GLOBAL LABOUR MARKET INEQUALITIES AND POPULATION HEALTH:
An analysis of American countries

Carles Muntaner
DLSPH, University of Toronto
Edwin Ng
Centre for Research in Inner City Health, St. Michael’s Hospital

Today’s Presentation

• Labour Market Equity (gender, working poor) is heterogeneous in LAC (Milanovic; Montesinos)
• Labour Market Inequalities are associated with Health in LAC
• Universal social protection could mitigate the negative effect of Labour Market Inequalities on Health in LAC

Background

• Existing studies have:
  — Proposed a global typology of labor markets to explain global inequalities in population health (Chung et al. 2010).
  — Refined this typology to focus on labor market regulations and population health among LMICs (Muntaner et al. 2012).
• We advance this work in new ways by specifically focusing on the health effects of labour market inequalities on among PAHO nations.

Objectives

• Guided by world-systems theory, we
  — Use indicators of labor market inequalities to generate distinct clusters among 48 PAHO countries.
  — Examine the empirical associations between:
    • Labour market inequalities and population health; and
    • Country clusters and multiple population health indicators.

Methods I

• Using the World Bank’s 2010 GNIpc, we coded code 48 countries into one of the 5 groups and then 3 world-system positions:

<table>
<thead>
<tr>
<th>Income Group</th>
<th>World System Position</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low income ($≤1,000)</td>
<td>&quot;Periphery&quot;</td>
</tr>
<tr>
<td>Low-middle income ($1,006 - $3,975)</td>
<td>&quot;Periphery&quot;</td>
</tr>
<tr>
<td>Upper middle income ($3,976 - $12,275)</td>
<td>&quot;Semi-periphery&quot;</td>
</tr>
<tr>
<td>High income ($≥12,276, non-OECD)</td>
<td>Core</td>
</tr>
<tr>
<td>High income ($≥12,276, OECD)</td>
<td>Core</td>
</tr>
</tbody>
</table>

Methods II

• Each country’s ‘degree of labour market inequality’ was measured using 3 variables:
  – Income ratio between female and male workers;
  – Labour force participation gap between female and male workers; and
  – Proportion of working poor.
• Reliability of labour market indicators was assessed with Cronbach’s alpha.

Methods III

• Using principal component analysis, we created a single factor score for each country to represent ‘labour market inequality’.
• Using these factors scores and Ward’s linkage hierarchical cluster analysis, we identified distinct country clusters within each world-system region.

Methods IV

• Measured the association between distribution labour market inequalities and population health using Pearson product-moment correlations.
• Conducted one-way ANOVAs for each health outcome to test for differences among country clusters.
Methods V

• Health outcomes are retrieved from PAHO’s Regional Core Health Data Initiative, Table Generator System, including:
  – life expectancy at birth (both sexes, female, male),
  – mortality rate (per 100,000; both sexes, female, male),
  – infant mortality (per 1,000 live births),
  – under-5 mortality (per 1,000 live births), and
  – maternal mortality ratio (per 100,000 live births).

Results - PAHO Countries Classified into World System Positions (N = 48)

<table>
<thead>
<tr>
<th>Core (n = 2):</th>
<th>Canada, United States</th>
</tr>
</thead>
<tbody>
<tr>
<td>Semi-Periphery (n = 34):</td>
<td>Anguilla, Antigua and Barbuda, Argentina, Aruba, Bahamas, Barbados, Bermuda, Brazil, Cayman Islands, Chile, Colombia, Costa Rica, Cuba, Dominica, Dominican Republic, Ecuador, Grenada, Jamaica, Martinique, Mexico, Monsterrat, Netherlands Antilles, Peru, Puerto Rico, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, Suriname, Trinidad and Tobago, Turks and Caicos Islands, Uruguay, Venezuela, Virgin Islands (UK), Virgin Islands (US)</td>
</tr>
<tr>
<td>Periphery (n = 12):</td>
<td>Belize, Bolivia, El Salvador, French Guiana, Guadalupe, Guatemala, Guyana, Haiti, Honduras, Nicaragua, Panama, Paraguay</td>
</tr>
</tbody>
</table>

Results - Clustering of Semi-Periphery Labour Markets

Table 3: Cluster Analysis - Semi-Periphery Countries

Results - Clustering of Periphery Labour Markets

Table 4: Cluster Analysis - Periphery Countries
Results – Labour Market Clusters

1. Liberal – e.g., US, Canada.
2. Residual – e.g., Antigua and Barbuda, Virgin Islands (UK and US).
3. Strong Emerging – e.g., Brazil, Chile, Dominican Republic, Mexico, Venezuela.
4. Weak Emerging – Bolivia, Panama, Paraguay.

Results - Labour Market Inequalities and Population Health

• Correlation results found that:
  – increases in labour market equality were significantly correlated with increases in life expectancy (both sexes, female, male); and
  – decreases in rates of estimated mortality, adjusted by age (both sexes, female, male), infant mortality and under-5 mortality.

Results – Labour Market Clusters and Life Expectancy

<table>
<thead>
<tr>
<th>Labour Market Cluster</th>
<th>Female Life Expectancy</th>
<th>Male Life Expectancy</th>
<th>Life Expectancy (Both sexes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Liberal</td>
<td>82.5</td>
<td>78.1</td>
<td>80.3</td>
</tr>
<tr>
<td>Residual</td>
<td>79.7</td>
<td>74.7</td>
<td>77.1</td>
</tr>
<tr>
<td>Strong Emerging</td>
<td>78.2</td>
<td>74.9</td>
<td>79.7</td>
</tr>
<tr>
<td>Weak Emerging</td>
<td>75.2</td>
<td>71.4</td>
<td>77.1</td>
</tr>
<tr>
<td>Informal</td>
<td>72.6</td>
<td>67.9</td>
<td>70.8</td>
</tr>
</tbody>
</table>

Source: PAHO. Regional Core Health Data Initiative. Table Generator System (A.12, latest year available).

Results – Labour Market Clusters and Mortality Rates

<table>
<thead>
<tr>
<th>Labour Market Cluster</th>
<th>Female Mortality Rate</th>
<th>Male Mortality Rate</th>
<th>Mortality Rate (Both sexes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Liberal</td>
<td>5.2</td>
<td>7.1</td>
<td>6.0</td>
</tr>
<tr>
<td>Residual</td>
<td>4.7</td>
<td>5.8</td>
<td>5.4</td>
</tr>
<tr>
<td>Strong Emerging</td>
<td>4.1</td>
<td>4.9</td>
<td>4.7</td>
</tr>
<tr>
<td>Weak Emerging</td>
<td>5.8</td>
<td>7.5</td>
<td>6.5</td>
</tr>
<tr>
<td>Informal</td>
<td>4.0</td>
<td>5.7</td>
<td>4.8</td>
</tr>
</tbody>
</table>

Source: PAHO. Regional Core Health Data Initiative. Table Generator System (C.12, latest year available).
Results – Labour Market Clusters and Child Health Outcomes

Results – Post hoc Tukey’s HSD Tests

1. Liberal (e.g., US) vs. Informal (e.g., Haiti)
2. Liberal (e.g., US) vs. Weak Emerging (e.g., Panama)
3. Residual (e.g., Antigua and Barbuda) vs Informal (e.g., Haiti)

Results – One-way ANOVAs

- All eight population health outcomes differed significantly across the five clusters:
  - LE, $F(4, 43) = 4.65, p = 0.01$;
  - FLE, $F(4, 43) = 3.48, p = 0.05$;
  - MLE, $F(4, 43) = 5.29, p = 0.01$;
  - MR, $F(4, 43) = 3.00, p = 0.05$;
  - FMR, $F(4, 43) = 2.66, p = 0.05$;
  - MMR, $F(4, 43) = 2.95, p = 0.05$;
  - IMR, $F(4, 35) = 3.98, p = 0.01$; and
  - USR, $F(4, 34) = 4.79, p = 0.01$.

Conclusion I

- Results suggest that heterogeneous PAHO country clusters based on labour market inequalities are significantly related to population health outcomes (Milanovic).
- Associations are most consistent and advantageous among Liberal (e.g. U.S.) and Residual (e.g., UK and US colonies) labour markets.
- It might be too early to find clusters of LM inequalities based on political economic orientation (Montesinos).
Conclusions II

Policy Options

- Labour market interventions:
  - Mobilization of labour movements?
  - Institutionalization of welfare states?
  - Formalization of informal sectors?
  - Limiting foreign investments and corporate influence?
  - Re-negotiating/appealing trade agreements?
  - Promoting worker cooperatives?
  - Increasing rates of female labour force participation?
  - Flexicurity Labor Markets (high social protection with deregulated labor markets)? (Afzal Muntaner Schrecker et al 2013)

Definition: “a carefully balanced combination of flexibility where it matters for job creation, and protection where it is needed for social security ... based on the co-ordination of employment and social policies” (Viebrock & Clasen, 2009)

Flexicurity

- European Expert Group on Flexicurity has identified four “flexicurity pathways,” relative importance of which will vary among countries:
  a) Reducing contractual “segmentation,” e.g. between full- and part-time or permanent & temporary workers;
  b) Offering security during transitions between jobs (i.e. replacing job security with employment security)
  c) Addressing skills and opportunity gaps among the workforce
  d) Improving opportunities for benefit recipients and informally employed workers

- Most closely identified with continental Europe: Denmark and the Netherlands, in particular
• High levels of economic security, with relatively generous unemployment insurance benefits, but also

• A substantial “activation” requirement: after one month, unemployed workers “enter a regime of mandatory activities such as interviews, counselling and monitoring of active job seeking,” and enrolment in training is required after six or nine months (Madsen, 2008)

• Unemployment dropped in Denmark from more than 12% in 1993 to 3.4% in 2008

Selected policy options: Flexicurity – the Danish case

• Denmark has largely avoided creating a low-wage, marginalized segment of the labour market (Viebrock & Clasen, 2009), but at a cost in terms of public expenditure, and some of the successes of flexicurity may be due to other aspects of labour market policy, as the Danish pattern of relatively few low-wage jobs in comparison to a number of other high-income countries long pre dates the flexicurity reforms (Mason & Salverda, 2010)
Denmark: An Empirical Assessment

• Low level of employment protection legislation, high investment in labour market policies and strong system of social protection

• Frequent transitions between jobs and high level of short-term unemployment rates

• Issues of sustainability, rising expenses for activation programmes.

• Comparatively high level of job satisfaction

• Very good economic performance, level of competitiveness etc.

Selected policy options (I): Flexicurity – some comparisons

<table>
<thead>
<tr>
<th></th>
<th>Denmark</th>
<th>OECD total, where available</th>
<th>Canada</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unemployment rate, %</td>
<td>6.1</td>
<td>8.3</td>
<td>8.4</td>
</tr>
<tr>
<td>Youth unemployment, %</td>
<td>11.2</td>
<td>16.4</td>
<td>15.3</td>
</tr>
<tr>
<td>Poverty (50% of median income, mid-2000s, %)</td>
<td>5.3</td>
<td>10.6</td>
<td>11.7</td>
</tr>
<tr>
<td>Unemployment benefits, % of previous earnings</td>
<td>47.7</td>
<td>24.7</td>
<td>11.7</td>
</tr>
<tr>
<td>Public spending on labour market policies, % of GDP (2008)</td>
<td>2.6</td>
<td>1.4</td>
<td>1.0</td>
</tr>
<tr>
<td>Union membership %</td>
<td>69.1</td>
<td>29.4</td>
<td></td>
</tr>
</tbody>
</table>

All figures for 2009 unless otherwise stated. Source: OECD

Crossing the Labour/Capital Divide?

• Values/Interests: Flexibility vs. Security

• Strategies: Corporatism vs. Labor movement approach

• Policies: Social Policy vs. Labor Market Policy

(Afzal, Muntaner, Schreker, et al IJHS 2013)

Flexicurity in Other European Countries

• Tendency toward emphasizing flexibility at the expense of security (see case of Czech Republic)

• Practice of “selective flexicurity”

• Different levels of health risk associated with different forms of non-standard employment (see Germany)

• Need for a common framework (age, gender, migration ethnicity, types of NSWA eg precarious employment)

• Need for a realist approach (Muntaner AJE 2013)