

International Labour Review

Contents

137 **Technological change and employment in Brazil, Colombia and Mexico: Which workers are most affected?**

John ARIZA and Josep Lluís RAYMOND BARA

This article adopts a task-based approach to analyse employment patterns in terms of skill distribution and occupations in the urban labour markets of Brazil, Colombia and Mexico during 2002–15. The results suggest that employment fell strongly for some medium-skilled occupations, and increased slightly for both low-skilled and high-skilled occupations. Decomposition results suggest that the decreasing share of employment of secretaries and stenographers is fully explained by changes within industries (routinization hypothesis), whereas the decrease in machinery operation and handicraft jobs is mainly explained by changes between industries. By socio-demographic group, technological changes negatively affected women but benefited younger workers and those with higher educational attainment.

Keywords: employment, skills, technological change, Latin America, Brazil, Colombia, Mexico.

161 **Labour market turnover in Latin America: How intensive is it and to what extent does it differ across countries?**

Luis BECCARIA and Roxana MAURIZIO

The study of labour market turnover is particularly significant in Latin America, which is characterized by marked economic cycles and limited social protection coverage. This article estimates the intensity of transitions from employment in six countries in Latin America in the new millennium and decomposes the differences observed, furthermore evaluating the employment destinations of workers making such transitions. The countries under analysis show very different turnover rates, which are mostly explained by a dissimilar incidence of informal and temporary employment. In all cases, a large share of job exits imply transitions to precarious jobs or unemployment.

Keywords: labour turnover, informal employment, Latin America.

195 **Photographs of young generations on the Dutch labour market**

Sonja BEKKER and Ioana POP

In the light of the decline of “standard” employment relationships in many countries and its particular effect on young people, this article provides a detailed analysis of the labour market trajectories of early-career workers in the Netherlands between 1985 and 2014, adopting the approach of the sequence analysis of life-course events. Using two indicators for instability (entropy and turbulence), the authors find that cohorts that entered the labour market after 2000, and particularly in 2008, experience greater employment status instability despite the flexicurity policies applied. Transitions into stable employment are the exception rather than the rule.

Keywords: youth employment, labour market flexibility, labour market instability, labour market transitions, life course approach, Netherlands.

217 **Inequality of opportunity and (unequal) opportunities in the youth labour market: How is the Arab world different?**

Ralitza DIMOVA and Karim STEPHAN

The Middle East and North Africa (MENA) labour market is emblematic of widespread youth unemployment and high discouragement rates, experiencing disproportionately high levels of unemployment among educated young people. Using ILO School-to-Work Transition Surveys for Egypt, Jordan and Tunisia, the authors explore whether this is related to inequality of opportunity or to deeper structural characteristics that create a mismatch between skill demand and supply on the labour market. The low availability of high-skilled jobs and the low value placed on skills gained through the system of vocational training are found to have high explanatory power.

Keywords: youth unemployment, transition from school to work, skill mismatch, inequality of employment opportunity, MENA region.

243 **Measuring the effect of matching problems on unemployment**

Ante FARM

This article shows how matching problems reduce employment figures – and hence also raise those for unemployment – by creating a gap between labour demand and employment. It also shows how this gap can be measured by unfilled jobs (unmet demand) as distinct from job vacancies (recruitment processes) and reports results from the Swedish vacancy survey which measures both. In fact, while a shift of the matching function indicating longer recruitment times suggests increasing matching problems, this can only be verified by measuring unfilled jobs, which also quantifies the effect on unemployment.

Keywords: job vacancy, unemployment rate, Beveridge curve, matching function.

259 **How does labour share respond to risk? Theory and evidence from the Chinese industrial sector**

Jingxian ZOU, Guangjun SHEN and Shen JIA

This study discusses the role of firm risk in the declining labour share in China. Based on the model developed by Holmström and Milgrom (1987), the authors demonstrate that lower firm risk can motivate workers to work harder, leading to higher output per worker and average wage. However, increased output will lower the labour share. Using data from the Chinese Industrial Enterprises Database for the period 1998–2007 and the World Bank’s Investment Climate Survey 2005, empirical evidence supports this hypothesis and performs robustly across various model specifications and proxies for firm risk, indicating a positive correlation between labour share and firm risk.

Keywords: labour share, firm risk, contract theory, industrial sector, China.

Book reviews

- 283 *Principled labour law: U.S. labour law through a Latin American method*,
by Sergio Gamonal C. and César F. Rosado Marzán.

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