

# High job creation in Peru contrasts with a low level of formality



PERU

Peru, in 12<sup>th</sup> place, stands out for having the highest employment rate of the 17 countries in the index

The gender gap in Peru is the second narrowest in the region; however, between adults and young people, the gender gap is the fourth widest

Despite its superior performance in the quantity dimension, Peru falls behind the regional average in the general index

Peru (with 54.7 points) is in 12<sup>th</sup> place on the Better Jobs Index, below the Latin American average (57.1). The country ranks second in the quantity dimension, with 79.8 points, and is in 12<sup>th</sup> place in the quality dimension, with 29.7 points.

## What is the Better Jobs Index?

The Better Jobs Index measures jobs in countries based on two dimensions: quantity and quality. The quantity dimension is composed of two indicators: the **labor participation** rate and the **employment** rate. Quality, on the other hand, consists of the **formality** rate and **living wage sufficient to overcome poverty**. Thus, the index is the weighted average of these four indicators\*, and their scores range from 0 to 100. For a country to get 100 points, all people who participate in the labor force must be employed with a formal job that provides them with a living wage.

\* Indicators are calculated using the population aged 15-64, excluding those who are studying and who, therefore, are not working or looking for work. If you want to know more, consult the methodology document.

### Better Jobs Index: 12<sup>th</sup> out of 17

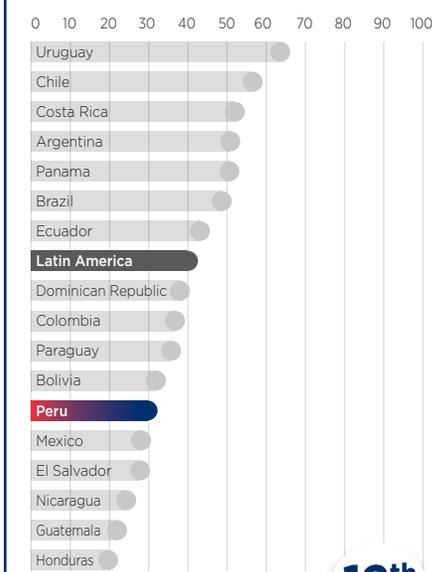
Labor participation rate	4 <sup>th</sup>
Employment rate	1 <sup>st</sup>
Formality rate	14 <sup>th</sup>
Living wage rate	12 <sup>th</sup>

### Country information<sup>1</sup>

Working age population	20,600,000
Labor force	15,200,000
Employed population	14,700,000

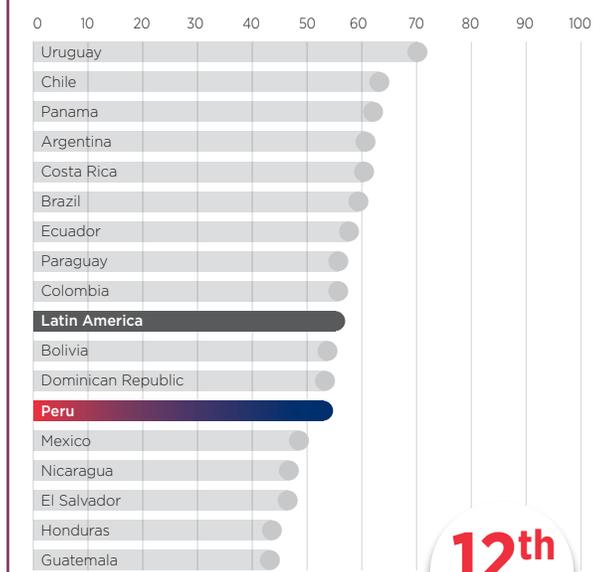
<sup>1</sup>Source: Labor Markets and Social Security Information System (SIMS), with data published by Instituto Nacional de Estadística e Informática (INEI). Last year available: 2015.

## Quality dimension



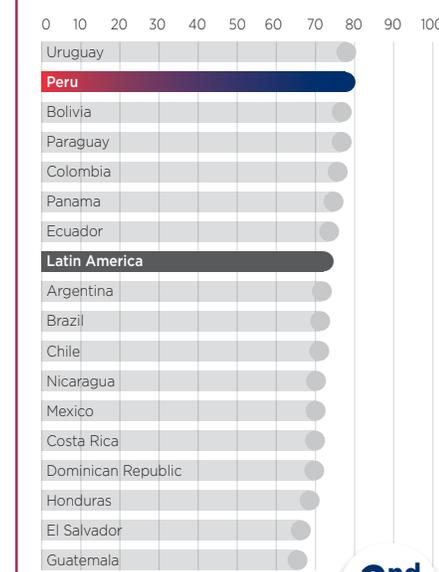
12<sup>th</sup> place

## BETTER JOBS Index



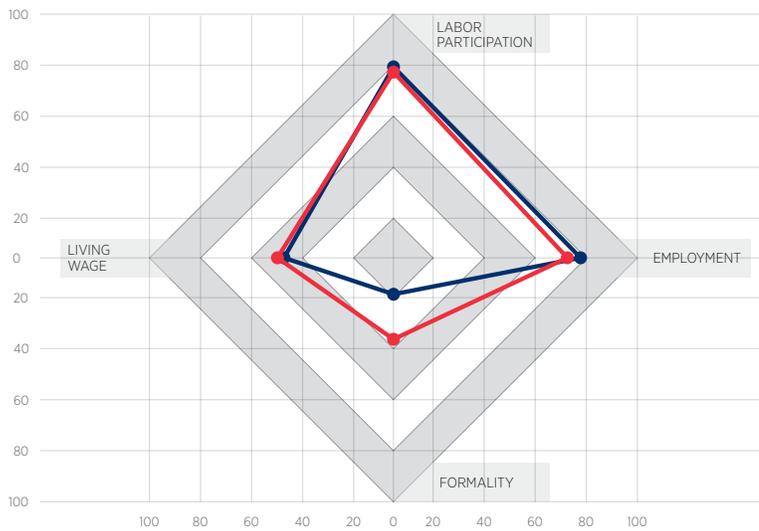
12<sup>th</sup> place

## Quantity dimension



2<sup>nd</sup> place

# At a glance - Peru and Latin America



Peru's score on the Better Jobs Index is lower than the regional average for the quality dimension and higher than the regional average for the quantity dimension. In indicators related to the latter dimension, the country garners more points in both the participation rate (81.1 vs 77) and employment rate (78.5 vs 71.3). In terms of quality, Peru occupies the 14<sup>th</sup> position in the formality rate (16.5 vs. 33.5) and the 12<sup>th</sup> position in the indicator of living wages sufficient to overcome poverty (42.8 vs. 46.7).

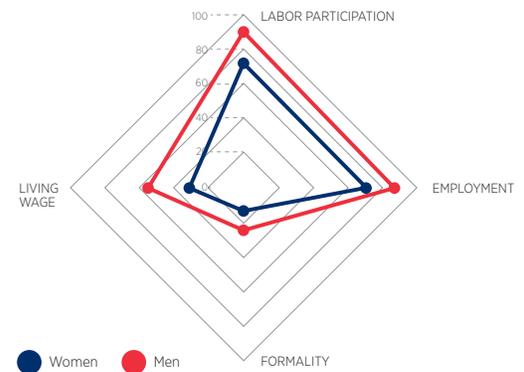
● Peru ● Latin America

## Is there a gender gap?

Indicators by gender

Peru is the second country in terms of the narrowest gender gap on the Better Jobs Index. The difference between genders is 17.5 points: The male index is 63.6 points (13<sup>th</sup>) and the female index 46.1 (9<sup>th</sup>). Peru's difference is lower than the regional average (22.5 points).

That said, the gender gap is wider for the quantity dimension (the male score exceeds the female by 18.3 points (89 vs. 70.7 points) than for the quality dimension (the male score exceeds the female score by more than 15 points, 38.2 vs 21.5).



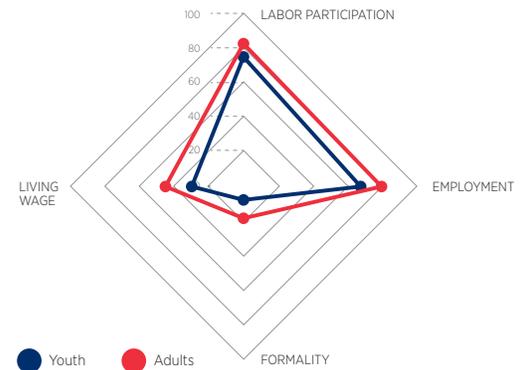
● Women ● Men

## Does age make a difference?

Indicators by age

The gap between Peruvian adults and young people on the Better Jobs Index is the fourth widest in the region, with a difference of 11.8 points (57.2 vs. 45.4); this is greater than the regional average (10.2). Only Uruguay, Argentina and Ecuador show greater differences between these two age groups.

This difference is smaller for the quantity dimension (81.9 vs. 71.5 points) than the quality dimension, for which it exceeds 13 points (32.4 vs. 19.2).

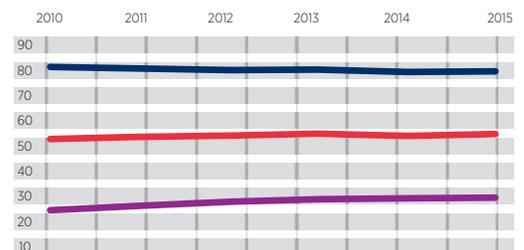


● Youth ● Adults

## Performance over the years

The evolution of Peru's score on the Better Jobs Index has been slightly positive in recent years, increasing from 53.1 points in 2010 to 54.7 points in 2015, the last year with available data. This evolution is explained by increasement in the quality dimension, revealing improvements of 5.1 points (from 24.5 to 29.7), and by decrecement in the quantity dimension, which is down by 1.8 points (from 81.6 to 79.8 points between 2010 and 2015).

● Quantity ● Quality ● Better Jobs Index



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