Labor heterogeneity and processes of impoverishment in Argentinian households (2003-2017)

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Abstract

The persistence of high poverty levels in Latin America, after a decade of retraction, brings the issue back to the center of the regional social agenda. This paper examines various factors that reproduce poverty, based on the Argentinian case. Using a quantitative design and multivariate techniques, this study explores the effects of structural heterogeneity of occupational systems in household economic reproduction under different political-economic phases. The results demonstrate the persistence of marked inequalities in occupational structure –even after a period of high growth– and the rigidity of the employment income distribution pattern. The heterogeneity of the occupational structure determines the reproductive capacities of households and causes selective processes of impoverishment.

Keywords: poverty; household reproduction; structural heterogeneity; income distribution; occupational structure.

1. INTRODUCTION [1]

The persistence of high poverty rates in a region marked by a deep-seated pattern of inequality constitutes one of the primary challenges for the contemporary Latin American social agenda (CEPAL, 2019). During the first decade of the 2000s, most Latin American countries reduced distributive inequality and poverty, in the context of economic growth made possible by the commodities boom as well as the implementation of redistributive social and employment policies. However, this trend has since stagnated and been partially reversed in recent years (Gasparini *et al*., 2016).[2]

From this perspective, it is worth asking about the configuration of structural factors that seem to recurrently limit social convergence in terms of living conditions. The Argentinian case provides an appropriate context from which to draw evidence in this regard: in recent decades, the recreation of a cyclical process stands out, which—even under changing socio-political conditions—reproduces higher levels of poverty than those seen with the model of industrialization by import substitution (Tuñón and Salvia, 2018).[3]

The aim of this paper is to evaluate the hypothesis that the heterogeneity of the economic-occupational structure reproduces a rigid pattern of socio-occupational inequality which directly impacts families' livelihood skills. From a structuralist theoretical perspective, given the absence of change in the productive matrix of Argentinian capitalism (Castells and Schorr, 2015), economic growth would have been insufficient to alter disparities in sectoral productivity and favor the absorption of the workforce from dynamic sectors into those that are the most behind (Bárcena and Prado, 2016; Rodríguez, 2001). The persistence of occupations linked to the micro-informal sector and the insufficient demand for quality employment would have provoked "selective impoverishment processes" that would affect households whose workforces are inserted in such employment positions.

Internationally, there is growing interest in the relationship between employment and living conditions, especially in light of the emergent "working poor" phenomenon in developed countries (Lohmann and Crettaz, 2017). At the regional level, this question has extensive antecedents, such as contributions regarding "marginality" (Nun, 2003 [1969]) and the "informal sector" (PREALC, 1978), as well as those addressing living conditions, family strategies and processes of household reproduction [4] (Borsotti, 1981; Oliveira and Salles, 2000; Torrado, 2006).

In Argentina, research has been undertaken to analyze the characteristics of poverty and its relationship with certain types of employment (Beccaria *et al*., 2009; Maurizio, 2012), while other studies address the reproduction of the work force in relation to structural economic processes, social stratification and state intervention modalities (Águila and Kennedy, 2015; Cortés and Marshall, 1991; Kornblihtt *et al*., 2014; Torrado, 2010).

In recent years, various studies have analyzed poverty rates and trends (CIFRA, 2015; Gasparini *et al*., 2019; ODSA, 2015), though its explanatory factors have been less explored.

In accordance with this previous work, the present paper focuses on the socio-occupational determinants of impoverishment processes, using a quantitative approach based on semi-annual microdata from the Permanent Household Survey (PHS) by the National Institute of Statistics and Censuses [Spanish acronym INDEC], for the periods of 2003 and 2017. Two theoretical-methodological strategies are utilized. First, given the theoretical ambiguity of the notion of "poverty," the focus is household economic reproduction and their "livelihood skills" in relation to employment income (rather than total income, as is typical [5]). Additionally, distinct political-economic phases are compared, in order to identify a network of

structural factors that—beyond the current situation—affect the livelihood deficit. This dual strategy makes it possible to link impoverishment processes to enduring aspects of socio-occupational inequality.

The paper is structured as follows. In the second section, the theoretical-methodological strategy is presented. The third section describes recent political-economic cycles and concurrent changes in the economic-occupational insertion of the household workforce. The fourth section analyzes how conditions of structural heterogeneity within economic-occupational systems affect household economic reproduction capacities. Lastly, the paper closes with a set of final reflections.

2. THEORETICAL-METHODOLOGICAL STRATEGY

The difficulty of anchoring the concept of poverty within a defined body of theory is often pointed out (Feres and Mancero, 2001). The present work draws from a genealogy in Latin American sociology which addressed living conditions using the analysis of "household social reproduction" and the workforce (Borsotti, 1981; Oliveira and Salles, 2000; Torrado, 2006). The reproduction of household groups constitutes a complex object that includes material and symbolic dimensions, and refers to two overlapping cycles: one "quotidian," linked to the maintenance and satisfaction of needs for food, housing, healthcare, etc. (Borsotti, 1981); and another "generational," encompassing the biological, psychological and cultural reproduction of household members (Oliveira and Salles, 2000).

Within this complex context, the economic, or material, dimension is addressed. While in capitalist societies the means to satisfy needs are commercialized (Polanyi, 2011 [1944]), one factor related to economic reproduction is the availability of monetary income to access goods and services, according to the composition and life cycle of the home (Montoya García, 2017). In other words, for the vast majority of households, economic reproduction concerns the deployment of the available workforce, the diversification of income sources and the degree to which the amounts earned allow for the satisfaction of their members' needs.

This article approaches living conditions based on an assumption present in the Latin American historical-structural perspective (Torrado, 2006) and in neo-Marxist contributions to regimes of accumulation (McDonough *et al.*, 2010): occupational structure is central to determining living conditions.[6] Therefore, the question of economic reproduction is inserted into the more general context of inequality-generating processes in peripheral societies. The structuralist perspective seeks to decipher how the characteristics of development in peripheral countries are interwoven with distributive processes and well-being (Rodríguez, 2001). In this sense, the concept of structural heterogeneity (Pinto, 1976) allows us to understand economic-occupational dynamics and their impact on socioeconomic inequality. Such heterogeneity refers to the existence of productivity gaps between sectors and branches, deriving from unequal capacities to absorb and promote technical changes (Bárcena and Prado, 2016; Pinto, 1976; Rodríguez, 2001). The result is a pattern of rigid distributional inequality and the reproduction of surplus labor.

Thus, the heterogeneity of the production structure "translates into a situation of heterogeneity in employment" (PREALC, 1978, p. 8). Occupational positions coexist in modern strata and in a broad sector of micro-units (the "informal sector") and livelihoods (Tokman, 1987)[7], or—in extreme cases—in conditions of "economic marginality" (Nun, 2003 [1969]; Salvia, 2016). The "segmentation" of the labor market (Piore, 1972) is reinforced by structural heterogeneity; less productive units use labor under precarious conditions and, therefore, production segmentation is "recreated" at the level of labor relations (Bárcena and Prado, 2016).

According to the above, the argument is that economic-occupational inequality, which is linked to the heterogeneity of the occupational structure, would have broad consequences on the economic reproduction capacities of workers' households. To evaluate this hypothesis, the household labor force's forms of insertion in different occupational positions and their participation in the distribution of employment income are analyzed. A typology is presented of economic-occupational insertion forms, which gives priority to: forms pertaining to different levels of productivity (differentiating between micro-establishments, medium and large companies and public sector facilities)[8]; qualifying the task (distinguishing between professionals and non-professionals); the employment category (which differentiates salaried workers with employers from self-employed workers); and, lastly, the employment segments (which disaggregates between registered and unregistered employees with social security) (see figure 1). For this analysis, the household was assigned to the position occupied by its primary breadwinner (PBW, hereinafter)—the member with the highest income—although other members' insertions were also considered.

Figure 1. Types of economic-occupational insertion and operational definitions

Private formal sector

Non-salaried employees and managers in the private formal sector	Employers at formal businesses (more than five employees) or at microbusinesses (up to five employees), but with professional qualifications.
	Self-employed workers with professional qualifications.
	Salaried employees in management positions at private businesses
Registered salaried employees in the formal sector	Salaried employees with retirement deductions at businesses with more than five workers.
Unregistered salaried employees in the formal sector	Salaried employees without retirement deductions at businesses with more than five workers.

Public sector

Public sector employees	Salaried employees in the public sector

Micro-informal sector [a]

Non-salaried workers in the micro-informal sector	Employers at micro-businesses (up to five employees) without professional qualifications; Skilled self-employed workers with own capital.
	Self-employed workers without qualifications or without own capital.
Registered salaried employees in the micro-informal sector	Salaried employees in micro-businesses (up to five employees) or in domestic service, with retirement deductions.
Unregistered salaried employees in the micro-informal sector	Salaried employees in micro-businesses (up to five employees) or in domestic service, without retirement deductions.

The unemployed and employment plans

Beneficiaries of employment plans [b]	Employed people whose main occupation is an employment plan.
Unemployed	People who report that they are actively looking for work.

Notes: [a] Financial and business activities and the education and healthcare branches were excluded by definition. [b] Includes those who declare in the PHS that their primary occupation is an employment plan.

Source: prepared by the author based the INDEC PHS.

To address economic reproduction capacities, a two-part strategy was used. First, the amount of family income that households collect from sources of employment, given the participation of their members in the labor market, were considered. An analysis was performed of this quantity's progression in real terms and the inequality seen in its distribution. Secondly, a resource used in studies of poverty was utilized—access to the value of a basket of goods and services that incorporates the reproductive needs of the household according to its composition and life cycle, the so-called "Total Market Basket" (TMB). The comparison of family income from sources of employment with the TMB's value allowed for a delimitation of "livelihood skills" or levels (as multiples of the basket), and those households that did not meet their needs with their work income were defined as being in a deficit situation.

The data comes from the PHS microdata corresponding to the second semester of a series of years that serve as an observation window. Starting in 2016, changes were made in how to treat income not declared in the PHS. Given its implications for the comparability of results, in this paper the imputation method for the entire series was standardized. Meanwhile, the institutional irregularity that INDEC underwent between 2007 and 2015, and the discontinuation of the publication of basic baskets (INDEC, 2016), required the reconstruction of a series that allowed for the evaluation of households' livelihood skills. Given their relevance, these choices are explained below in the Methodological appendix.

3. MACROECONOMIC CYCLES AND THE INSERTION OF HOUSEHOLD WORKFORCES IN ECONOMIC-OCCUPATIONAL STRUCTURES

In Latin America, the first decade of the 2000s was characterized by an increase in disposable income, a reduction in unemployment and poverty, and the expansion of states' fiscal space. During the second decade of the century, on average, these trends slowed and were partially reversed (CEPAL 2019). Within this regional context, three political-economic cycles can be identified in Argentina, each with very different results in terms of economic growth and well-being (see graph 1).

a) During the "post-devaluation growth" stage (2003-2008), the abandonment of fixed parity with the dollar (which characterized the convergence model of the 1990s), the external debt default and a marked devaluation of the exchange rate favored an intense recovery (Castells and Schorr, 2015). The competitive exchange rate stimulated exports, and simultaneously boosted activities linked to the domestic market and import substitution. This period was characterized by the recovery of the per capita GDP (which grew 38% between 2003 and 2008), an increase in registered employment and the reduction of unemployment and the poverty rate (which dropped from 57.2 to 33.5%). However, these new

macroeconomic rules were not enough to promote a structural change in Argentinian capitalism. A specialization in the export of agribusiness commodities and the exploitation of natural resources would have consolidated the "structural duality" (Wainer and Schorr, 2015).

b) The international crisis had an impact in 2009, interrupting the previous trends. After applying a series of expansionary fiscal policies, a new cycle of economic growth could be recreated (Kulfas, 2016). This wager increased the public deficit, which fueled inflation and damaged the exchange rate's competitiveness, which had been one of the pillars of the preceding period. In this phase of "crisis and recovery" (2009-2011), an "external restriction"—the lack of foreign exchange to meet import needs—reappeared, accentuated by capital flight and an energy deficit (Wainer and Schorr, 2015). During this period, the poverty rate fell again, although at a slower rate (dropping from 31.1 to 25%), thanks to economic growth and the intensification of redistributive social policies (including more pension coverage and the implementation of conditional cash transfers).

c) After the growth boom of the 2010-2011 biennium, the economy entered a phase of "stagnation with inflation" (2012-2017), characterized by the succession of short cycles of weak expansion and crisis. To face external restriction, between 2011 and 2015 an exchange control strategy was implemented that nonetheless did not underpin a sustained growth cycle, and was not enough to control inflation (Kulfas, 2016). The pressure on the exchange rate led to a sharp devaluation in early 2014 with recessionary and inflationary effects. In late 2015, a new government released the exchange rate and updated the rates for public services, which fueled inflation and did not induce a growth cycle. Between 2011 and 2017, the per capita GDP fell almost 4%, the price index tended to grow, and the poverty rate remained stable or grew after sudden exchange rate devaluations (in 2014, 2016 and 2018).

Graph 1. Changes in GDP per capita[a] (a), the inflation rate[b](b) and poverty[c] (d)
under different political-economic cycles. Argentina, 2003-2018 (in index numbers and percentage)
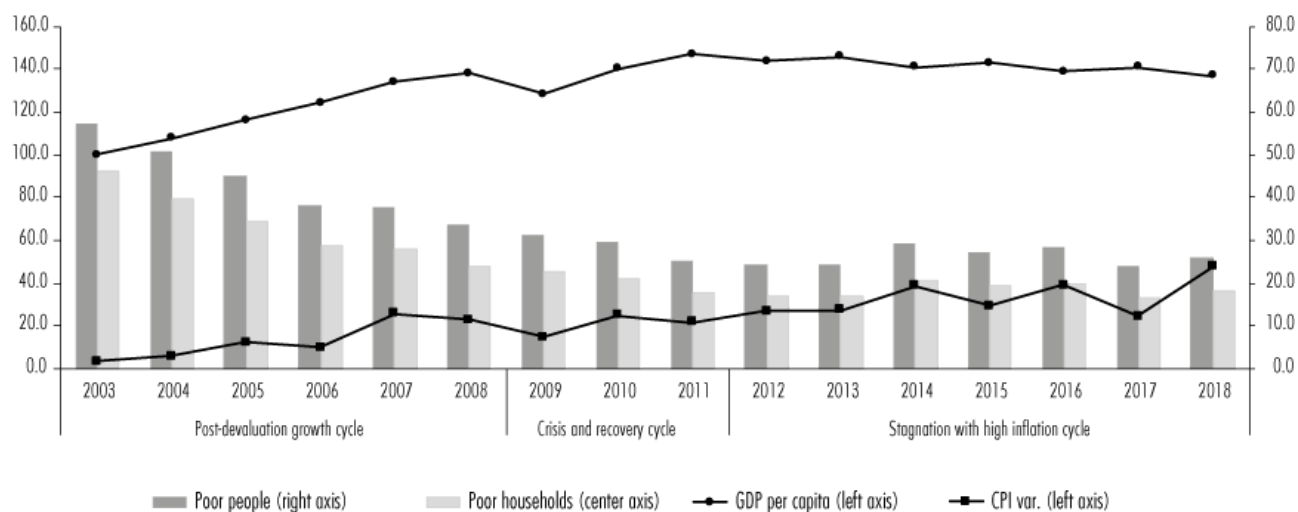
Notes: [a] prepared by the author based on INDEC (base year 2004 and 2016 revision).
The 2003 data were obtained by splicing the 1993 series; [b]for the period of 2003-2006,
INDEC was used, for 2007-2015, an INDEC was used, and for 2007-2015, an alternative to the
official price index (CPI-GB) was used; [c] Prepared by the author based on INDEC
PHS microdata (second semesters). The procedure used to calculate both indicators is described in the
Methodological Appendix; [d] In 2007, only the fourth quarter is included due to the lack of
microdata from the third quarter; in 2015 and 2018 this corresponds to the first semester.

Table 1 analyzes household participation in the economic-occupational structure based on the position of their primary breadwinner during the different phases listed. The table reveals two overlapping dynamics: first, an increase in the proportion of households with participation corresponding to salaried positions in the formal public and private sector via their primary breadwinner. In particular, the percentage of households whose PBW was salaried and registered for social security increased.[9] This was accompanied by the no less significant reduction in the proportion of households headed by an unemployed person (or a beneficiary of an employment plan), and by a very meager retraction of those headed by a worker from the micro-informal sector. Some scholars consider these changes to be part of a "social recomposition" during this period (Dalle, 2012, p. 91).

Table 1. Household distribution by PBW's economic-occupational position.
Households with an active PBW, total urban agglomerations, Argentina 2003-2017 (in percentages)

	Post-devaluation growth		Crisis and recovery		Stagnation and high inflation	
	2003	2008	2009	2011	2012	2017
Private formal sector	39.1	47.1	46.6	48.8	45.9	45.1
Non-salaried employees and managerss	5.5	5.7	5.5	5.5	5.3	5.5
Salaried employees	33.5	41.4	41.1	43.3	40.6	39.7
Registered	24.8	32.7	32.9	35.0	33.3	32.0
Unregistered	8.7	8.7	8.2	8.2	7.3	7.7
Public sector	15.7	16.7	17.3	17.5	18.9	19.2
Micro-informal sector	35.8	33.8	33.3	31.6	33.2	33.2
Non-salaried workers	19.3	18.3	18.0	16.6	17.9	18.5
Salaried employees	16.6	15.5	15.3	15.0	15.3	14.6
Registered	3.7	4.7	4.8	4.7	5.1	4.8
Unregistered	12.8	10.8	10.5	10.3	10.2	9.8
Unemployed and beneficiaries of employment plans	9.4	2.5	2.8	2.1	2.0	2.5
Total	100.0	100.0	100.0	100.0	100.0	100.0

Source: prepared by the author from INDEC PHS microdata corresponding to the second semester of each year.

Subsequently, after the changes observed between 2003 and 2008, transformations of the economic-occupational structure slowed down significantly. In fact, during the cycle of stagnation and high inflation (2012-2017), a decline can be observed with respect to previous trends—reflected in an increase in the proportion of households headed by a worker in the micro-informal sector, an unemployed worker or a beneficiary of an employment plan.

Since the focus of this inquiry is households, the preceding analysis should be complemented with the characterization of other household members' forms of economic-occupational insertion. From a sustained analytical approach, the structural processes linked to labor demand would be dominant in their ability to access jobs in different economic-occupational sectors. Consequently, although it is possible that economic-occupational positions are combined within households, a portion of them would have remained exclusively linked to positions in the micro-informal or low-productivity sector (see Table 2).

Table 2. Household distribution by economic-occupational position of all active members.
Households with an active PBW, total urban agglomerations, Argentina 2003-2017 (in percentages)

	Post-devaluation growth		Crisis and recovery		Stagnation and high inflation	
	2003	2008	2009	2011	2012	2017
Households in formal sector [a]	34.6	45.2	44.3	46.5	46.3	45.4
Households with mixed positions	26.1	25.0	25.6	25.2	24.4	24.4
PHS in formal sector and employed members in micro-informal sector [a]	20.1	18.6	19.6	19.8	18.5	19.0
PBW in micro-informal sector [a] and employed members in formal sector	5.9	6.4	6.0	5.5	5.9	5.5
Households in micro-informal sector [b]	39.3	29.8	30.1	28.2	29.3	30.2
Total	100.0	100.0	100.0	100.0	100.0	100.0

Notes: [a] All employed members of the household have positions in the public or private formal sector (does not include unemployed members and beneficiaries of employment plans); [b] Includes unemployed members and beneficiaries of employment plans.
Source: prepared by the author from INDEC PHS microdata corresponding to the second semester of each year.

It is evident that the post-devaluation growth phase (2003-2008) led to transformations in forms of economic-occupational sectoral insertion, considering now not only the position of the PBW but also the entire active labor force available in a household. The proportion of domestic units where all members were exclusively inserted into the public or private formal sector increased. However, there is also a persistent fragmentation of occupational insertion modes: around a third of households only participated in the micro-informal sector. Furthermore, this pattern did not change significantly after 2008.

To summarize, one could speak of a "doubly limited" recomposition of the economic-occupational structure during this period—in temporal and social terms. First, in temporal terms, it was limited because it was restricted to the most dynamic years of the period. Second, in social terms, it was limited because a large group of households was unable to access jobs in the most active economic-occupational sectors. In this way, a "dual" socio-occupational dynamic associated with structural heterogeneity would have persisted.

4. HETEROGENEITY OF OCCUPATIONAL STRUCTURES, DISTRIBUTION OF EMPLOYMENT INCOME AND HOUSEHOLD LIVELIHOOD SKILLS

In what way do the economic-occupational system's conditions of structural heterogeneity, as described above, affect the economic reproduction capacities of households? In the last row of Table 3, the evolution of family income from a real employment source is presented. Three clearly differentiated stages are distinguished: a rapid recomposition of income between 2003 and 2008 (an increase of 37%); a further increase until 2011 (50% higher than in 2003); and a retraction stage, between 2012 and 2017 (39% higher than 2003).[10]

Table 3 allows for an analysis of inequality gaps in the different subperiods. Only during the post-devaluation growth cycle (2003-2008) was there a tendency to reduce inequality gaps in family income from an employment source.[11] After this initial retraction, the relative gaps were consolidated. Households headed by a worker in the micro-informal sector remained at a marked disadvantage in distributive terms. It would be possible to include in this trend households headed by an unregistered salaried employee in the formal sector.

Table 3. Performance and inequality gap of family income from an employment source according to economic-occupational position of PBW.
Households with an employed PBW, total urban agglomerations, Argentina 2003-2017 (average income=1).

	Post-devaluation growth		Crisis and recovery		Stagnation and high inflation	
	2003	2008	2009	2011	2012	2017
Private formal sector	1.24	1.13	1.13	1.13	1.12	1.14
Non-salaried employees and managers	2.27	1.73	1.79	1.71	1.59	1.63
Registered salaried employees	1.17	1.13	1.12	1.13	1.12	1.14
Unregistered salaried employees	0.78	0.77	0.72	0.74	0.74	0.78
Public sector	1.24	1.28	1.32	1.30	1.28	1.28
Micro-informal sector	0.64	0.68	0.66	0.63	0.68	0.65
Non-salaried workers	0.73	0.76	0.73	0.69	0.71	0.71
Registered salaried employees	0.83	0.86	0.82	0.79	0.88	0.78
Non-registered salaried employees	0.45	0.44	0.46	0.45	0.52	0.49
Total	1.00	1.00	1.00	1.00	1.00	1.00
Performance (2003=100)	100	137	141	150	148	139

Source: prepared by the author from INDEC PHS microdata corresponding to the second semester of each year.

The growth of family income seems to have passed through the "sieve" of a relatively rigid pattern of economic-occupational inequality—the inequality associated with occupational heterogeneity maintained significant stability. The structuralist approach makes this process intelligible: economic growth can have positive effects on real income, but be insufficient to reverse a logic of inequality derived from the coexistence of highly differentiated productivity strata.[12]

Under the proposed approach, the extent to which such income was sufficient to satisfy household needs and to avoid vulnerability to "livelihood skill deficits" is assessed. For this purpose, employment income is compared with the TMB and different capacities or livelihood levels are defined based on employment income, which are expressed as multiples of the basket. Table 4 presents the proportion of households with deficits in livelihood skills (with employment income below the value of a TMB) and that are in a situation of "risk" or "vulnerability" (those whose income covers between 1 and 1.5 of the TMB) (Cecchini and Martínez, 2011). We find a consistent pattern related to the changes in income previously observed: between 2003 and 2008,

the proportion of households with deficits fell sharply (from 48.9 to 29.9%); between 2008 and 2011 it declined again, although at a slower rate (from 29.8 to 23.6%), and increased again in 2017 (rising to 24.4%). For their part, the prevalence of households at risk remained stable (16.3 and 17.6% between different points in the period).

Table 4. Livelihood skills based on employment income[a] according to PBW's economic-occupational position.
Households with an employed PBW, total urban agglomerations, Argentina 2003-2017 (in percentages of each economic-occupational position)

	2003			2008			2011			2017		
	< 1.00	1.00 - 1.49	≥ 1.5	< 1.00	1.00- 1.49	≥ 1.5	< 1.00	1.00 - 1.49	≥ 1.5	< 1.00	1.00- 1.49	≥ 1.5
Private formal sector	38.5	17.6	43.8	22.0	18.0	59.9	16.2	16.6	67.2	16.6	18.0	65.4
Non-salaried employees and managers	7.9	9.6	82.5	4.8	6.1	89.2	2.7	6.8	90.5	10.8	12.4	76.8
Registered salaried employees	37.2	21.2	41.5	18.8	20.3	60.9	12.8	17.8	69.4	42.7	20.0	37.3
Unregistered salaried employees	61.7	12.4	25.9	45.2	17.4	37.4	39.6	18.0	42.4	24.4	17.6	58.1
Public sector	34.7	19.0	46.3	14.7	15.3	70.0	9.4	12.8	77.8	5.7	3.9	90.5
Micro-informal sector	66.5	13.7	19.9	48.1	17.8	34.2	42.9	18.4	38.6	42.7	20.0	37.3
Non-salaried workers	63.1	14.6	22.3	43.1	17.1	39.8	38.4	18.0	43.5	38.6	20.3	41.1
Registered salaried employees	51.1	18.2	30.7	27.6	22.2	50.1	23.9	22.8	53.3	24.7	21.6	53.8
Non-registered salaried employees	76.0	10.9	13.1	65.3	17.0	17.6	59.0	17.1	23.9	59.5	18.5	22.0
Total	48.9	16.3	34.8	29.8	17.5	52.7	23.6	16.5	59.9	24.4	17.6	58.1

Note: [a] Multiples of the TMB.
Source: prepared by the author from INDEC PHS microdata corresponding to the second semester of each year.

According to the hypothesis presented here, the heterogeneity of the economic-occupational system would have direct consequences on households' economic reproduction.

Along these lines, Table 4 allows for an evaluation of the livelihood levels reached by household units according to their PBW's economic-occupational position. Households that participated in the private or public formal sector showed the highest livelihood levels from employment income throughout the period. This is evidenced not only in the smallest proportion located below the minimum threshold but in the largest distance from the threshold—as of 2008, more than 6 out of 10 households had an employment income that allowed them to exceed 1.5 TMB.

In contrast, households whose PBW belonged to the micro-informal sector followed a different pattern than those in the formal public and private sector. In 2003, nearly 6 out of 10 of these households experienced deficits in livelihood skills; in 2017, although a recomposition had been confirmed, almost 4 out of 10 were in such a situation. In turn, 2 out of 10 households were in the vulnerability zone. Within the micro-informal sector, those households whose PBW was an unregistered salaried employee had a particular propensity to experience deficits: in 2017, almost 6 out of 10 were below the established threshold, or 8 out of 10 if the vulnerable ones are considered.

In this correlation analysis, factors referring to household characteristics are combined, and one cannot rule out the theory that exposure to livelihood skill deficits is due to such factors, and not to the form of economic-occupational insertion. To examine its interference, a multiple binary logistic regression analysis was used (Wooldridge, 2014). The probability p that a household experiences a deficit of livelihood skills from employment income results from:

$$p = \frac{1}{1+e^{-z}}$$ (1)

Where z assumes the following form:

$$z = \beta_0 + \beta_1 x_1 + \dots + \beta_n x_n$$ (2)

Parameter calculations are performed using maximum likelihood. The primary independent variable of the model is the PBW's economic-occupational position. Covariates are introduced that allow for the control of the relationship proposed in hypothesis y and, at the same time, provide relevant information regarding factors that affect living conditions.

Table 5 presents the results of applying this model.[13] Households with the highest number of children, headed by women, young people and those with low educational levels, would have had characteristics correlated with a lack of livelihood skills. On the other hand, the lower availability of secondary employed members would have accentuated the tendency observed.

Table 5. Determinants of livelihood skill deficits. (a) Households with employed PBW, total urban agglomerations, Argentina, 2003-2017 (average of marginal effects)

		2003	2008	2011	2017
Gender of PBW	Woman	0.025**	0.063***	0.044***	0.052***
	Man [b]				
Type of household	Single parent	0.016	0.010	-0.006	-0.002
	Not single parent [b]				
Minors in household	Number of minors	0.128***	0.106***	0.095***	0.098***
Age of PBW	Up to 29 years old	0.072***	0.056***	0.018*	0.055***
	30 to 49 years old	-0.022**	-0.016*	-0.036***	-0.023***
	50 years old or older [b]				
PBW Education	Completed primary school	0.332***	0.264***	0.170***	0.217***
	Completed or partially completed secondary school	0.180***	0.117***	0.101***	0.120***
	College or university [b]				
Region	Greater Buenos Aires	0.050***	0.066***	0.026***	0.047***
	Northwest	0.159***	0.157***	0.096***	0.086***
	Northeast	0.171***	0.170***	0.139***	0.107***
	Cuyo	0.157***	0.135***	0.093***	0.110***
	Pampeana	0.117***	0.080***	0.048***	0.062***
	Patagónica [b]				
Number of employed members	Number of household members	-0.055***	-0.081***	-0.090***	-0.092***
PBW's economic occupational position	Non-salaried employees in the formal sector	-0.201***	-0.067***	-0.062***	-0.012
	Unregistered salaried employees in the formal sector	0.206***	0.198***	0.215***	0.179***
	Public sector employee	0.010	0.004	0.002	0.001
	Non-salaried workers in the micro-informal sector	0.179***	0.185***	0.201***	0.191***
	Registered salaried employees in the micro-informal sector	0.123***	0.047***	0.042***	0.046***
PBW's economic occupational position	Unregistered salaried employees in the micro-informal sector	0.261***	0.254***	0.218***	0.245***
	Registered salaried employees in the formal sector [b]				
PBW's area of activity	Construction	0.077***	0.034**	0.044***	0.055***
	Commerce	-0.015	-0.013	0.001	0.008
	Domestic work	-0.094***	0.004	0.085***	0.080***
	Service and other	-0.023	-0.029***	-0.0293***	-0.000
	Industry [b]				
	Observations	18.316	27.817	26.860	27.182
	McFadden Pseudo R2	0.292	0.328	0.342	0.311
	Hits (overall)	75.4%	77.5%	78.1%	76.7%

Notes: [a] evaluated by access to a TMB based on total family income from an employment source; [b] identifies the comparison category for the independent variables.
Significance of the effects: *** p-value <0.01; ** p-value <0.05; * p-value <0.1.
Source: prepared by the author from INDEC PHS microdata corresponding to the second semester of each year.

What impact did the household's economic-occupational position have on livelihood skill deficits? Households headed by non-salaried employees or managers of formal private sector establishments (employers at medium and large establishments, professionals and managers), were relatively more "protected" against the risk of experiencing deficits in livelihood skills (with respect to the comparison group, which is comprised of households with a PBW who is a registered salaried employee in the private formal sector). This effect was nonexistent as of 2011. Households whose PBW belonged to the public sector were in a similar situation to that of the comparison group. In contrast, households headed by an unregistered formal sector salaried employee faced significantly greater deficit exposure than households headed by a registered formal sector salaried employee (between 17.9 and 21.5 percentage points).

Households headed by a worker in the micro-informal sector showed a particular vulnerability to experiencing a lack of livelihood skills from employment income, even when controlling for other characteristics. Household units whose PBW was a registered salaried employee in the micro-informal sector had the best relative conditions. In contrast, households whose PBW was a non-salaried worker in the micro-informal sector were at a higher risk of not covering the TMB—such probability increases between 17.9 and 20.1 percentage points compared to the comparison group. For their part, households whose PBW was an unregistered salaried employee in the micro-informal sector experienced the most disadvantageous conditions; for this group, the probability increased between 21.8 and 26.1 percentage points.

Based on equation (1), the average probability of experiencing deficits in livelihood skills is calculated according to the economic-occupational position of the PBW, keeping the other characteristics of the household constant. This approach complements the previous one, since the analysis is no longer carried out with respect to a reference category, but rather to households with different profiles (see graph 2).

Households headed by an unregistered salaried employee or a non-salaried worker in the micro-informal sector maintained an exposure to experiencing livelihood skill deficits far greater than others. Keeping their other attributes constant, these households faced more adverse living conditions exclusively due to their economic-occupational insertion. This hardship remained unchanged from 2008, demonstrating a structural feature of impoverishment processes.

Graph 2. Average probability[a] of experiencing deficits in livelihood skills according to PBW's economic-occupational position. Households with an employed PBW, total urban agglomerations, Argentina, 2003-2017 (in percentages)
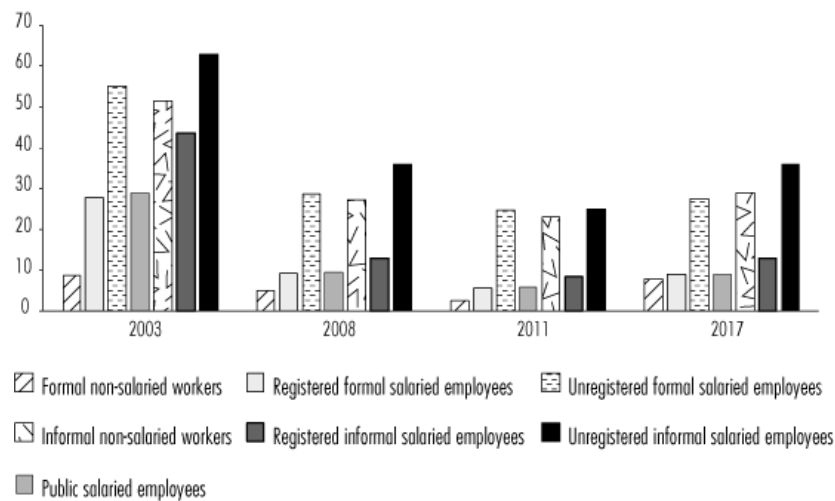
Notes: [a] Obtained from binary logistic regression models.
Source: prepared by the author from INDEC PHS microdata corresponding to the second semester of each year.

5. FINAL REFLECTIONS

After almost a decade of poverty reduction, its current high levels give the issue a renewed centrality in the Latin American social agenda. The present paper focused on the Argentinian case and examined some of the structural factors that seem to recurrently hinder social convergence in terms of living conditions. The impact of the occupational system's structural heterogeneity on the economic reproduction capacities of households under different political-economic phases was explored. To do this, the participation of the household labor force in the economic-occupational structure—in terms of the distribution of employment income and access to different livelihood levels—was described.

Household members' participation in the occupational structure is characterized by the persistence of inequalities in access to quality jobs. A portion of households in Argentina remains tied to occupational positions in the micro-informal sector, or in precarious jobs.

This persistence can be understood in light of the absence of changes to the productive matrix of Argentinian peripheral capitalism, and the consequent difficulty in absorbing the labor force on the part of the most dynamic sectors. After an initial cycle of retraction, inequality gaps in employment income associated with household occupational insertions remained stable. Those who were employed in the micro-informal sector or in unregulated jobs were solidified in a disadvantaged position.

In line with the hypothesis proposed here, the heterogeneity of the economic-occupational structure conditioned households' economic reproduction capacities. Those households headed by workers in the micro-informal sector and the unregulated sector were exposed—in greater proportion than other households—to experiencing deficits in livelihood skills based on employment income. The incidence of structural factors was maintained regardless of the households' sociodemographic attributes. It is in this sense that one could speak of the "selective" character of impoverishment processes, which are closely linked to socio-occupational inequality.

The rigidity of the distributive pattern of employment income inhibits socioeconomic convergence: a wide range of households can only access occupations that either do not guarantee that needs will be met, or leave them exposed to the risk of failing to do so. A structural element can be seen in the recurring processes of impoverishment that penetrate Argentinian capitalism; the phases of stagnation and abrupt economic contractions—which generally follow the fall of the terms of trade—encounter a vast set of households very close to the limit of not meeting their reproductive needs.

This evidence suggests that, without a greater integration of activities related to the micro-informal sector, the possibility of reaching greater socioeconomic convergence is limited. Such integration would require production policies, local economic development initiatives and attention to the social and informal economy, as well as policies that promote overcoming external restrictions and scientific-technological development. These initiatives are difficult to achieve through the deepening of free market mechanisms, at least under a regime of concentrated and foreignized accumulation like the one in Argentina. They seem to require the construction of a social consensus in favor of their implementation.

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METHODOLOGICAL APPENDIX

The absence of necessary inputs for the study of living conditions between 2007 and 2015—due to INDEC's institutional irregularity—and some changes in the PHS and revisions of the methodology used for measuring poverty (INDEC, 2016) necessitated a series of methodological decisions.

Treatment of undeclared income

Between 2003 and 2015, INDEC decided to allocate the undeclared income (missing values) using hot deck techniques. Since 2016, INDEC has been treating missing income through reweighting. It was decided to standardize the allocation method throughout the series. To do this, a maximum likelihood allocation technique was used based on the EM (Expectation Maximization) algorithm for each of the income sources surveyed by the EPH,

following Salvia and Donza's proposal (1999). Additionally, for the period from 2003 to 2006, income was deflated using the official INDEC price index, from 2007 to 2015 it was deflated according to the CPI-GB, and from 2016 on it was again deflated using the official index.

Construction of comparable basic baskets

The official methodological review involved modifications to the baskets and equivalence scales. The methodological decisions made for this purpose are listed below.

a) Basic Market Basket (BMB, indigence line) and Total (TMB, poverty line): correspond to INDEC (2016), based on the National Survey of Household Expenditure [Spanish ENGHO] 1996/1997.

b) Equivalent consumer units: these are taken from tables supplied by INDEC (2016).

c) Valuation of the baskets: as of the second quarter of 2016, TMB values reported by INDEC were utilized. Although INDEC offered the values of the BMB and TMB for 2006, this is lacking for the intermediate period (2007-2015). To make up for this, the following steps were carried out: *1)* The TMB was deflated using the General Rate of the CPI-GB and BMB, according to the chapter on food and beverages. *2)* The value of the TMB/BMB for December 2006, reported in INDEC (2016), was projected until 2016 according to the same price indices mentioned above. *3)* The final value of the TMB/BMB was obtained as an average of the monthly values obtained in steps *1)* and *2)*, weighted according to the distance from the initial period (as seen in the proposal of Gasparini *et al.*, 2019).

d) Regional baskets: it was assumed that the relationship between the TMB of Greater Buenos Aires and the other regions reported for April 2016 (INDEC, 2016) was maintained for the years in which there was no information.

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[2] The poverty rate in the region (as a weighted average) went from 44.6 to 27.8% between 2002 and 2014. Since then, this trend was interrupted and reached 30.2% in 2017 (see <http://estadisticas.cepal.org>).

[3] According to comparable figures, in 1974 5.4% of the inhabitants of Greater Buenos Aires were poor. In the 1980s, the index did not drop below 17%, and in the 1990s, below 21%. After a significant recovery, between 2003 and 2017 the poverty rate was not below 23% (Tuñón and Salvia, 2018).

[4] "Households" are groups of people, united or not by kinship ties, that jointly organize their daily reproduction. The concepts of "domestic unit" or "family" and "household" are used synonymously.

[5] This strategy made it possible to differentiate the role of socio-occupational determinants in livelihood skills from the role of income transfer social policy, and other household strategies.

[6] In other words, although the focus on household reproduction is resumed, household "strategies" are not explicitly addressed, since this would have required a different methodological design (*cf.* Eguía, 2017).

[7] An approach using structural heterogeneity based on the labor market is one possible method among others (Salvia, 2016). It is also common to study differences in productivity according to economic sector (Abeles *et al.*, 2013); however, this strategy would not allow for the analysis of labor inequality or its implications for living conditions.

[8] Pérez-Sáinz (2000) critiques the use of "establishment size" since high productivity technology micro-enterprises may exist. This critique is pertinent, but the analysis of the micro-entrepreneurial sector's composition reveals a minimal incidence of such activities.

[9] The significant rate of economic growth and its sustained nature played an important role in the increase of registered employment (Beccaria, 2015, p. 185). This macroeconomic behavior was accompanied by the implementation of labor policies: the law on "labor reform"–which made the labor market more flexible–was repealed, a law on "Ordering of the Labor Regime"—which simplified the registration of workers—was passed, and improved labor inspection through the "National Plan for the Regularization of Work." In addition, policies aimed at small and medium-sized companies were implemented, laws were enacted to promote registered employment, and regulations were put in place for female workers in private households (Bertranou *et al.*, 2013; Tomada, 2014).

[10] While the first two periods identified were homogeneous in terms of the behavior of employment income, the third was characterized by a succession of increases and decreases linked to short cycles of expansion and crisis. Employment income remained stable between 2012 and 2013, but fell 9% after the 2014 crisis; it contracted another 4% with the devaluation of 2016, to finally recover 6% in 2017. In sum, although it was not linear behavior, a tendency towards the loss of employment income purchasing power prevailed.

[11] During the post-devaluation cycle, the competitive exchange rate favored highly demanding branches of the labor force, and in particular, those with low qualifications (Beccaria and Maurizio, 2012). The absorption of the labor force with such characteristics would have implied a change in the composition of the formal sector as compared to the 1990s—when demand was biased towards high ratings. This would make the convergent behavior of income understandable during the 2003-2008 period and would have translated into employment income of the households that were inserted in formal sector establishments through their PBW.

[12] Lavinas and Simões (2017) point to a similar process in the case of Brazil and refer to the reproduction of a structural heterogeneity matrix.

[13] The "marginal effects averages" are reported, which can be interpreted as the average change registered in the probability—in percentage points—that a household experiences deficits in livelihood skills according to a change of any of the covariate units, while maintaining the rest constant.