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## Jobs, Diagnostics and Solutions Community of Practice (JDS CoP) News Digest

Edition #4, August 2020

### Dear members,

Welcome to the fourth (4) Edition of the Jobs, Solutions CoP **News Digest**, an avenue to share knowledge with fellow jobs practitioners. Many you who contributed their knowledge and welcome your continuous engagement and the knowledge that you bring and share.

With warm regards,  
Dino, Ian and Teuta

### **At a Glance:**

We have **126** members. If you have not yet registered please click at [JDS CoP Website](#)

## Gentle Reminder: Action Call <Follow Up Webinar from the JDS Course



As we are planning to move our next JDS Course online in the late autumn, we would like to host a learning event to follow up on some of the main takeaways from the November Course, check in with you how the course learnings have helped in your work and discuss together some of your innovative ideas and thoughts of creating a shorter online version of the JDS course that fits best CoP member needs. Please contact [Dino](#) via **email** with any ideas and we will get back to you with a more detailed schedule soon. Stay tuned.

## Featured < Member Blogs



## **JET and the Power of Diagnostic Thinking** by Theresa Osborne

The World Bank's Jobs and Economic Transformation (JET) agenda has met with enthusiasm by governments and other stakeholders, given its centrality to the Bank's goals. Of course, it is not a new insight that better jobs represent a principal route to prosperity. Had there remained any doubt, the coronavirus pandemic has cast a sharp light on the role of employment income for welfare. To be sure, fostering jobs and economic transformation has been a motivation for many World Bank Group programs over the years. So, one may fairly ask, *what is new here? Is JET just old wine in new bottles? And what does it imply for Bank operations?* Here, I share my views on what is new and important about JET, from the standpoint of my experiences at an "upstart" aid agency, MCC, which strives continually to strengthen the links between evidence and development programming. Read the blog [JET and the Power of Diagnostic Thinking](#) to learn more.



## **A New Jobs Compact for More, Better Jobs in Guatemala** by Andreas Eberhard-Ruiz

'**Building back better**' has become a popular theme guiding the world's post-Covid19 recovery efforts: in few middle-income countries does this appear to be more pressing than in Guatemala. While the economic impact of the Covid19 shock in Guatemala is yet to be fully assessed, there is little doubt that the pandemic has hit the country at a particularly untimely moment.

Over a decade of lackluster growth and stagnating productivity improvements have led to an acute shortage of quality jobs, the effects of which started to show well before the Covid19 pandemic. No indicator displays this more clearly than the 21 percent drop in real average hourly labor earnings witnessed between 2004 and 2018. In Guatemala, the Covid19 shock hit the economy on top of a labor market that was already in crisis.

A return to a *business-as-usual* scenario, once the country recovers from the short-term effects of the Covid19 shock, cannot be an option for Guatemala. Read the blog [A New Jobs Compact for More, Better Jobs in Guatemala](#) to learn more.

Photo credit: M. Fleischmann (World Bank)

### Jobs and Structural Change Blog Series



Our [Jobs and Structural Change blog series](#) started with stylized facts about how the type of Jobs created in the economy changes with economic transformation. In the earlier blogs we observed patterns of employment and GDP with development. We noted the increased importance of waged employment as countries develop, the importance of waged employment to poverty reduction, and we also noted that in Lower- and Lower Middle-Income Countries (LICs and LMICs), when employment shifts out of agriculture, the share of employment in services typically rises.

[Blog#7](#) in our series asks *which sectoral shifts* in economies tend to create *more waged employment* in LICs and LMICs? In line with traditional economic development theories, we find that industry is an important source of waged growth. The analysis uses a multiple regression framework with country fixed effects and controls for per capita income growth, initial sector shares, and initial waged share of employment. It looks at employment changes over five-year intervals for 104 (LICs and LMICs) for which we have data between 1991 and 2016. We find that *countries create more wage-paying jobs* in periods during in which people move from agriculture *into industry* than in periods during which people move from agriculture into services.

[Blog#8](#) in our series takes a different tack. It is the first of a series of blogs that what economic forces drive structural change as economies develop; ie what drives the increasing share of production and employment in non-agricultural sectors as incomes rise. The blog notes that the demand for labor derives from the demand for goods and services. And, obviously, production supply follows consumer demand. Following Engel's Law, we notice that the shares of non-food consumption in richer countries closely match the changing patterns we observe in production and employment. Furthermore, for LICs and LMICs the biggest shifts in consumption take place in the demand for food products, with processed foods, bakery products, fresh fruits and vegetables, dairy and meats rising in demand. Our analysis of consumption patterns with rising income suggest that in African LICs and LMICs where a high share of jobs are on farms and in off-farm rural services, the World Bank, and the IFC should continue to factor the transformation in product demand and labor demand into investment choices for jobs and economic transformation.

## Member Spotlight



**Theresa Osborne** joins the Jobs Group and COP as of July 2020. As Deputy Chief Economist and Managing Director for Economic Analysis at the Millennium Challenge Corporation (mcc.gov) from 2017-2019, Theresa managed the agency's economics division and provided methodological leadership on evidence-based diagnostics and economic analysis. As Lead Economist from 2006-2012, she led country constraints analyses on behalf of the US Government and advanced the MCC's use of economic analysis to inform intervention design, project monitoring, and impact evaluation. After joining the World Bank in 2012 as Senior Economist in Sustainable Development (LAC), in 2014 Theresa moved to the Poverty Practice (Africa). She has published articles on applied development economics in peer reviewed journals and authored several working papers, reports, and policy notes. Theresa holds a Ph.D. in Economics from Princeton University, an MA in International Affairs from Johns Hopkins University, and a BA in Mathematics from the University of Wisconsin-Madison.

## Upcoming Online Events



Source:

<https://www.worldbank.org/en/events>

### ❖ [3rd Annual IZA/World Bank/NJD/UNU-WIDER Jobs and Development Conference "Better Jobs for Development"](#)

The [3rd Annual IZA/World Bank/NJD/UNU-WIDER Jobs and Development Conference: "Better Jobs for Development"](#) will take place virtually on **September 1-4, 2020**.

This conference will feature keynote speeches, a policy panel, and about 80 paper presentations. Except for the keynote speeches, each session will last around one hour and consist of six presentations, including time for questions and answers. Check out the agenda, register and learn more at:

<http://jobsanddevelopmentconference.org/>

### ❖ [Informality and COVID-19 in South Asia](#)

The South Asia Economic Policy Network's sixth conference will feature presentations, a lecture and a policy panel on how COVID-19 has exacerbated the vulnerabilities of poor workers in the informal economy... **Date:** September **09-10, 2020**

### ❖ [Global Productivity: Trends, Drivers and Policies](#)

Global Productivity: Trends, Drivers and Policies; **Date:** September **10, 2020**

## Member Queries

New Query on the Discussion Forum: Sign In to JDS CoP to respond and/or read the full responses at [CoP Discussion Forum](#)



FRANCIS  
WANYEKI

Replied 32 days ago

Following the outbreak of COVID-19, the Government of Kenya introduced a raft of measures to contain the spread of the disease. These measures have significantly controlled the spread, but have had an unintended impact of job losses. In Kenya, the informal sector contributes 84 percent of all employment and this sector has been hit very hard by the measures introduced. A report financed by the World Bank released two weeks ago shows that in Kenya there are 5 million informal sector enterprises employing 11.9 million people. The longer COVID-19 persists, the more we as a country are likely to face a worse crisis from the labour and employment as a result of COVID-19.

Now that COVID-19 has been with most of our countries, where do we see ourselves come January.

[Reply](#) | [Flag](#) | [Delete](#) | [Edit](#) | [Deny](#)



Michael Weber

Replied 28 days ago

Dear Francis,

The impact of COVID-19 on jobs and workers, particularly the most vulnerable, has been devastating. The ILO estimates that the equivalent of 400 million jobs were lost worldwide in the second quarter of 2020. While empirical evidence on the actual effects in Sub-Saharan African countries is only starting to come in, we can already see that the effect varies widely depending on the severity of the COVID-19 exposure and cases, lockdown policies and their enforcement, the economic and employment structure, as well as policy responses to mitigate the labor market effects. For example, as per a recent World Bank survey, in Nigeria 38 percent of respondents stopped working due to COVID-19 while 43 percent were working. In contrast, in Ethiopia, a World Bank survey finds that 6 percent of respondents had stopped working due to COVID-19 while 63.4 percent were working. ILO projections suggest that the labor market recovery during the second half of 2020 will be uncertain and incomplete. In the ILO's baseline scenario, working-hour losses are likely to still be in the order of 4.9 percent (equivalent to 140 million full-time jobs) in the fourth quarter of the year.

## Contact Us

Should you have any interesting and relevant resources, suggestions or activities to share in the **next JDS CoP Monthly Digest**, please contact [Teuta Gashi](#) (CoP facilitator) and, [Dino Merotto](#) (CoP chair). Please feel free to share this digest and invite new practitioners in the field to join [JDS CoP](#).

### About the JDS CoP

**The Jobs Diagnostics and Solutions Community of Practice (JDS CoP)** is a knowledge sharing and learning platform for officials, development practitioners, researchers and World Bank Group staff involved in developing cross-sector Jobs Strategies for countries, regions, and municipalities within countries.

For more information, visit the [JDS CoP Website](#)