



IN THIS DIGEST

Dear Colleagues,

Across the globe, well-functioning cities do one thing really well – they bring people together. Physical proximity enables social and economic interactions. This is the hallmark of city life, making people more productive and creating demand for more and better jobs.

The COVID-19 pandemic is putting the brakes on urban economies and highlighting the downsides of urban density and proximity. The pandemic will have spatially differentiated impacts on jobs within countries. How large metropolitan areas, secondary cities and small towns fare will depend on local economic dynamics, driven by sectoral composition and the nature of jobs. The challenge is exacerbated by the dynamics of working in the informal sector, often in crowded places with no social protection to fall back on.

While the spatially differentiated nature of the jobs challenge has been highlighted by COVID-19, the patterns have been shaped by larger forces that include automation, geographically localized trade shocks, stymied structural transformation of countries, and the slow pace of domestic labor mobility within countries.

The publications and readings featured in this edition attempt to provide a broader perspective on the spatially differentiated nature of the jobs and development challenge. The field of spatial economics has been extremely vibrant over the past decade, but a lot more work is needed to make insights relevant for the jobs challenge in developing countries. The digest concludes by featuring a selection of articles that highlights the broader jobs agenda and the impact of COVID-19 on jobs.

Happy Reading!

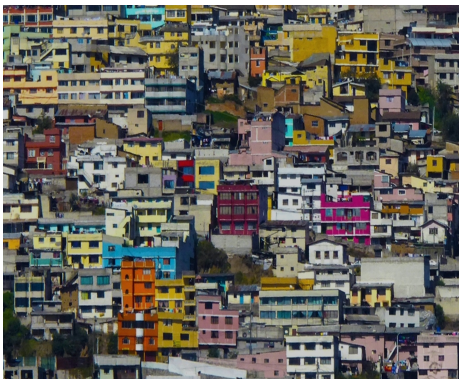


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JOBS AND SPATIAL TRANSFORMATION



No Urban Myth: Building Inclusive and Sustainable Cities in the Pandemic Recovery

Lall & Wahba | Blog | June 2020

The blog identifies that the risk of contagion increases as neighborhoods lack the physical structures and amenities that enhance livability, especially where residents have no option but to go out every day in search of employment or services. This implies that economic geography (not physical geography) determines contagion risk.



Using Place-Based Jobs Policies to Help Distressed Communities

Timothy Bartik | Journal Article | September 2020

The paper concludes that reforms to place-based jobs policies should focus on greater targeting of distressed areas and using more cost-effective policies. Such reforms could be achieved by state and local governments acting in their residents' interests or be encouraged by federal interventions to cap incentives and provide aid to distressed areas.

Trade and Geography

Stephen J. Redding | Working Paper

Urban-Rural Gaps in the Developing World: Does Internal Migration Offer

The paper explores quantitative models of economic geography which are based on the differences across locations and the proximity of economic agents relative to one another. It shows that the counterfactual predictions such models have proved to be remarkably successful in explaining empirical findings from reduced-form research.

Opportunities?

David Lagakos | Journal Article | September 2020

The paper provides an overview of the growing literature on urban-rural gaps in the developing world. It concludes that the future of work should help further explore the frictions—particularly in information, financial, and land markets—that hold back rural-urban migration and may help explain the persistence of urban-rural gaps.

ESSENTIAL READINGS



How Do We Define Cities, Towns, and Rural Areas?

Dijkstra et al. | Blog | March 2020

The blog explores different classifications of urban and rural areas. It concludes that standardizing the classification and applying it at the global level can help measure the effectiveness of policies in different countries. It can also help monitor access to services and infrastructure and other SDG indicators in a way that enables meaningful comparison and aggregation.



The Making of the Modern Metropolis: Evidence from London

Heblich et al. | Journal Article | May 2020

The paper uses newly constructed spatially disaggregated data for London from 1801 to 1921 to show that the invention of the steam railway led to the first large-scale separation of workplace and residence. Removing the whole railway network will reduce the population and the value of land and buildings in the historical London center.

Urbanization With and Without Industrialization

Gollin et al. | Journal Article | November 2015

The paper finds that in developing regions, urbanization appears to be concentrated in “consumption cities” for countries that are

The Persistence of (Subnational) Fortune

Maloney & Caicedo | Journal article | April 2015

The paper finds that high pre-colonial density areas tend to be denser today due to locational fundamentals and agglomeration effects:

heavily dependent on resource exports and “production cities” for countries that have industrialized and are more dependent on manufacturing.

colonialists established settlements near existing native populations for reasons of labor, trade, knowledge and defense.

The Global Distribution of Economic Activity: Nature, History, and the Role of Trade

Henderson et al. | Journal Article | September 2017

The paper concludes that countries that developed earlier are more spatially equal in their distribution of education and economic activity than late developers.

Place-Based Policies for Development

Duranton & Venables | Working Paper | April 2018

The paper reviews the literature on place-based policies in the contexts of transport improvements, economic corridors, special economic zones, lagging regions, and urban policies.

BROADER JOBS AGENDA

Increasing Hours Worked: Moonlighting Responses to a Large Tax Reform

Alisa Tazhitdinova | Working Paper | August 2020

The paper studies a unique reform in Germany that allowed workers to hold small secondary jobs tax-free. It shows that the reform resulted in a dramatic increase in workers taking up more jobs -- though the hours of the secondary jobs were limited.

Adults' Cognitive and Socioemotional Skills and Their Labor Market Outcomes in Colombia

Acosta et al. | Journal Article
| October 2020

The paper uses the World Bank's STEP survey to explore how cognitive and socioemotional skills of adults relate to their labor market outcomes in the context of Colombia.

Viewpoint: The Future of Work in Agri-food

Christiaensen et al. | Journal Article
| October 2020

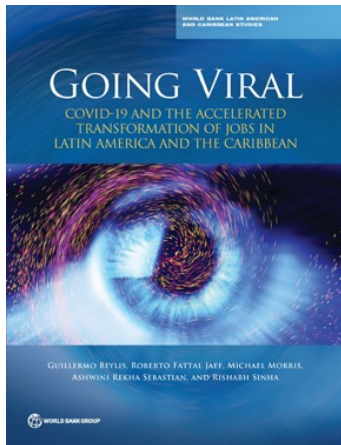
The paper explores the role agri-food systems will play as a source of employment in the future by reviewing several policy options -- including inclusive value chain development, better immigration policies, social insurance schemes, and an increase in agricultural education and extension.

The Labor Productivity Gap between Formal Businesses Run by Women and Men

Islam et al. | Journal Article | September 2020

This study analyzes gender differences in labor productivity in the formal private sector, using data from 126 mostly developing economies. The results reveal a sizable unconditional gap, with labor productivity being approximately 11 percent lower among firms managed by women.

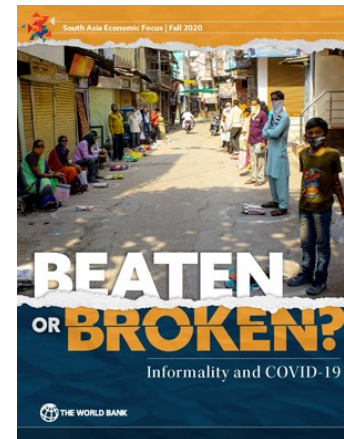
COVID-19 RELATED ARTICLES



Going Viral : COVID-19 and the Accelerated Transformation of Jobs in Latin America and the Caribbean

Guillermo et al. | Book | September 2020

The book focuses on three important pre-pandemic trends observed in Latin America and the Caribbean: namely, premature deindustrialization, servicification of the economy, and task automation. It identifies the need to employ flexible regulation that encourages employment and social protection.



South Asia Economic Focus, Fall 2020 : Beaten or Broken? Informality and COVID-19

World Bank | Book
| October 2020

The book presents an in-depth analysis of the current economic situation in South Asia (including stability, growth, and prosperity). It concludes that COVID-19 pandemic lays bare complicated structural problems in the regions informal sector which needs to be addressed.

How are Youth Employment Programs Adapting to COVID-19?

World Bank & S4YE | Brief | October 2020

The brief highlights six trends on operational responses to youth employment amidst COVID-19. These trends include scaling of virtual operations, crowdsourcing ideas from youth, accelerating remote learning, encouraging youth voices, increased support for micro, small and medium enterprises, and leveraging new growth opportunities.

Determinants of Disparities in Covid-19 Job Losses

Montenovo et al. | Working Paper | September 2020

The paper makes several contributions to understanding the socio-demographic consequences of the COVID-19 epidemic and the policy responses on employment outcomes in the United States. It concludes by identifying the need for policies that improve the employment prospects of early career workers and older workers that have been displaced.

Unmasking the Impact of COVID-19 on Businesses: Firm Level Evidence from Across the World

Apedo Amah et al. | Working Paper | October 2020

Labor market impacts of COVID-19 in four African countries using phone survey

Weber & Palacios-López | Webinar

This paper provides a comprehensive assessment of the short-term impact of the COVID-19 pandemic on businesses worldwide with a focus on developing countries. The results are based on a novel data set collected by the World Bank Group and several partner institutions in 51 countries covering more than 100,000 businesses.

| October 2020

The just concluded [webinar](#) presented an overview of the labor market impacts of the COVID-19 pandemic among individuals in Ethiopia, Malawi, Nigeria and Uganda. The analysis is based on the data from the first wave of World Bank-supported phone surveys, conducted during the period of May-June 2020.


CONTRIBUTORS

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