

JOBS

Global Trends and Challenges in Social Protection and Jobs

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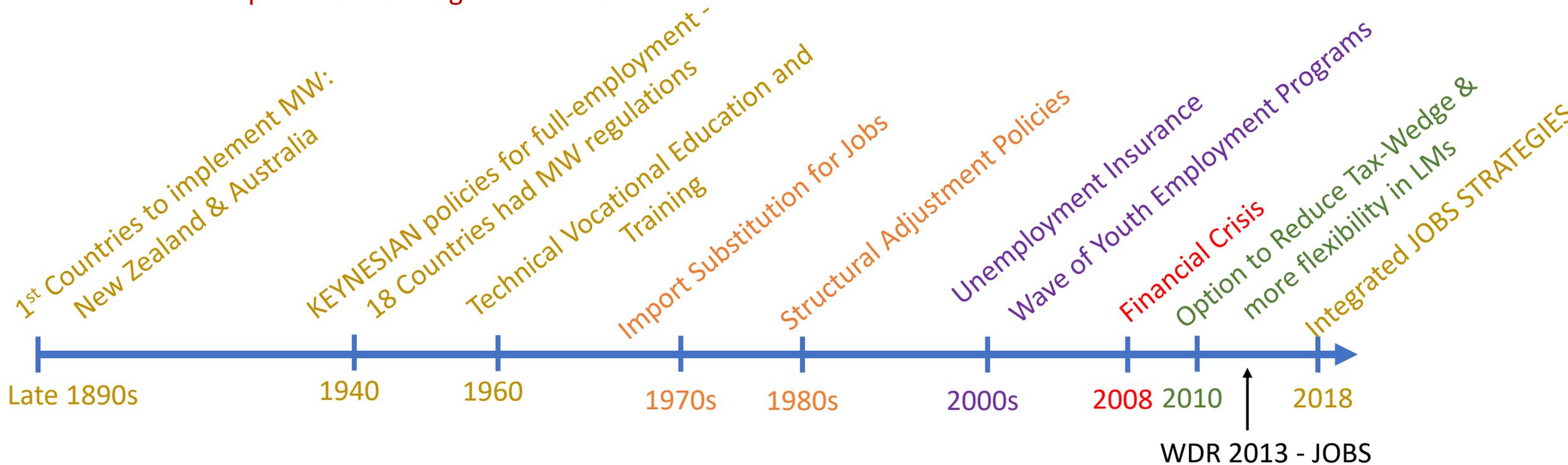


WORLD BANK GROUP
Social Protection & Jobs

A brief history of labor policies...

GROWTH → JOBS

Manage the business cycle
Improve functioning of labor markets



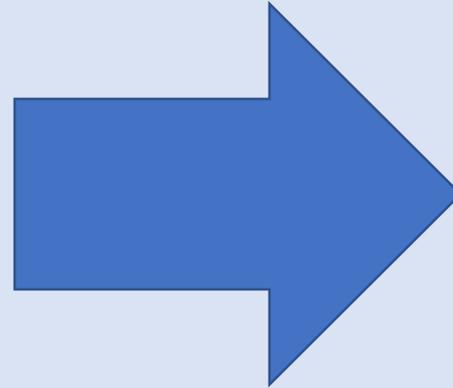
Changes in regulations aiming for more flexibility since 2007

(2007-2017)



Source: World Bank Doing Business

JOB



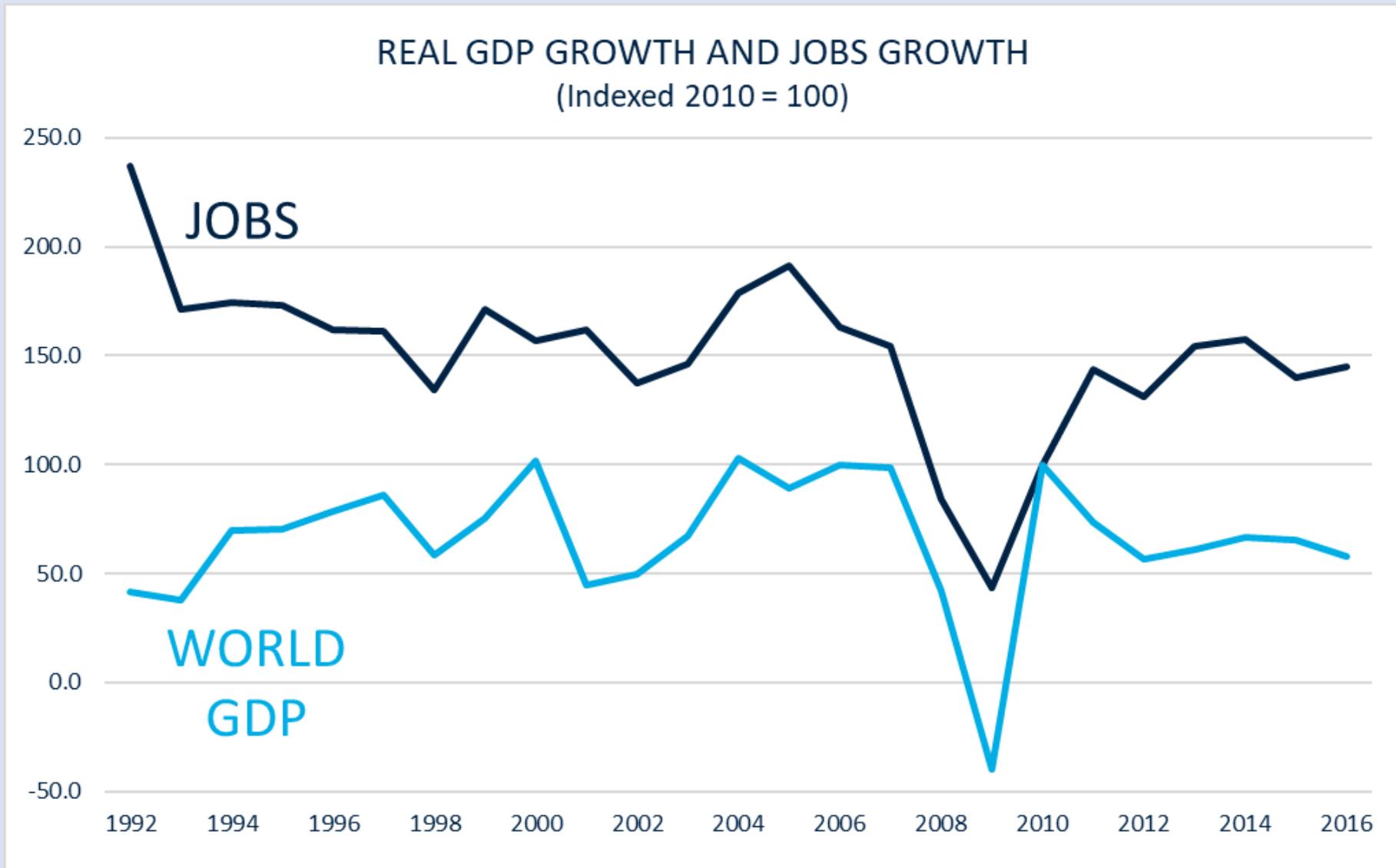
Economic Growth

Poverty/ Inequality

Human Capital

Social Stability

Growth is needed for jobs...



But it is not enough...

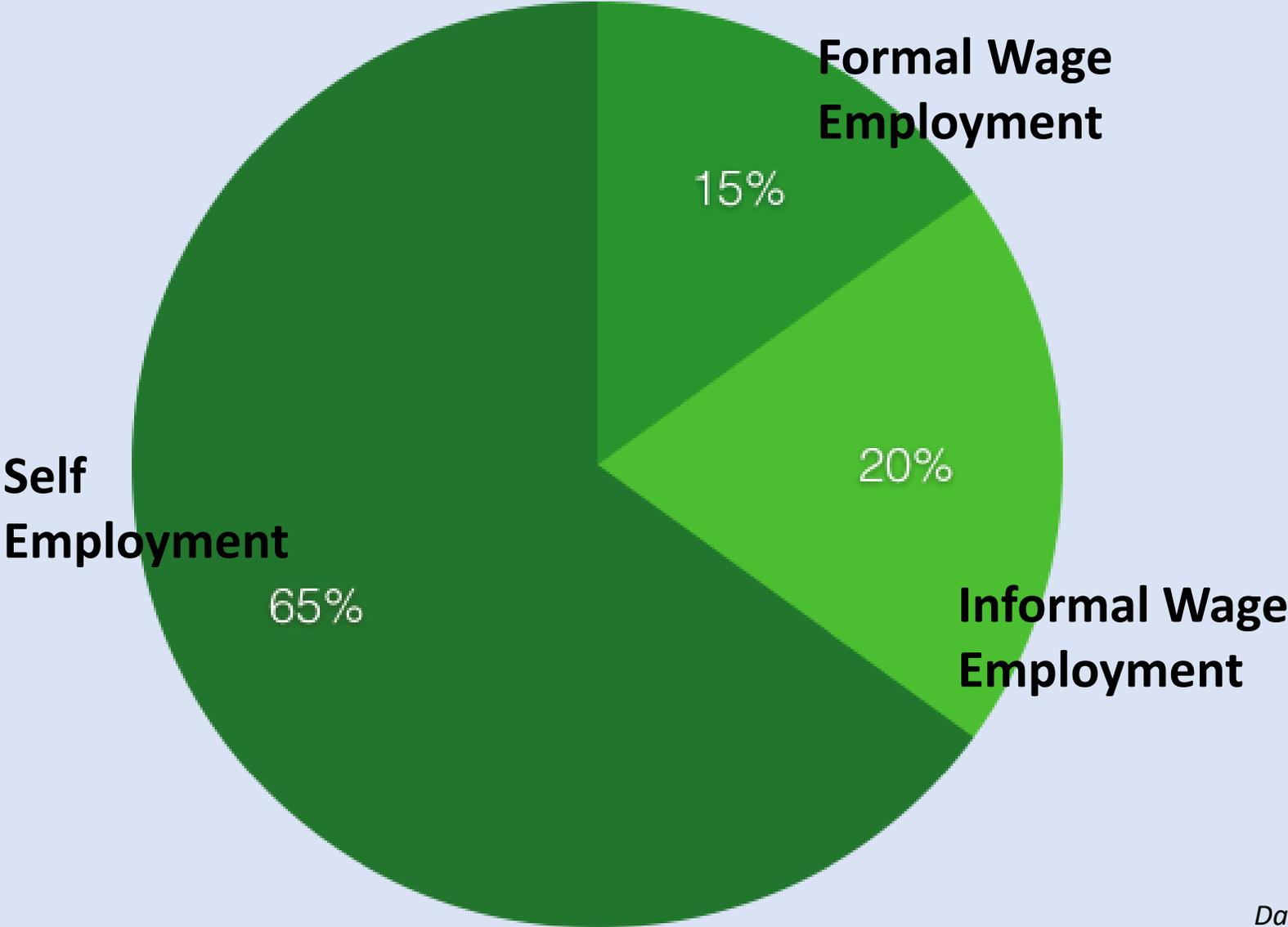


Data source: WDI

And often the problem is not quantity...

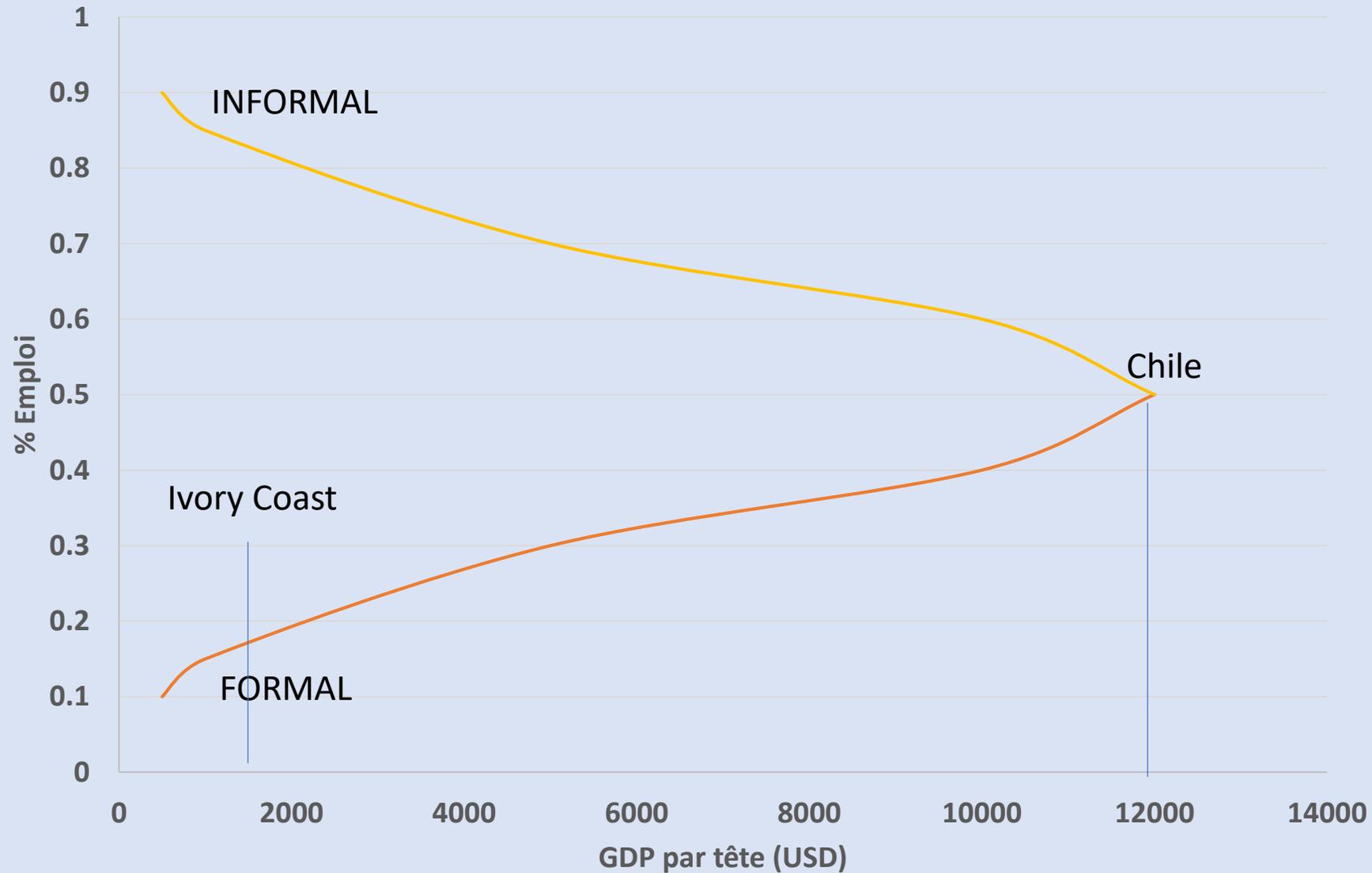


The problem is quality...



Data source: WDI

Informality is persistent...



Demographics

Technological Change

Migration

Policies that simply promote investments and maximize returns to capital might not be what is needed

If JOBS have social externalities, the private sector alone might not be able to create enough, or the right type of jobs:

Subsidize job creation

Tax job destruction

We need JOBS strategies; not growth strategies

CREATION

- Firm entry and growth
- Less churning

QUALITY

- Productivity
- Earnings
- Working conditions
- Access to social insurance

JOBS STRATEGIES

ACCESS

- Information
- Incentives
- Skills
- Mobility

Macro and Regulatory Policies

Sectoral and Regional Policies

Labor Policies

We need to rethink labor policies as the nature of the jobs changes

- We need to rethink labor regulations to better protect workers while facilitating “structural transformations”
- We need to rethink active labor market programs (including training):
 - They have an important role to play to facilitate labor market transitions
 - But most programs have not worked (<30%)
 - It is important to change governance arrangements and delivery systems

We need to pay more attention to regional/sectoral policies

- The idea is not to “pick winners” and indiscriminately subsidize/ protect certain economic sub-sectors/activities
- But certain investments (and job creation and/or labor productivity growth) because the FRR is too low and yet the SRR is high enough:
 - Markets don't value correctly the opportunity cost of labor
 - Social externalities related to jobs
 - Learning spillovers
 - Coordination failures