Jobs drive development  They should not be an afterthought of growth

Some have greater development payoffs  It is not just the number of jobs

One size does not fit all  Jobs challenges vary across countries

The main constraints to job creation may lie elsewhere  Labor policies matter less than assumed
Jobs challenges are huge

600 million jobs needed over 15 years to keep current employment rates

1.5 billion people working in farming and self-employment

621 million youth neither working nor studying

1.6 billion people working for a wage or a salary

10 million entrants to the labor force per year in Sub-Saharan Africa
What is a job?
A job does not always come with a wage

The jobs challenge
South Asia, Africa, and East Asia and the Pacific face significant youth bulges.

Alarming levels of youth idleness and unemployment.

Source: WDR 2013 team based on ILO data

Source: WDR 2013 team
I. Jobs are transformational
Jobs get better with development
Jobs drive development

DEVELOPMENT

LIVING STANDARDS

PRODUCTIVITY

SOCIAL COHESION

JOBS
Jobs are the main source of household income

Source: Covarrubias and others 2012 for the WDR 2013
Jobs take households out of poverty

Source: Inchauste and others 2012 for the WDR 2013
Job creation and destruction happen everywhere

Source: WDR 2013 team based on Bartelsman, Haltiwanger, and Scarpetta (2009), and Shiferaw and Bedi (2010).
The employment share of microenterprises is greater in developing countries.
Jobs are correlated with civic engagement

Active membership and lack of a Job

Active membership and motivating Job

Source: Wietzke and McLeod 2012 for the WDR 2013
Jobs influence collective decision-making processes
II. What are good jobs for development?
Individual and social valuations of jobs often differ.
Some jobs do more for development

- Jobs in functional cities
- Jobs connected to global markets
- Jobs that are environmentally benign
- Jobs for the poor
- Jobs that empower women
- Jobs that do not shift burden to others
- Jobs that give a sense of fairness
- Jobs that link to networks
- Jobs that shape social identity

DEVELOPMENT

LIVING STANDARDS

PRODUCTIVITY

SOCIAL COHESION

JOBS
### A typology of jobs challenges

<table>
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<tr>
<th>Jobs challenge</th>
<th>What are good jobs for development?</th>
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<tr>
<td>Agrarian economies</td>
<td>More productive smallholder farming</td>
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<td></td>
<td>Urban jobs connected to global markets</td>
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<tr>
<td>Conflict-affected countries</td>
<td>Jobs demobilizing combatants</td>
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<td>Jobs reintegrating displaced populations</td>
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<td>Jobs providing alternatives to confrontation</td>
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<td>Urbanizing countries</td>
<td>Jobs providing opportunities for women</td>
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<td>Jobs moving the country up the export ladder</td>
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<td>Jobs not leading to excessive congestion</td>
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<td>Jobs integrating rural migrants</td>
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<td>Resource-rich countries</td>
<td>Jobs supporting export diversification</td>
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<td>Jobs not subsidized through transfers</td>
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<td>Small island nations</td>
<td>Jobs connected to global markets</td>
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<td>Jobs not undermining fragile ecosystems</td>
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<td>Countries with high youth unemployment</td>
<td>Jobs not supported through rents</td>
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<td>Jobs not allocated on the basis of connections</td>
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<td>Formalizing countries</td>
<td>Jobs with affordable social benefits</td>
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<td>Jobs not creating gaps in social protection coverage</td>
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<td>Aging societies</td>
<td>Jobs keeping the skilled active for longer</td>
</tr>
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<td></td>
<td>Jobs reducing the cost of services to the elderly</td>
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</table>
Agendas connected by the migration of workers

Source: WDR 2013 team based on Özden and others (2011).
Agendas connected by the migration of jobs

- Manufacturing jobs have migrated – are services next?

- Where will China’s jobs in light manufacturing go as labor costs increase?

Source: WDR 2013 team based on data from the United Nations Industrial Development Organization.
III. Policies through the jobs lens
Three distinct layers of policies are needed

**Priorities**
- Know your jobs challenge
- Remove or offset the constraints

**Labor Policies**
- Stay on the efficiency plateau
- Avoid misguided interventions
- Provide voice and extend protection

**Fundamentals**
- Macroeconomic stability
- An enabling business environment
- Human capital
- Rule of law and respect for rights
Step 1: What are good jobs for development?

- Yes
  - Are there enough of these jobs?
    - Yes
      - Can the constraints be identified?
        - Yes
          - Can the constraints be removed?
            - Yes
              - Design engagement strategy.
            - No
              - Offset the constraint.
        - No
          - Can the constraints be offset?
            - Yes
              - Design engagement strategy.
            - No
              - No intervention is needed.
    - No
      - Remove the constraint.
- No
  - No intervention is needed.
Global partnerships for jobs

- Rights and standards: pressure goes only so far
- Further liberalizing investments, but managing the tradeoffs
- Migration policies: toward bilateral agreements
- Jobs are center stage, but where are the numbers?
Key policy questions addressed through the Report

1. What is a job?
2. Growth strategies or jobs strategies?
3. Can entrepreneurship be fostered?
4. Can policies contribute to social cohesion?
5. Skills or jobs – what comes first?
6. A targeted investment climate?
7. Competing for jobs?
8. Protecting workers or protecting jobs?
9. How can job reallocation be accelerated?
To download the World Development Report 2013: *Jobs*, its background papers, databases and explanatory videos, visit:


To continue the dialogue on what it takes to create good jobs for development join the interactive Jobs Knowledge Platform at:

www.jobsknowledge.org