who were neither studying nor working at a paid job (2.7 pp between 2003 and 2019), as well as a decrease in the percentage of those who only worked (5.7 pp), while at the same time there was a notable increase in the proportion of young people who were only studying (9.4 pp). Consequently, a trend is observed among the youth population: not only to extend the periods of training and education but also to delay the beginning of their participation in the labour force, which is associated with lower participation in the labour market (see section A.1).

The crisis of the pandemic altered this trend, but the changes that took place during the

subsequent recovery led to a connection between young people and both the system and the labour market being relatively similar to what had been observed previously. As such, there continues to be an increase in the proportion of youths who only study and of those who combine studying with employment, and there is a decrease in the proportion of those who neither study nor work, as well as a decrease in the proportion of men who only work.

There is a greater proportion of women among youths who neither study nor work, and among this a group, a greater proportion who potentially perform care tasks. While the lack of studies and work is due to various and complex causal processes, the greater concentration of

women among the group of youths who neither study nor work seems to be associated with the unequal distribution of domestic and care tasks, thereby limiting the labour insertion of women and their time available to be engaged in studies¹⁷ (Brosio, López Mourelo and Yance,

forthcoming). Likewise, and consistent with the drop in the unemployment rate of women, there is also a drop in the percentage of women who are only looking for work or who are both studying and looking for work (as a whole, there is a drop of 3.5 pp).¹⁸

B. Effects of the crisis on labour transitions of the youth population

1. Lower employment stability and a longer period of inactivity among young people after the crisis

The labour market adjustments that occurred in this crisis have differed significantly from those that took place in previous crises. In particular, the drastic contraction of employment during the second quarter of 2020 caused shifts towards unemployment, but mainly there were significant exits from the labour force (Maurizio 2021a), with strong returns occurring immediately afterwards. The interest is in learning if, beyond what happened during the peak of the pandemic, there were changes in the current labour dynamic with respect to what existed before the crisis.

Transition matrices, which reflect the labour flows before the pandemic erupted, during the crisis and during the more recent period, show that young people remained employed to a greater extent before the pandemic (28.6 per cent in 2019 vs 27.4 per cent in 2021), but above all, they show that the levels of the period of time during which they remained in

active were lower (35.4 per cent in 2019 vs 40 per cent in 2021). This behaviour was different from that of adults, whose permanence in employment increased slightly (55.4 per cent in 2019 vs 56.6 per cent in 2021) and whose period of time remaining inactive continued to be stable. Beyond these dynamics, if the levels of permanence and of transitions by both adults and youths are analysed, the latter are observed to be characterized by lower permanence in employment and by frequent transitions to unemployment and inactivity; yet at the same time, they are also characterized by considerable entry into employment from these situations. These data reflect the greater turnover and instability of youths in the labour market, which is one of the structural characteristics of their insertion (Bertranou, Jiménez and Jiménez 2018).

¹⁷ Moreover, the chances that women from 18 to 24 years of age who live with minors under 14 years of age and/or persons over 65 years of age are among those who neither study nor work are triple those of women who do not live with these population groups (ILO 2022b).

¹⁸ One relevant element that could be affecting all young people, but especially women, is the major drop in the fertility rate among adolescents and young people (20 to 24 years) in recent years: a decrease of 35 per cent and of 25 per cent, respectively, between 2010 and 2019. In this regard, the sexual and reproductive health policy is a core point that should be highlighted (Cerrutti and Binstock, forthcoming).

TABLE 2
Transition matrices between various labour statuses by age group. Q3–Q4 2019, 2020 and 2021
(as a percentage)

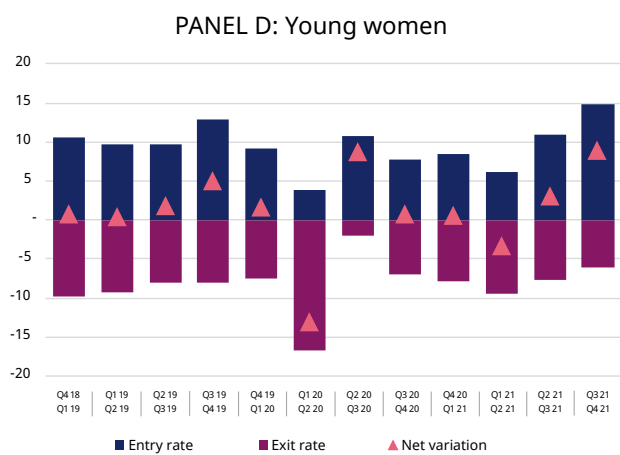
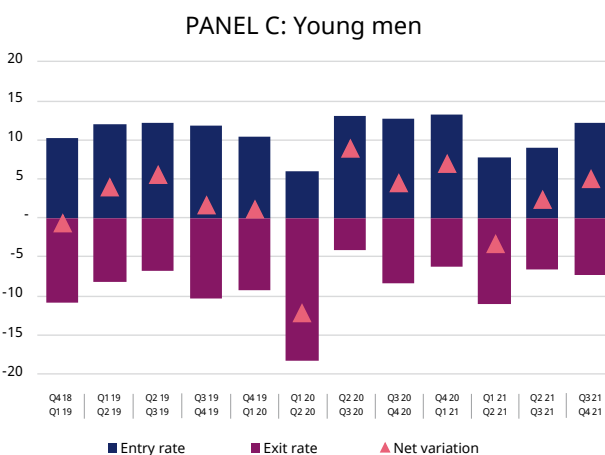
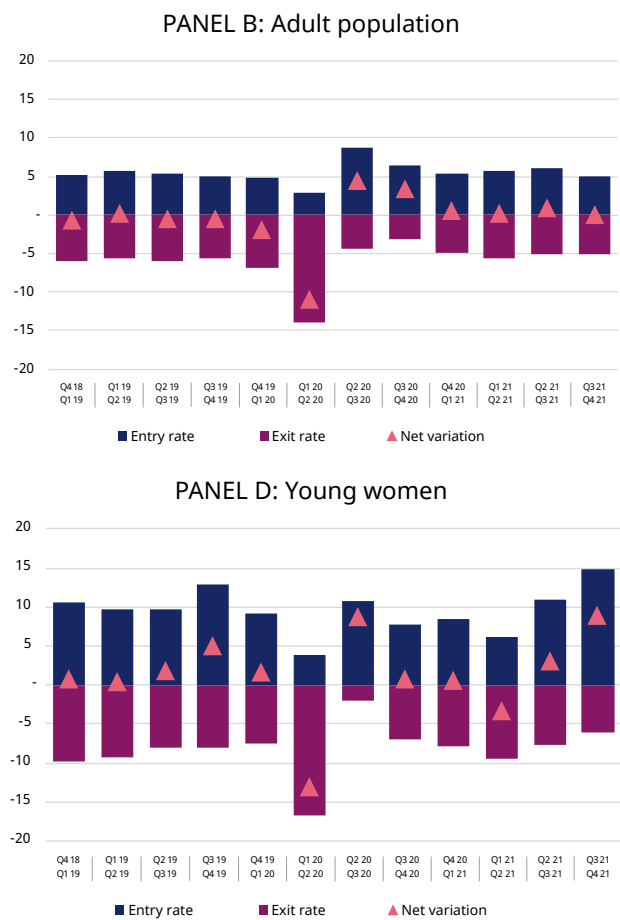
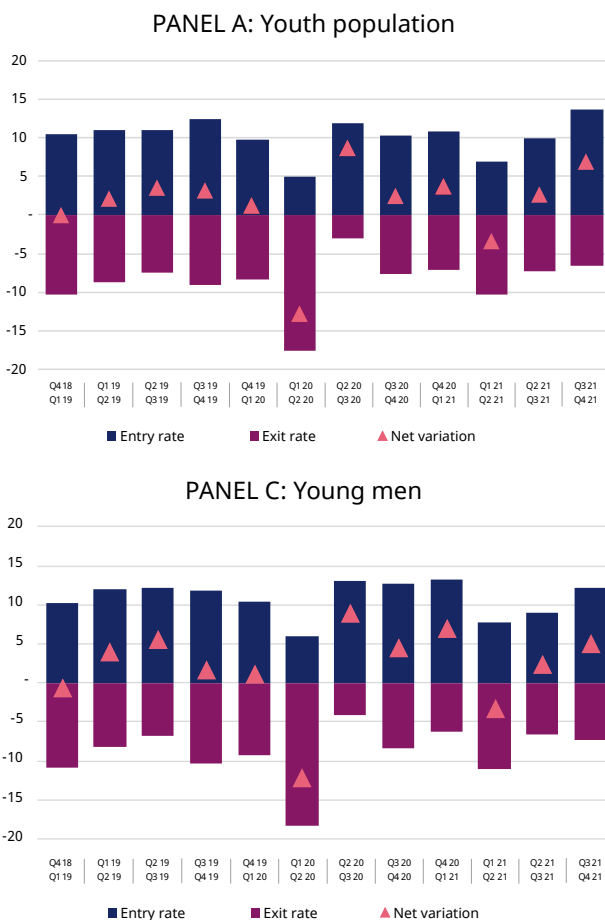
	Q3 19 - Q4 19			Q3 20 - Q4 20			Q3 21 - Q4 21			Difference (pp) 2019 vs 2021						
	Employed	Unemp.	Inactivity	Total	Employed	Unemp.	Inactivity	Total	Employed	Unemp.	Inactivity	Total				
YOUTH POPULATION FROM 18 TO 24 YEARS																
Employment	28.6%	3.7%	5.5%	37.8%	23.5%	1.9%	5.7%	31.1%	27.4%	1.8%	4.8%	34.1%	-1.2	-1.8	-0.7	-3.7
Unemployment	5.2%	5.1%	4.7%	15.0%	2.5%	6.3%	2.4%	11.2%	3.7%	5.2%	3.3%	12.2%	-1.5	0.1	-1.4	-2.8
Inactivity	7.1%	4.7%	35.4%	47.2%	7.7%	6.4%	43.6%	57.7%	9.9%	3.7%	40.0%	53.7%	2.8	-0.9	4.6	6.5
Total	41.0%	13.4%	45.6%	100.0%	33.7%	14.6%	51.7%	100.0%	41.1%	10.8%	48.2%	100.0%	0.0	-2.6	2.6	0.0
ADULT POPULATION OF 25 YEARS AND ABOVE																
Employment	55.4%	1.7%	3.9%	61.0%	52.3%	1.2%	1.9%	55.5%	56.6%	1.1%	3.9%	61.7%	1.2	-0.6	0.1	0.6
Unemployment	1.9%	1.7%	1.3%	4.9%	2.1%	2.5%	1.1%	5.6%	1.3%	1.0%	1.1%	3.4%	-0.6	-0.7	-0.3	-1.6
Inactivity	3.2%	0.9%	30.0%	34.1%	4.4%	1.7%	32.8%	38.9%	3.7%	0.7%	30.6%	35.0%	0.6	-0.2	0.6	0.9
Total	60.5%	4.4%	35.2%	100.0%	58.8%	5.3%	35.8%	100.0%	61.6%	2.8%	35.5%	100.0%	1.1	-1.5	0.4	0.0

Note: Unemp. = Unemployed.
Source: ECLAC/ILO based on the EPH.

An analysis of the employment entry and exit rates as from the fourth quarter of 2018 shows that the movement among young people is greater than that of adults, with employment entry rates that can usually reach double the rates recorded for the adult population (Graph II.4). During 2019, much higher entry rates are observed for young men than for women, and after the collapse in the second quarter of 2020, men were also first to recover their employment levels, once again with very high entry rates.

Recently, beginning in the second quarter of 2021, women were the ones who had higher employment entry rates, which, together with lower exit rates, explains their historically high employment levels. In line with the increase in the unemployment rate of young men during the last two quarters of 2021, an increase in the employment exit rate is also seen for this group, something that does not occur in the case of either young women or adults.

GRAPH II.4
Employment entry and exit rates
(as a percentage)



Source: ECLAC/ILO based on the EPH-INDEC.

2. A longer period remaining a full-time student, especially among young men

Some relevant distinctions can be seen in the connection between young people and the labour market when school attendance is included in the analysis of transitions and when that analysis is differentiated according to gender. In general, young people remain longer in the categories corresponding to being a full-time student and working full time, yet they show considerable turnover regarding all other conditions of activity and school attendance. Moreover, while the highest figures for remaining a full-time student pertain to young women (more than 4 pp above what is observed for the average of all young people), the figures show that young men tend to remain longer in the category of working full time (more than 6 pp above the average for young people as a whole) (Table 3).

The pandemic introduced certain variations regarding this dynamic of the labour supply of the youth population. One of the most significant changes has been the increase in the time that young people remain a full-time student, especially among young men: the percentage of young men who remain a full-time student increased by nearly 6 pp between 2019 and 2021.¹⁹ For young men, unlike what is observed for their female peers, there is also an increase in remaining in situations in which studies are combined with either employment or looking for employment: the percentage of young men who remained in these categories from one quarter to the next increased by 2.6 pp between 2019 and 2021.

While more evidence is needed about the reasons that would explain this increase in being and remaining a student among youths, it could be that these trends are due to the bigger role being played by the increased offer of e-learning²⁰, which is often shorter in duration than on-site classes and is adapted to student needs, in conjunction with greater access to digital technologies.

Regarding transitions, the most frequent movements among the youth population involve a transition towards employment. Specifically, both the change from being a full-time student to a situation of combining studies and work, as well as the movement from a situation of neither studying nor working to one of working full time, are the two most frequent types of transitions among youths. These two types of changes in status of activity were experienced, respectively, by 4.7 per cent and 3.6 per cent of young people at the end of 2021. Moreover, these types of transitions were more present at the end of 2021 compared to what was observed prior to the pandemic, which points to greater dynamism in the labour market, thereby favouring that transition to employment. However, there are certain differences between genders: while men have a greater tendency to transition to employment after a situation of neither studying nor working, women tend to transition, to a greater extent, from a situation of being a full-time student to combining studies with work (Table 3).

¹⁹ In this regard, the data published by the university statistics information system show that enrolments by pre-university and university students have increased since 2011, with a stronger increase as from 2017. The same thing has happened with respect to distance-learning. Along this same line, there was an increase in the net enrolment rate among youths from 18 to 24 years of age, which was at 19.3 in 2015 and rose to 22.2 in 2020. https://www.argentina.gob.ar/sites/default/files/sintesis_2020-2021_sistema_universitario_argentino.pdf

²⁰ Also accompanied by public policy programmes such as the *Progresar* programme.

TABLE 3

Transition matrices between various statuses of activity and school attendance for youths, by gender. Q3–Q4 2019 and 2021

(as a percentage)

	Q3 19 - Q4 19							Q3 21 - Q4 21							Difference (p.p.) 2019 vs 2021						
	Studying only	Studying and looking for work	Not studying, working or looking for work	Working only	Studying and working	Looking for work only	Total	Studying only	Studying and looking for work	Not studying, working or looking for work	Working only	Studying and working	Looking for work only	Total	Studying only	Studying and looking for work	Not studying, working or looking for work	Working only	Studying and working	Looking for work only	Total
YOUTHS FROM 18 TO 24 YEARS																					
Studying only	24.3%	1.9%	3.4%	0.9%	2.9%	0.3%	33.8%	28.4%	1.4%	3.0%	1.6%	4.7%	0.7%	39.7%	4.1	-0.5	-0.4	0.6	1.7	0.4	6.0
Studying and looking for work	2.2%	0.9%	0.1%	0.3%	1.1%	0.2%	4.8%	1.4%	1.4%	0.5%	1.0%	0.7%	0.6%	5.7%	-0.7	0.5	0.4	0.7	-0.5	0.4	0.9
Not studying, working or looking for work	1.5%	0.2%	6.6%	2.7%	0.2%	2.0%	13.1%	1.3%	0.1%	7.2%	3.6%	0.1%	1.5%	13.8%	-0.2	-0.1	0.5	0.9	-0.1	-0.4	0.6
Working only	0.3%	0.0%	2.3%	19.5%	0.7%	2.5%	25.2%	0.3%	0.2%	2.2%	17.4%	0.5%	1.3%	21.9%	0.1	0.2	-0.1	-2.1	-0.1	-1.2	-3.3
Studying and working	2.6%	0.9%	0.5%	2.0%	6.1%	0.3%	12.3%	2.4%	0.2%	0.2%	1.4%	7.5%	0.1%	11.8%	-0.1	-0.7	-0.3	-0.6	1.4	-0.2	-0.5
Looking for work only	0.7%	0.2%	1.9%	3.1%	0.8%	4.0%	10.8%	0.2%	0.0%	1.5%	2.1%	0.1%	3.3%	7.1%	-0.5	-0.2	-0.5	-1.1	-0.8	-0.7	-3.7
Total	31.4%	4.1%	14.8%	28.5%	11.9%	9.2%	100.0%	34.1%	3.4%	14.5%	26.9%	13.6%	7.5%	100.0%	2.6	-0.7	-0.2	-1.6	1.7	-1.7	0.0
MEN																					
Studying only	20.5%	1.7%	3.6%	1.2%	1.6%	0.2%	28.7%	26.4%	1.4%	2.8%	1.0%	2.9%	0.5%	35.0%	5.9	-0.4	-0.8	-0.2	1.3	0.3	6.2
Studying and looking for work	2.4%	0.3%	0.0%	0.0%	0.6%	0.1%	3.4%	0.4%	2.9%	0.9%	0.2%	0.6%	1.1%	6.1%	-2.0	2.6	0.9	0.2	0.0	1.0	2.7
Not studying, working or looking for work	1.1%	0.3%	4.4%	2.4%	0.4%	1.8%	10.3%	1.7%	0.1%	2.6%	4.1%	0.1%	1.5%	10.1%	0.6	-0.2	-1.8	1.7	-0.3	-0.3	-0.2
Working only	0.3%	0.1%	2.5%	25.7%	0.7%	3.1%	32.4%	0.5%	0.4%	2.5%	22.8%	0.8%	1.9%	28.9%	0.3	0.3	-0.1	-2.9	0.1	-1.2	-3.5
Studying and working	2.8%	1.2%	0.2%	2.4%	4.3%	0.6%	11.4%	2.0%	0.2%	0.2%	1.7%	6.8%	0.1%	11.0%	-0.8	-1.0	0.0	-0.7	2.6	-0.5	-0.4
Looking for work only	0.8%	0.1%	1.3%	3.8%	1.6%	6.2%	13.8%	0.3%	0.0%	0.6%	3.1%	0.1%	4.5%	8.8%	-0.4	-0.1	-0.6	-0.7	-1.4	-1.7	-4.9
Total	27.8%	3.7%	12.0%	35.5%	9.0%	12.0%	100.0%	31.4%	5.0%	9.7%	33.0%	11.4%	9.6%	100.0%	3.6	1.3	-2.3	-2.5	2.3	-2.3	0.0
WOMEN																					
Studying only	28.0%	2.1%	3.2%	0.7%	4.3%	0.5%	38.8%	30.1%	1.4%	3.2%	2.1%	6.2%	0.9%	44.0%	2.1	-0.6	0.0	1.4	1.9	0.4	5.2
Studying and looking for work	1.9%	1.5%	0.2%	0.6%	1.7%	0.2%	6.2%	2.4%	0.1%	0.2%	1.7%	0.8%	0.1%	5.3%	0.5	-1.4	0.0	1.0	-0.9	-0.1	-0.9
Not studying, working or looking for work	1.9%	0.0%	8.8%	3.0%	0.0%	2.1%	16.0%	0.9%	0.1%	11.3%	3.1%	0.2%	1.6%	17.1%	-1.1	0.0	2.5	0.1	0.1	-0.5	1.1
Working only	0.2%	0.0%	2.0%	13.2%	0.7%	2.0%	18.1%	0.1%	0.1%	1.9%	12.4%	0.3%	0.8%	15.6%	-0.1	0.1	-0.1	-0.8	-0.4	-1.2	-2.4
Studying and working	2.4%	0.6%	0.7%	1.6%	8.0%	0.0%	13.3%	2.9%	0.2%	0.1%	1.1%	8.2%	0.1%	12.5%	0.5	-0.4	-0.6	-0.5	0.2	0.0	-0.8
Looking for work only	0.6%	0.4%	2.6%	2.4%	0.1%	1.7%	7.8%	0.1%	0.0%	2.2%	1.1%	0.0%	2.1%	5.6%	-0.5	-0.4	-0.4	-1.3	-0.1	0.4	-2.2
Total	35.0%	4.6%	17.5%	21.6%	14.8%	6.5%	100.0%	36.4%	2.0%	18.9%	21.4%	15.6%	5.6%	100.0%	1.4	-2.6	1.4	-0.1	0.9	-0.9	0.0

Source: ECLAC/ILO based on the EPH.

Finally, two groups are of special interest: those who are not studying, working or looking for work and those who are looking for work only²¹. As it was previously stated, the levels of these groups are a structural problem, and upon observing their dynamic, the structural constraints of gender and the bigger barriers to women for accessing employment are also noted. Not only do women have a higher incidence of these conditions, but in the situation of not studying, working or looking for work, they also remain longer in that situation, which moreover increased between 2019 and 2021

(from 8.8 per cent to 11.3 per cent). Regarding the status of looking for work full time, while the incidence and the time remaining in that status are lower among women than among men, the transition from that condition in the case of women is mainly towards a situation of not studying, working or looking for work (2.6 per cent in 2019 and 2.2 per cent in 2021). But in the case of men who are looking for work full time, it is observed that the transition is mainly to employment (3.8 per cent in 2019 and 3.1 per cent in 2021).²²

C. Quality of employment and labour income

1. The informality rate among young people shows an upward trend during the employment recovery phase

The high and persistent labour informality rate among the youth population warns of a structural problem, the incidence of which is significantly greater among youths than among the adult population, with a difference that can even exceed 20 pp. But the incidence of informality does not affect all young people equally. The probability of holding an informal job position is greater among young women, among all young people who have a low or medium level of educational, among those who are attending an education establishment, among those who reside in single-parent or extended-family households and among those who belong to low or medium income strata,

as well as among people who are employed in certain sectors of activity, such as construction, trade and hotels and restaurants (see Table A.2. of the Annex).

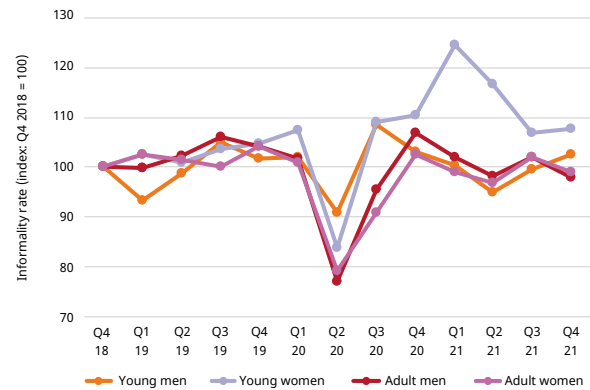
The differences observed in the informality rate by age group and gender reveal an unequal impact from the crisis. The major drop in employment in the second quarter of 2020, which mainly affected young women, was, to a greater extent, led by the loss of employment among young women in the informal economy.

²¹ Those who are only looking for work refers to the group that is neither studying nor working and is looking for employment.

²² If the qualification level of the youth population is included in the analysis, then it is observed that, among those with lower qualifications (less than six years of education), there is a greater proportion of those who only work, in detriment to those who study and those who combine studying with working or with the search for employment. Moreover, the proportion of young people who are not studying, working or looking for employment does not drop for those who have lower qualification levels. This is an important aspect to keep in mind, given the impact of this condition on the possibility of going back to school or going back to the world of work.

GRAPH II.5

Informality rate. Youth and adult populations by gender



Note: The informality rate refers to the total number of employed persons (wage earners and self-employed).

Source: ECLAC/ILO based on the EPH.

This greater impact by the pandemic on informal work translated into a recovery of youth employment, which, notably and much more acutely than among the adult population, occurs through informal job positions, as it is reflected by the increase in the informal employment rate.

While the preceding recovery evolves differently between young men and women, the informality rates for both groups converge around 67 per cent in the fourth quarter of 2021, nearly 30 pp above the informality rates observed for the adult population (Graph II.5).

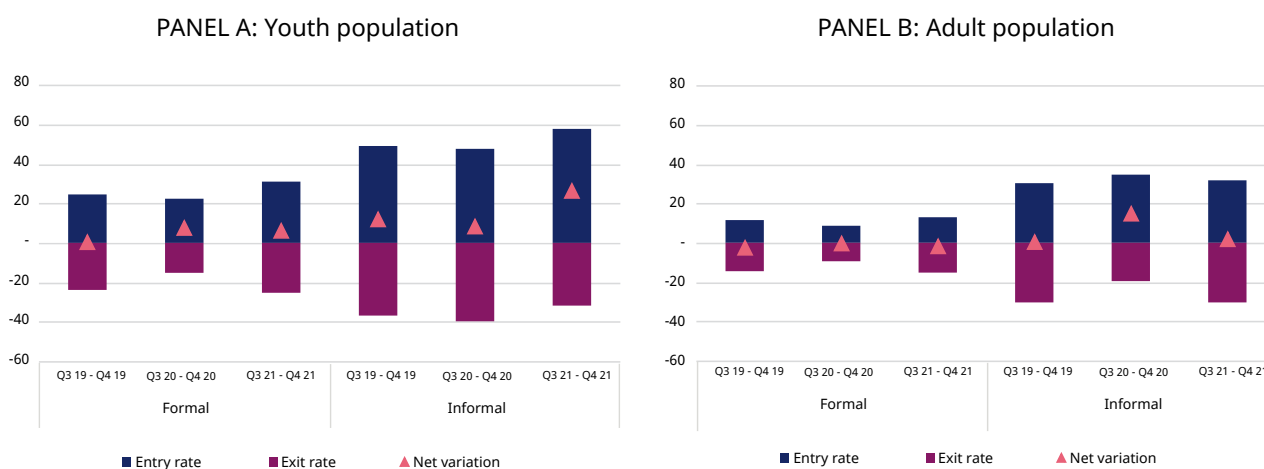
The higher level of temporary work among young people, which is evidenced by the entries and exits from the labour force, is also seen in relation to formal and informal jobs. While the levels of turnover among young people are much higher than those of adults in both types of labour insertion, the differences between both populations are especially notable regarding informality. In fact, the entry rates into informal employment by young people are around 50 per cent and can even double the rates observed among the adult population (Graph II.6).

Likewise, at the end of 2021, a strong increase in the entry rates into informal employment is observed for all young people, while the tendency to enter informal employment for adults remained stable. This greater incorporation of the youth population in informal employment signals an aspect that will have to be monitored in the upcoming quarters.

GRAPH II.6

Entry and exit rates into and from formal and informal employment

(as a percentage)



Source: ECLAC/ILO based on the EPH.

2. Self-employment is increasing notably among young people, consequently affecting employment quality and exacerbating income gaps

The improvement by youth employment after the worst moment of the pandemic led to notable changes in its composition. The growth in youth employment between the fourth quarter of 2019 and the same quarter of 2021 was determined almost entirely by self-employed work, whose increase with respect to total youth employment was 4.5 per cent²³. It is the only category that has contributed positively and notably to the growth of youth employment in recent years, while negative contributions were recorded for the various forms of wage-earning employment, especially notable in the case of registered informal employment and domestic services (-1.7 per cent and -1.9 per cent, respectively) (Graph II.7).

This trend, observed when analysing the last two years as a whole, reflects the net effect of two different behaviours of youth employment during that period. The decrease in youth employment in 2019 and 2020 was pulled down by the drop in wage-earning employment, both formal and informal, as well as the drop in domestic work.

Even though self-employed work remained stable in 2019, in 2020 the magnitude of the drop in youth employment would have been greater without the counter-cyclical role played by self-employment for this group²⁴. Conversely, the 7.8 per cent year-to-year growth of youth

²³ This phenomenon is not verified among adults, given that for this group the greatest contribution to the growth of employment was led by formal wage-earning employment.

²⁴ This category increased by 8.4 per cent in 2020 with respect to 2019.

employment in 2021 was accompanied by growth in wage-earning employment, especially in informal wage-earning employment, and to a lesser extent by growth in formal wage-earning employment and in domestic work.

In fact, the drop in self-employment led to a negative 4.2 per cent contribution by this category to total youth employment growth. Just like the result that showed a greater incorporation of young people in informal employment in the last quarter of 2021, the role of self-employed work will also have to be monitored in the upcoming quarters in order to establish conclusions about how these changes affect the composition of employment (Graph II.7).

This dynamic in the growth of employment, occurring due to the pandemic, has notable differences according to gender. In the case of young men, the behaviours are similar to those observed for total youth employment. Conversely, in the case of young women, a positive contribution by self-employed work to the growth of employment is also noticed, simultaneously with growth in informal wage-earning employment.

Therefore, only the drops in formal employment and in domestic work contributed negatively to an increase in total employment among young women, which managed to be higher than among men (Graph II.7).

GRAPH II.7

Contribution to growth for the youth population, by occupational category
(as a percentage)



Source: ECLAC/ILO based on the EPH.

Coinciding with the increase in informal employment, a worsening of other indicators of decent work and employment quality is noted. The percentage of job positions with an end date increased, among both young men and young women (2.2 pp and 3 pp, respectively, between the fourth quarter of 2018 and the fourth quarter

of 2021), a figure that more than doubled the one observed for the adult population. An increase in underemployment was also revealed, although in this case it was more acute among men than among women. Especially worrisome is the drop that has taken place in recent years in the proportion of young persons who state that

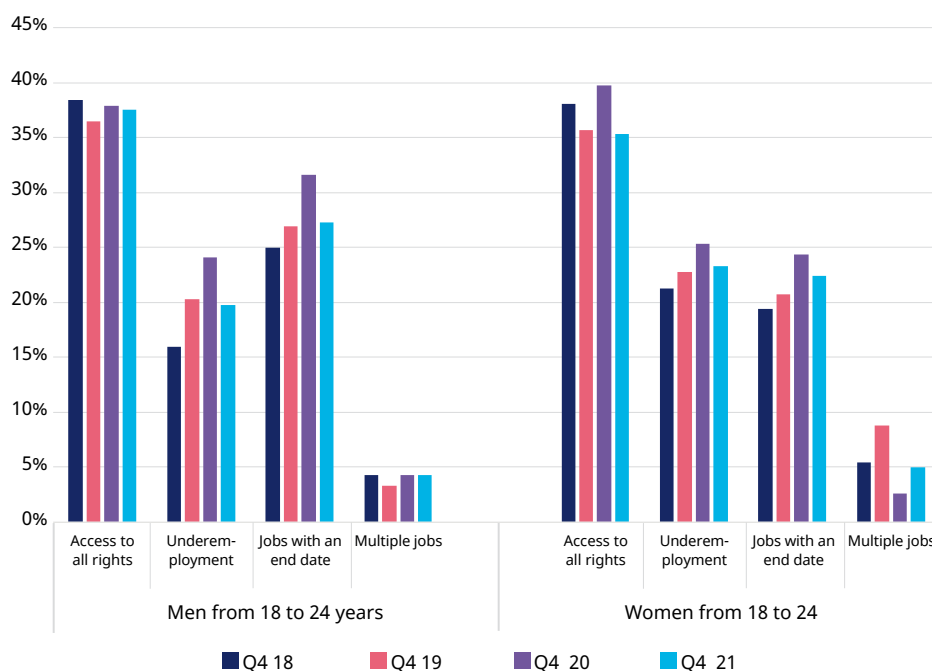
they simultaneously have labour rights such as health insurance coverage, paid holidays, paid sick days and bonuses, especially among

women, with a drop of 1.2 pp among men and a decrease of 2.7 pp among women.

GRAPH II.8

Decent work indicators in the youth population. Q4 2018 to Q4 2021

(as a percentage)



Fuente: ECLAC/ILO based on the EPH.

Young people, consistent with their greater deficits in employment quality, are characterized by earning less income than adults. Moreover, the income gap that exists between adult men and women is replicated in the youth population with greater intensity.

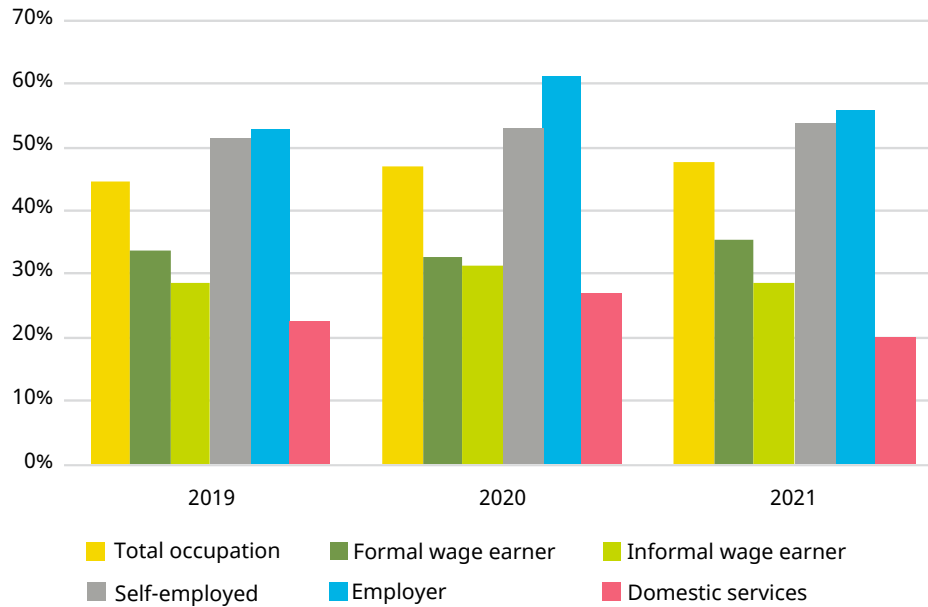
The changes that took place in the composition of youth employment due to the pandemic have exacerbated the income gap between the employed youth and adult populations, going from 44.6 per cent in 2019 to 47.5 per cent in 2021. Two main reasons explain this trend. First of all, as it was previously stated, the relative participation by labour insertions associated with lower income (which is the case of self-employed work) increased in youth employment

(a phenomenon that was not observed to the same extent in adult employment). Second, between 2019 and 2021 the income gaps between young persons and adults increased in formal wage-earning insertions and in self-employed work, by 1.9 pp and 2.2 pp, respectively (Graph II.9).

GRAPH II.9

Main occupation income gap between the youth and adult populations, by occupational category. Annual average. 2019–2021

(as a percentage)



Source: ECLAC/ILO based on the EPH.

III.

■ Concluding remarks

In Argentina, the data from the end of 2021 and the beginning of 2022 show a recovery of employment levels, which ended above the pre-pandemic figures, and a reduction of the unemployment rate, which ended below the rate recorded during the pre-pandemic period. This improvement took place with greater intensity among women in the last quarters. The dynamic of the recovery was gradual and changing, and it depended, among other things, on the progress of vaccinations and on the re-opening of activities and schools. Moreover, men and women were affected differently, depending on the type of work they accessed, the occupational category and the branch of activity. Industry, trade and business services were the sectors that led the recovery of employment and economic activity. The manufacturing industry was the sector that contributed the most to GDP growth, explaining nearly half of the increase in wage-earning positions in the private sector over the last two years.

Labour income lagged behind the recovery of economic activity and employment levels. For the first time in the last four years, in 2021 labour income grew with respect to the preceding year, not only for those with formal jobs (wage earners and self-employed) but also for those with informal jobs, albeit to a lesser extent. But this improvement could not completely reverse the contraction caused by the COVID-19 crisis. Consequently, despite the growth in employment during 2021, labour income barely returned to its pre-pandemic figures in the case of formal work, and it continued to remain in negative terrain regarding informal work. As such, even though the drop in wages caused by the pandemic tended to recover (to a greater or lesser extent), labour income continues to be, on

average, over 20 per cent below its level prior to the 2018–2019 crisis. Logically, this drop is more profound in the case of people with informal jobs. But even within the most favoured segment of people with formal jobs, who have registered wage-earning employment in the private sector, their labour income is still 12 per cent below the 2017 level.

For 2022, the pace of growth is expected to slow, both regionally (1.8 per cent) and in Argentina (3 per cent) (ECLAC 2022). On the one hand, the regional slowdown is due to the military conflict between the Russian Federation and Ukraine, given its repercussions on inflation and the real income of families; and on the other, it is due to the change in the monetary policy of the United States, which tends to increase the financial vulnerability of countries in the region. This context is more challenging for Argentina, given its higher initial levels of inflation and the lower macroeconomic manoeuvring room, and it could affect the pace of job creation that has been observed over the last year. Labour institutions such as minimum wage and collective bargaining, as well as continuing dialogue between the Government, workers and employers, will undoubtedly be crucial tools for preventing the effects that the combination of a slowdown in growth and an increase in inflation could have on poverty and inequality. An even greater challenge is posed by the situation of people with informal jobs, who are the farthest behind in terms of real income and who explain the persistence of workers in a situation of poverty.

The youth population has traditionally been one of the groups that, to a greater extent, has had to face the challenges of the labour market in Argentina. While the COVID-19 pandemic did

not generally modify these challenges, which are mainly structural, a few changes can be seen: some warn of aspects that must be given careful consideration, while others reveal some encouraging trends. Specifically, participation in the labour market by young people as a whole continues to drop, in line with what was observed prior to the crisis, especially in the case of men. This lower participation among young men coincides with an increasing trend to remain a full-time student, which in turn explains the increase in the longer period of time remaining inactive that has been observed after the pandemic. In the case of young women, the growth trend in participation and in employment is recovering, which had been observed before the pandemic, although now that growth is being driven by the trade sector and the public administration, while domestic work still continues to be at levels below those prior to the crisis.

When analysing the labour supply and the connection to education, the trend of an increasing proportion of youths who remain full-time students has been accompanied by a decrease in those who are not studying, working or looking for work, as it had been occurring before the pandemic. Even though this is a common trend for both men and women, the notable gender differences in this situation continue to be very significant. The number of young women who neither study nor have a paid job is nearly double the number of young men, and there is a greater proportion of women who remain in this status compared to men, which once again clearly shows the asymmetries that exist in the distribution of care tasks.

Moreover, one of the main structural characteristics of the labour insertion of young people in Argentina is their higher turnover and greater instability in employment compared to the adult population. In this regard, youths are observed to remain employed less time as a result of the pandemic, which could be an indicator of the greater precariousness of the jobs to which they have access. The higher level of temporary work of this group is also observed in relation to the entry into and exit from informal employment: the informal employment entry

rates of youths can even double those observed for adults. This high and persistent rate of labour informality among young people as a whole signals a structural problem that seems to have been aggravated by the pandemic. In fact, youth employment, more acutely than among the adult population, is recovering through informal job positions, as it is shown by the increase in the informal employment rate.

The improvement in youth employment after the worst moment of the pandemic led to changes in its composition that merit special attention due to the decent work deficits and the quality of employment associated with the greater weight of informal employment. This special attention must be greater regarding young women, for whom the increase in self-employed work has been accompanied by growth in informal wage-earning employment. In fact, a worsening of decent work indicators is noted, including a significant reduction in the proportion of working young people, especially among women, who state that they simultaneously have labour rights such as health insurance coverage, paid holidays, paid sick days and bonuses. This worsening in the quality of youth employment, which is shown by the increase in labour insertions associated with lower income, is exacerbating the income gap between the youth and adult populations. This phenomenon is furthermore aggravated by the increase in the income gaps between both groups regarding higher quality insertions, such as formal wage-earning employment.

To combat the impact of the crisis resulting from COVID-19, Argentina designed and implemented a number of actions for the purpose of mitigating the effects of the health emergency on the social and labour situation. This policy approach also translated into youth employment actions. In 2021 the *Te Sumo* programme was created, which is targeted at youths from 18 to 24 years of age who have completed secondary education, and it is designed to promote their hiring at small- and medium-sized enterprises. More recently, the *Fomentar Empleo* programme was launched in May 2022. Its objective is to improve labour skills and facilitate insertion in quality jobs among persons without formal employment

during the last three months, as well as among *monotributistas* and domestic workers. Young people are one of the target populations of this programme. Furthermore, within the scope of vocational training, the *Plan de Formación Profesional y Continua* allowed adapting the offer of vocational training to the online mode, as well as increasing the participation of youths in these actions.

Greater and better insertion of young people in the labour market requires an integrated and inclusive response based on tripartite dialogue. The results presented in this bulletin provide a basis for drafting a few guidelines in this regard. Among young people who are not participating in the labour market, the greater tendency to remain studying full time for a longer period was highlighted, especially among young men. To take advantage of the positive impact of this phenomenon, it will require the implementation of public policies that ensure that this increased dedication to studies and education is in line with the demand for competencies in the production sector, while considering the growing need for the development of digital and transversal competencies, among other matters. The

opportunities for obtaining decent employment would thereby be promoted. Furthermore, in the case of young people who are already inserted in the labour market, this insertion is observed to be mainly in jobs with a decent work deficit, and there is evidence of greater instability and a certain deterioration of employment quality. An urgent objective therefore presents itself, which would be to establish an integrated framework of youth employment policies that, based on tripartite consultations, promote the transition of all young people to the formal economy, in line with the ILO's Transition from the Informal to the Formal Economy Recommendation, 2015 (No. 204).

Policies oriented at generating, accessing and remaining in decent jobs must consider gender inequalities in order to successfully respond to the challenges faced by young women. The pandemic has made it more than clear how the unequal distribution of care work plays a central role in the labour insertion of young women. Youth employment policies must therefore consider the specific challenges that women face.

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ANNEX

Sections II.A and II.C of this document present information about the determinants that affect the probability that a person might be unemployed and at risk of holding an informal job, respectively, among the youth population of Argentina. This Annex explains the methodology used.

The estimation of the determinants of the probability that a person might be both unemployed and occupying an informal wage-earning job focused on microeconomic factors. Thus, the impact of the individual characteristics of the working population were analysed, such as gender, age and education level, as well as the characteristics of the household and its income level. Moreover, in the case of the probability of occupying an informal wage-earning job, other variables were added, related to the branch of activity in which a person with a job operates. This analysis is based on several empirical studies that have used these types of microeconomic variables to explain the probability that young people might be unemployed (Veza and Bertranou 2011; Bertranou, Jiménez and Jiménez 2018) or that they might be holding an informal job (Bertranou, Jiménez and Jiménez 2018; Salazar-Xirinachs and Chacaltana 2018), respectively.

The determinants of the probability that a person might be unemployed or be holding an informal job were estimated separately for the sample of youths from 18 to 24 years of age and for the sample of adults from 25 to 64 years of age. The data used for this analysis are from the Permanent Household Survey (EPH) corresponding to the second quarter of 2021.

In the model that estimates the determinants of the probability that a person might be unemployed, the sample used is limited to

those persons who state that they are active (namely, employed or unemployed). In this model, the dependent variable is binary: it takes a value 1 if the person is unemployed and the value zero otherwise (meaning, if the person is employed). The vector of independent variables includes the following: age, gender, education level, attending an educational establishment, presence of minors under the age of 14 years in the household, employed spouse, type of household (nuclear, single-parent, extended-family), civil status, economic stratum of the household, poverty due to Unsatisfied Basic Needs (NBI) and number of household members.

In the model that estimates the factors that affect the risk of being informally employed, the sample includes all persons who have registered or unregistered wage-earning employment. In this model, the dependent variable is binary: it takes the value 1 if the person has an unregistered wage-earning job and the value zero otherwise (namely, the person has a registered wage-earning job). The vector of independent variables includes the same ones previously mentioned for the model of the probability that a person might be unemployed, and it also adds a variable to indicate the economic branch in which the wage earner works.

Both regressions are estimated using a Probit model, and they include fixed effects by region. The results of the estimation of the probability of unemployment and of the probability of holding an informal job are presented in Tables A.1 and A.2, respectively. In both tables, almost all the coefficients are observed to be statistically significant, and the goodness of fit is high.

TABLE A.1

Determinants of the probability of unemployment among the youth population aged 18 to 24 years and the adult population aged 25 to 64 years, Q2 2021

Variables	Unemployed vs employed persons	
	Youth population from 18 to 24 years	Adult population from 25 to 64 years
Age	-0.183*** (0.001)	-0.015*** (0.000)
Male	-0.138*** (0.006)	0.076*** (0.004)
Medium education level	-0.151*** (0.007)	0.293*** (0.004)
High education level	-0.424*** (0.021)	0.159*** (0.006)
Attends an educational establishment	0.422*** (0.006)	0.646*** (0.006)
Presence of minors under 14 years in the household	-0.792*** (0.007)	-1.116*** (0.004)
Presence of an employed spouse in the household	0.556*** (0.011)	-0.467*** (0.008)
Single-parent household	0.350*** (0.013)	-0.889*** (0.009)
Extended-family household	0.270*** (0.009)	-0.344*** (0.007)
Married	-1.118*** (0.009)	-0.436*** (0.005)
Low stratum	1.283*** (0.007)	2.338*** (0.005)
Middle stratum	0.400*** (0.008)	1.234*** (0.006)
NBI	-0.642*** (0.009)	-0.194*** (0.005)
Number of household members	0.136*** (0.002)	0.060*** (0.001)
Constant	2.011*** (0.036)	-2.336*** (0.015)
Observations	860 005	5 958 144
Pseudo R ²	0.124	0.140
Chi ² test	125 613	433 931

Note: Among the independent variables, the estimation includes a binary variable for each one of the regions of Argentina (fixed effects by region). Levels of significance: *significant at 10 per cent; **significant at 5 per cent; ***significant at 1 per cent.

Source: Own preparation based on the second quarter of the EPH.

TABLE A.2

Determinants of the probability of having an informal wage-earning job among the youth population aged 18 to 24 years and the adult population aged 25 to 64 years, Q2 2021

Variables	Informal wage-earning work vs formal wage-earning work	
	Youth population from 18 to 24 years	Adult population from 25 to 64 years
Age	-0.414*** (0.003)	-0.030*** (0.000)
Male	-0.973*** (0.009)	-0.508*** (0.003)
Medium education level	-0.360*** (0.012)	-0.689*** (0.003)
High education level	-0.969*** (0.022)	-1.036*** (0.005)
Attends an educational establishment	0.682*** (0.011)	0.294*** (0.005)
Presence of minors under 14 years in the household	0.236*** (0.012)	-0.199*** (0.003)
Presence of an employed spouse in the household	-0.827*** (0.020)	0.948*** (0.007)
Single-parent household	0.062*** (0.022)	1.059*** (0.007)
Extended-family household	0.124*** (0.016)	0.810*** (0.005)
Married	0.059*** (0.013)	-0.682*** (0.005)
Low stratum	0.262*** (0.011)	0.983*** (0.004)
Middle stratum	0.094*** (0.011)	0.132*** (0.004)
NBI	0.074*** (0.015)	0.195*** (0.004)
Number of household members	-0.018*** (0.004)	0.035*** (0.001)
Industry	-1.251*** (0.016)	-0.961*** (0.006)
Construction	2.580*** (0.022)	1.106*** (0.006)
Trade, restaurants and hotels	0.203*** (0.015)	-0.102*** (0.005)
Financial, real estate and business services	-1.513*** (0.019)	-0.507*** (0.006)
Public administration	-0.837*** (0.018)	-1.442*** (0.006)
Education and health	-0.088*** (0.019)	-0.710*** (0.005)
Not qualified	0.309*** (0.010)	0.485*** (0.004)
Constant	9.924*** (0.067)	-0.325*** (0.012)
Observations	469 692	3 988 027
Pseudo R ²	0.344	0.241
Chi ² test	221 490	1 131 000

Note: Among the independent variables, the estimation includes a binary variable for each one of the regions of Argentina (fixed effects by region). Levels of significance: *significant at 10 per cent; **significant at 5 per cent; ***significant at 1 per cent.

Source: Own preparation based on the second quarter of the EPH.



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