

## **Abstract**

**Ortiz, Carlos H. and Uribe, José I.**  
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*This article presents a general economic equilibrium model that generates labor segmentation between two productive sectors: manufacturing industry and services. The model is consistent with the structuralist hypothesis according to which insufficient economic diversification in an open economy context limits the generation of high quality jobs. Thus workers, whether skilled or unskilled, who are not contracted by the modern sector end up in the informal sector. The informal sector under conditions of an open economy and scarce productive diversification is characterized by low productivity, low salaries, and anticyclical behavior.*

**Key words:** employment, industrialization, formal and informal sectors. **JEL:** C67, J21, O14, O17.