

November 2019

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## IN THIS DIGEST

Dear Colleagues,

This month we're highlighting recent reports and articles on Jobs and Economic Transformation (JET), a truly cross-cutting topic. For more, better jobs we need economic transformation and vice versa. This means moving workers from lower to higher-productivity activities, within and across sectors and firms, from rural to urban areas, and from self- to wage-employment. This challenge goes to the heart of what development is about, as highlighted in this month's featured World Bank Development Committee's report on JET and related papers. Another recent publication, the WDR 2020 on trade for development, shows how global value chains can improve job outcomes and spur structural transformation. In this context, the WDR 2020 underlines the importance of well-designed labor and business regulations. We agree and also feature the new Doing Business report 2020 on regulatory reforms. Furthermore, for the JET agenda to succeed and value chains to upgrade, we need more investments into human capital, so do not miss the update to the Human Capital Project as it moves into 2020.

Sincerely,

Your November issue guest editors,

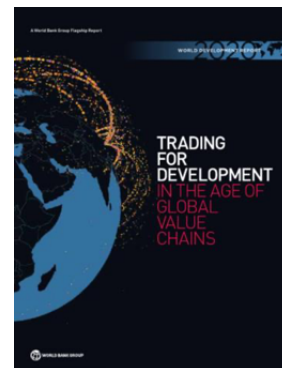
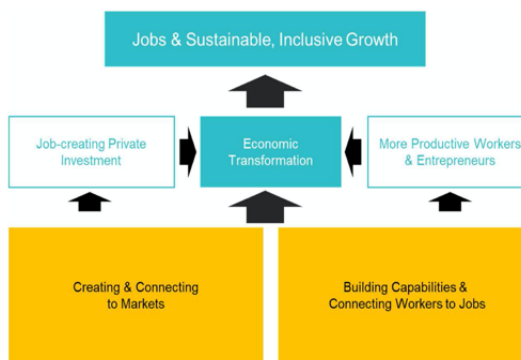


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## JOBS & ECONOMIC TRANSFORMATION



### **Jobs and Economic Transformation (JET) – Drivers, Policy Implications and World Bank Group Support**

World Bank | Report | September 2019

By 2035, approximately 620 million people are expected to join the labor force. Most of the demand for jobs will be in low income countries which are characterized by low job quality and high working poverty. While countries like — Bangladesh, China and Vietnam, among others— have recorded employment success stories through structural transformation, recent technological changes raise questions on whether the export-led manufacturing model is less viable for countries that have not yet

### **World Development Report 2020: Trading for Development in the Age of Global Value Chains**

World Bank | Report | October 2019

The recently published World Development Report examines the extent to which GVCs have contributed to growth, jobs, and poverty reduction. The issues addressed in the report are pressing, in that the expansion of GVCs has slowed since the 2008 global financial crisis, which has important implications for developing countries seeking to leverage opportunities in GVCs. In this context, the report emphasizes that, provided developing countries undertake deeper reforms and industrial countries pursue open and predictable policies, GVCs can continue to

industrialized. In this context, the report argues that there is no “one size fits all” model. And countries should adopt certain policies and investments based on their individual stage of development. Accumulation of human capital also becomes essential to improve workers productivity and earnings potential.

boost growth, create better jobs, and reduce poverty. It sees technological change as a chance rather than a threat and finds that the benefits of GVC participation can be widely shared and sustained if all countries enhance social and environmental protection.

## Doing Business 2020: Comparing Business Regulation in 190 Economies

World Bank | Report | October 2019

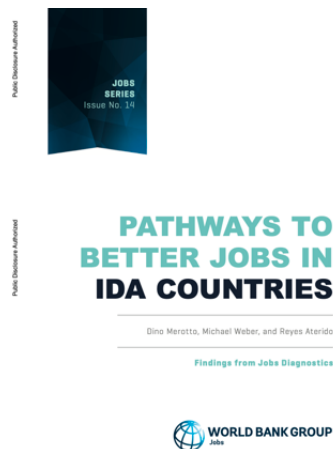
The latest Doing Business report for 2020 shows that economies which recorded the highest advances in regulatory reforms focused on improving startup businesses, dealing with construction permits, and trading across borders.

## The Human Capital Project: An Update

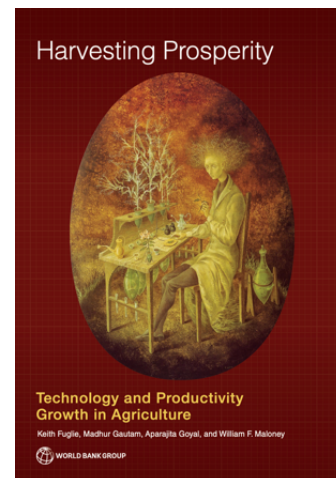
World Bank | Report | September 2019

To provide an enabling environment for job creation and human capital accumulation, external financing remains critical in the poorest countries, while others need support on how to enhance revenue mobilization.

# ESSENTIAL READINGS



**Pathways to  
Better Jobs in  
IDA Countries**  
Merotto, Weber & Aterido | Report |



**Harvesting Prosperity :  
Technology and Productivity  
Growth in Agriculture**  
Fuglie, Gautam, Goyal & Maloney | Report |

September 2018

January 2020

The background paper to the Development Committee report on JET. Based on the work on Jobs Diagnostics, it shows the common Pathways to Better Jobs with a focus on low income countries.

The report discusses how the emergence of modern value chains and interconnected stages linking farm to market offers farmers an opportunity to access higher value markets.

### **The Recent Growth Boom in Developing Economies: A Structural-Change Perspective**

Diao, McMillan & Rodrik | Research Paper | August 2019

Stylized facts on structural dualism in developing nations building upon the decomposition of labor productivity growth to explain within-sector productivity growth and inter-sectoral labor reallocation.

### **Is Our Human Capital General Enough to Withstand the Current Wave of Technological Change?**

Nedelkoska, Diodato & Neffke | Working Paper | August 2019

Human capital is more transferrable across occupations and adaptable to technological change than a narrow job tasks perspective may suggest.

## THE BROADER JOBS AGENDA

### FROM THE WORLD BANK

#### **Cities of Workers, Children, or Seniors? Age Structure and Economic Growth in a Global Cross-Section of Cities**

Jedwab, Pereira & Roberts | Working Paper | October 2019

The paper sets out the potential channels through which economies can capitalize on their resourceful working population.

#### **Ending Learning poverty:**

#### **What will it take?**

World Bank | Report | October 2019

Improving the human capital of children today will make them productive workers and engaged citizens tomorrow.





## Rethinking Job Creation for Palestinian Youth

Stefanie Lynn Ridenour | Blog | November 2019

The World Bank launched its first Development Impact Bond (DIB) to address challenges in connecting graduates to job openings in a fragile and conflict-affected environment.



## What Works for Working Women? Understanding Female Labor Force Participation in Urban Bangladesh

Kotikula, Hill & Raza | Journal Article | 2019

To increase the ability of women to grow their families' incomes and live free of fear, this article calls for making public spaces more female-friendly; travel safer for women; and female work more socially acceptable.

## FROM AROUND THE WORLD

### Do Minimum Wages Reduce Employment in Developing Countries? A Survey and Exploration of Conflicting Evidence

Neumark & Corella | Working Paper Series | November 2019

This paper disentangles the mixed results often found in studies on the employment effects of the minimum wage. It finds that there is a systematic negative employment effect when accounting for strong and binding minimum wage laws.

### Does Job Search Assistance Reduce Unemployment? Experimental Evidence on Displacement Effects and Mechanisms

Cheung, Egebark, Forslund, Laun, Rödin & Vikström | Working Paper | November 2019

The paper points at evidence that the roll-out of a job-search-assistance program could lead to lower unemployment and slightly reduced government spending.

## To Make the World Richer, Let

## International Human Capital

## People Move

The Economist | Article |  
November 2019

Citing World Bank studies, the Economist highlights that migration makes people engage in more productive jobs for the benefit of all.

## Mobility and FDI: Evidence from G20 Countries

Takaoka & Etzo | MPRA Paper |  
October 2019

Public policies to facilitate student mobility are essential in the global economy where competition for talent is intense.

## PAST EVENTS



The Jobs, Labor and Migration Core Course took place at the World Bank HQ in Washington DC from Oct 28- Nov 8, 2019, hosting a total of 106 participants from 43 countries. The participants included government clients, donor partners and WB country office staff. The course covered policies and programs that addressed three main job challenges faced by developing countries: job creation, job quality and jobs access. The new **Jobs Diagnostics and Solutions** training was launched in the second week of the course.



On October 7th 2019, the **Global Jobs Indicators Database (JoIn)** was **successfully launched** by the World Bank. In partnership with Data Science DC, the World Bank then hosted about 200 data scientists from the DC area for a **DataDive 4 Development "Hackathon"**. Participants engaged in data analysis and created visualization tools using JoIn.

# SAVE THE DATE

## 3rd Annual IZA/World Bank/NJD/UNU-WIDER Jobs and Development Conference "Better Jobs for Development"

May 21st and 22nd, 2020 in Warsaw, Poland

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Want to share your recent publication or event? Email [kpela@worldbank.org](mailto:kpela@worldbank.org)



Jobs and Development Website



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Labor Website



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