JOBS AND DEVELOPMENT CONFERENCE

DECEMBER 14-15, 2022
CAPE TOWN, SOUTH AFRICA

#Jobs4Dev
The Challenge of Creating Better Jobs in Developing Countries

#Jobs4Dev 2022 was a two-day conference featuring keynote speeches, a policy panel, and 60+ paper presentations in parallel sessions, with a focus on policy-relevant research, applicable to identifying solutions to job challenges across the world.

The Jobs and Development conference strives to expand the frontiers of global knowledge around jobs, improve understanding of the interplay between development and quantity and quality of work, and advance the discussion on the most effective policies to improve jobs outcomes in low- and middle-income countries. Each year, the conference combines key-note lectures, presentations of high-quality research and policy-oriented discussions, creating a platform for interactions between academics and policymakers. Nearly 100 economists, researchers, and policymakers from more than 25 countries join the two-day event, aspiring to promote dialogue and stimulate scientific research to close knowledge gaps and enable evidence-based policies for global development.
The Jobs and Development Conference (#Jobs4Dev) is a global event co-organized by the World Bank, IZA (Institute of Labor Economics), UNU-WIDER, and the Network on Jobs for Development (NJD).

The NJD is a partnership of research institutes from various regions across the world: the Development Policy Research Unit at the University of Cape Town (DPRU, South Africa); HKUST Institute for Emerging Market Studies (IEMS, Hong Kong); the Indian Council for Research on International Economic Relations (ICRIER, India); and the Institute for Structural Research (IBS, Poland).

#Jobs4Dev builds upon the “Employment and Development” conferences organized by the World Bank and IZA between 2006-2015, and the “Jobs for Development” conferences organized by the NJD and the World Bank in 2016 and 2018. Since 2019, UNU-WIDER has also been involved as partner.

On behalf of Germany’s Ministry for Economic Cooperation and Development (BMZ), the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) committed funding in 2022 in support of accepted African scholars wishing to present at the Cape Town edition of the conference.

Executive Committee (from left to right):
- Ian Walker (WB)
- Piotr Lewandowski (IBS)
- Kunal Sen (UNU-WIDER)
- Haroon Bhorat (DPRU)
- Gary Fields (IZA)

Organising committee:
- Sarah Marriott, Kezia Lilenstein & Janine Jantjies, with Wadia Naidoo & Mira Blumberg (DPRU)
- Ahmed Elsayed & Viola Hartmann (IZA)
- Yolaina Montoya & Maddalena Honorati (WB)
On Wednesday 14 December, 2022, the Jobs and Development conference Executive Committee officially opened the event, welcoming attendees to the Cape Town edition of the #Jobs4Dev conference.

Trudi Makhaya delivered the opening address, and while her speech was fairly South African-centric, she shared many key lessons and themes that echo relevant issues throughout present day labour markets. Prof. Oriana Bandiera gave the first keynote lecture of the conference, which was in turn followed by a plenary policy panel, chaired by Prof. Haroon Bhorat. Delegates then broke away to participate in the parallel research sessions, before attending a special session on Jobs and the Just Transition. Day 1 concluded with a dinner hosted at the spectacular Two Oceans Aquarium.
Opening Address

Trudi Makhaya
Economic Advisor to His Excellency President Cyril Ramaphosa

When the leaders of the G20 met at the Bali summit in 2022, a joint declaration based on consensus was reached. Ms Makhaya recalled from this statement: “in line with the current G20 theme – recover together, recover stronger – we will take coordinated actions to advance an agenda for a strong inclusive and resilient global recovery, and sustainable development that delivers jobs and growth”.

Yet growth has not been synonymous with job creation in our economy, hence South Africa’s insistence at the G20 that the leader statement should also talk to job creation.

Across the world post-pandemic recovery threatens very little yield in the way of job creation. Recovering the jobs that have been lost has been challenging; let alone creating new jobs above the 2019 baseline.

This is further underscored by the rise of automation and digital technologies that are reshaping the world of work, presenting both opportunities and challenges. The COVID-19 pandemic exacerbated pre-existing inequalities and disproportionately affected women, youth, older workers, persons with disabilities and migrant workers.

It is thus necessary to mitigate the current trends in the labour market; reduce inequalities while responding effectively to the opportunities presented by 4IR; and promote gender equality. Ms Makhaya said we must remain committed to the promotion of decent work and the elimination of child and forced labour.

She talked to the importance of community-based vocational education and training, and the empowerment of entrepreneurship, growing SMEs, and extending labour protection for all workers, including those in the informal sector.

She also highlighted reasons for unemployment in South Africa: The economy’s sectoral structure is not sufficiently labour intensive, resulting in a skills bias; industrialisation has led to a decline of employment in manufacturing; the agricultural sector is unusually small; and there is a concentration of productive activity in only a few firms within sectors.

There is a skewed spatial distribution of economic activity, and there are many regulatory barriers to product and factor markets. High transaction costs, a lack of network industries, and skills mismatches in terms of the skills profile of South Africa are also factors at play.

If South Africa could meet the self-employment rates of her peers, unemployment would be significantly reduced. Ms Makhaya shared how Operation Vulindlela (a government-wide approach to fast-track the delivery of economic reforms), aims to accelerate structural reforms so as to create employment in the long term. The Green and Just Transition has also been identified as an avenue to support employment initiatives.

In relation to the current policy stance, this strategy is multifaceted and recognises the diversity of unemployment in South Africa. The initiatives span both the private and public sectors, and will hopefully lead to a structural break in unemployment. Ms Makhaya concluded her opening address by stating that South Africa is on the path of a sustainable recovery.
Keynote #1

Oriana Bandiera
Sir Anthony Atkinson Chair in Economics, London School of Economics

“Economic Development & the Organisation of Labour: Evidence from the Jobs of the World Project”

The first conference keynote speaker, Prof. Oriana Bandiera, colourfully illustrated how the nature of jobs and their allocation vary within countries by wealth and gender and across countries by stages of development. At each stage of development, wealth and gender shape the allocation of jobs, however this in turn tends to lead to misallocation and efficiency losses.

The key finding of this research work, was how disparities at the micro level led to a misuse of human potential that links individual poverty to national income. Where some policies aim to treat genders equally, others reinforce gender roles. For example, parental leave policies allowing mothers longer paid leave relative to fathers. This effectively makes it cheaper for women to “take time out”.

The paper she discussed also showcased an innovative new dataset. Assembled by harmonising Demographic and Health Surveys (DHS) and National Censuses (IPUMS) for all countries and all years after 1990 where data is available, this, in and of itself, offers a significant contribution to the discipline.

Policy panel:
“Youth Unemployment in Africa”

Chair: Haroon Bhorat
Director, Development Policy Research Unit, UCT

The conference plenary focused on how the youth bulge in the Sub-Saharan African (SSA) labour market provides opportunities for Africa to overcome its obstacles and spur inclusive growth.

The demographic dividend can be both a potential source of growth for Africa, but also comes with challenges for countries struggling with high unemployment. Actual employment creation that can absorb the large cohort of youth that is set to enter (and is currently entering) Sub-Saharan Africa’s labour markets in the coming decades, is a major task.

Panellist Mr Ryan Moore (Millennium Challenge Corporation). spoke about how schools in Africa are struggling to provide youth with the skills employers need to compete.

Dr Abebe Shimeles (African Economic Research Consortium) shared that this is unfortunately a pervasive feature of the education system – where many colleges and universities fail to help students graduate with the skills
necessary to compete. He also emphasised that while the government is not an “employment creator”, their role lies in crafting the vision that leads all stakeholders in the economy, so that private sector businesses can grow. Graduates find themselves with qualifications with no direct connection to jobs. This represents lost productivity and investment.

Mr Nazeem Hendriks (National Treasury, South Africa), shared job creation lessons from the Job’s Fund’s lending projects such as the work seeker initiative, which matches unemployed young people to opportunities, and involves the payment of a stipend. He raised that there are concerns however, surrounding the sustainability of such programs.

Further to this, if a basic income type grant becomes permanent, the increase in expenditure needs to be matched by an increase in revenue in order for it to be affordable. It should also be tied to something like job-seeking.

Because the main drivers of poverty are unemployment and low earnings, the important task is to identify the key drivers of inclusive growth for a rapidly growing working-age population in the future, as well as improving the incomes of the currently employed population.

A common theme raised by the panellists was the challenge of implementation. Ms Nomvuyo Guma (Youth Employment Service (YES), South Africa) said that policy reforms are often difficult to implement because of coordination failures – when two departments involved cannot agree on the way forward – which leads to policy inertia.

Ms Guma also spoke about the experiments in creating the labour market conditions necessary to prepare the youth for opportunities of the future.

Mr Moore concluded saying that that children in Africa need to be trained to be problem solvers. But issues are often compounded by lack of technical capacity. The policy panel generally agreed that beyond expanding access to participation in education opportunities (both quantity and quality), it is also necessary that surpluses are absorbed into low-productivity informal sector activities.
Parallel Sessions - AM

Chaired by experts, each session was organised into four themes, allowing individuals to tailor their experience of the conference to their interests.

**Education & Skills**
Chair: Ekkehard Ernst (International Labour Organisation)
- Using Online Vacancy and Job Applicants’ Data to Study Skills Dynamics: Hannah Liepmann (International Labour Organization and IZA)
- Education Quota: The Effects of Quality and Quantity of Labor Force: Safoura Moeeni (University of Regina)
- Modeling the Labor Market Effects of Educational Expansion: Gary Fields (Cornell University)
- The Skill Intensity of Export growth in South Africa: Lorraine (Mukondi) Nesongozhe (UNISA)

**Informality**
Chair: Murray Leibbrandt (University of Cape Town)
- Labour transitions and informality during the COVID-19 pandemic in Latin America: Ana Paula Monsalvo (Universidad Nacional de Gral. Sarmiento)
- Roads, competition and the informal sector: Elena Perra (University of Florence)
- How did informal workers cope with COVID-19 lockdowns? Evidence from Benin: Joachim Jarreau (Paris Dauphine PSL University)
- Improving Smallholders’ Jobs through Agribusiness Linkages: Ian Walker (World Bank)

**Pandemic, Jobs & Development 1**
Chair: Margaret Chitiga-Mabugu (University of Pretoria)
- How have formal firms recovered from the pandemic? Insights from survey and tax administrative data in Zambia: Laban Simbeye (Zambia Revenue Authority)
- Scarred for life? Recession experiences, beliefs and the state: Zsoka Koczan (EBRD)
- Mismatch in preferences for working from home – evidence from discrete choice experiments: Piotr Lewandowski (IBS)
- Inequalities in job loss and income loss in Sub-Saharan Africa during the COVID-19 crisis: Janneke Pieters (Wageningen University)

**Climate Change**
Chair: Christian Meyer (Oxford Martin School)
- Climate change adaptation and maize productivity: A gender-based analysis: Etayibtalnam Koudjom (University of Lomé)
- Temperature Extremes and Labor Effort: Niraj Kumar Bansal (Indian Institute of Technology Bombay)
Chaired by experts, each session was organised into four themes, allowing individuals to tailor their experience of the conference to their interests.

### Gender & Labour Markets
Chair: Janneke Pieters (Wageningen University)
- Gender Asymmetries in Peer Effects at the Workplace: **Anastasia Terskaya** (Universidad de Barcelona)
- How do experiences of climate shocks shape gender role attitudes on labor, household responsibilities and politics? A micro-level analysis of 33 African countries: **Suneha Seetahul** (University of Sydney and World Bank Group)
- Gendered Impacts of Public Works in Fragile States: The Case of an Ebola Crisis Response Program in DRC: **Diana Lopez-Avila** (The World Bank)
- Returns to Education by Gender across Races in South Africa: **Obrein Muine Samahiya** (University of Pretoria)

### Minimum Wages
Chair: Benjamin Stanwix (DPRU, University of Cape Town)
- Does the minimum wage accelerate deindustrialization? The case of Colombia: **Andreas Eberhard-Ruiz** (The World Bank Group)
- Agricultural producer response to minimum wage changes: **Michael Kilumelume** (Stellenbosch University and UNU-WIDER)
- Minimum Wages, Health and Fertility: **Hanna Wang** (Barcelona School of Economics)
- Minimum Wages and Changing Wage Inequality in India: **Kanika Mahajan** (Ashoka University, India)

### Job Quality
Chair: Morné Oosthuizen (DPRU, University of Cape Town)
- Labor reforms in a developing economy: A boon or a bane? **Diti Goswami** (Indian Institute of Technology Delhi)
- The Determinants of Job Quality and Quantity: Evidence from the Ethiopia Leather and Agro-Processing Sector: **Gebeyehu M. Fetene** (Addis Ababa University)
- Ignorance is bliss? Rejection avoidance in job-search behaviour: **Rocco Zizzamia** (University of Oxford & SALDRU)
- Mode of foreign entry and job security: **Ousmanou Njikam** (AERC)

### Migration & Mobility
Chair: Hannah Liepmann (International Labour Organization and IZA)
- Barriers or Catalysts? Traditional Institutions and Social Mobility in Rural India: **Kunal Sen** (UNU-WIDER)
- Do Corruption Experiences Promote Migration? Observational and Experimental Evidence from Sub-Saharan Africa: **John Maara** (University of Nairobi)
- Did Covid19 policies improve outcomes for undocumented workers? **Wifag Adnan** (NYUAD)
Focusing on the labour market implications of decarbonisation in low- and middle-income countries, with a particular focus on human capital and skills, this session was chaired by Christian Meyer, who provided a brief introduction to frame the session.

Francesco Vona (Director of the Research Programme Labour in the Low-Carbon Transition, University of Milan and FEEM) discussed ways to identify and measure the tasks and skills important for green jobs and the prospects for labour market transitions from those working in fossil fuel industries to green jobs.

Stefanos Tyros (VU University Amsterdam) then presented his paper “Clean Technology Adoption and Skill Sorting” which models to the green energy adoption decision of firms when there is skills mismatch and imperfect skills sorting.

Finally, Margaret Chitiga-Mabugu (Co-chair of the Climate Action for Jobs (CA4J) Initiative, and University of Pretoria) presented on the potential for the creation of green jobs in African countries, drawing on evidence and results from the CA4J initiative.

Conference Dinner

Hosted at the Two Oceans Aquarium, at the V&A Waterfront, in the I&J Ocean Exhibit, featuring entertainment from Vibrato Euphoria.
On Thursday 15 December, 2022, Day 2 began with a Lawrence Jeff Johnson from the ILO as guest speaker, followed by two special sessions: a panel discussion focused on the emerging findings from the upcoming Jobs Flagship report by the World Bank’s Jobs Group; and the book launch of the recently published volume, “The Developer’s Dilemma”. The parallel sessions were split before and after lunch, with the final keynote speaker presenting in the afternoon, to close off the 2022 #Jobs4Dev conference.

**Guest Speaker:**
“Employment challenges & productivity matters in the developing world”

**Lawrence Jeff Johnson**
ILO

Jeff Johnson spoke about employment challenges and productivity matters in the developing world. He emphasised the institutional context, which ought to be a human-centered approach accompanied by a new global social justice coalition, which will ultimately strengthen multilateralism.

This was situated within the broader and more general context of COVID-19’s severe and disparate impact on the world of work; climate change, and the twin imperatives of economic transformation and just transition; ongoing technological, demographic and social transformation; and the changing international political economy.

**Special Session #2:**
“Jobs & structural transformation after COVID: Old challenges, new opportunities”

**Chair: Michal Rutkowski**
World Bank

This session focused on the emerging findings from the upcoming Jobs Flagship report by the World Bank’s Jobs Group.

Creating better jobs for more people is the most pressing challenge facing policymakers in developing countries. It remains the key to sustained poverty reduction. The Flagship report will stress that organizational development is central to job-rich growth and structural transformation. The report will also show that balancing the supply of and demand for human capital is key to raising productivity and income on a sustainable basis.
These are old challenges – but the COVID-19 pandemic, the climate crisis, and shifts in technology and trade patterns, are creating new challenges and opening up new opportunities for better jobs.

Other highlights concerned sectoral and, occupational and organisational transformation, and looking at how physical capital depending was necessary for development

Panellists included Federica Saliola, Dino Merotto, Andreas Eberhard and Ian Walker, all from The World Bank, and featured Gary Fields from Cornell University & IZA.

Book Launch
“The Developer’s Dilemma – Structural Transformation, Inequality Dynamics & Inclusive Growth”

Chair: Haroon Bhorat
DPRU, UCT


Drawing on case studies from nine developing countries, the developer’s dilemma shows that rising inequality is not inevitable. In depth analysis reveals insights into the pathways of structural transformation and the likely inequality effects – and the specific policy approaches that can best mitigate the increase in inequality.

Kunal Sen (UNU-WIDER) offered an introduction, sharing the conceptual framework and main findings of the book. François Steenkamp (DPRU, UCT) provided a summary of the South African case-study, and Nomvuyo Guma (policy lead in the National Treasury

SA-TIED programme, and co-leader of the President’s programme of economic reforms, Operation Vulindlela) brought in a policy perspective.

An interesting discussed ensued around how building complexity can contribute to structural transformation; with the caveat that African countries should be careful of the pace at which they become complex, and ensure that they’ve mastered one level of complexity before progressing to the next.

It was noted that some African countries, following their independence, jumped directly into highly complex, capital-intensive industries that did not leverage their comparative advantages in terms of their large labour forces. Ultimately, this contributes to resolving the tension between building a productive economy and the unequal distribution of the benefits of economic development.
Parallel Sessions - AM

Chaired by experts, each session was organised into four themes, allowing individuals to tailor their experience of the conference to their interests.

Current Economic Policies & Development
Chair: Andrew Donaldson (University of Cape Town)
- Property Tax Compliance in Tanzania: Can Nudges Help? Fredrick Manang (University of Dodoma (UDOM))
- Jobs and Political Participation - Evidence from a Field Experiment in Ethiopia: Janneke Pieters (Wageningen University)
- Place-based Policies and Structural Change: Evidence from India’s Special Economic Zones: Johannes Gallé (Ruhr University Bochum)
- The impact of the Employment Equity Act on female inter-industry labour mobility and the gender wage gap in South Africa: Mattie Landman (University of Oxford)

Job Search / Matching
Chair: Diana Lopez-Avila (The World Bank)
- Formalized Employee Search and Labor Demand: Marc Witte (IZA Institute of Labor Economics)
- Job Application and Selection: Distaste for Distance and Spatial Mismatch: Shekhar Tomar (Indian School of Business)
- Labour market effects of digital matching platforms: experimental evidence from sub-Saharan Africa: Sam Jones (UNU-WIDER)
- Returns to Job Search: Experimental Evidence from a Matching Platform: Robert Garlick (Duke University)

Pandemic, Jobs & Development 2
Chair: Reza Daniels (University of Cape Town)
- Unpacking the Post-lockdown Employment Recovery of Young Women in the Global South: Richard Freund (University of Oxford)
- Firms’ digital investment and resilience to shocks: Evidence from the COVID-19 pandemic in Ghana: Raymond Elikplim Kofinti (UCC)
- The effect of wage subsidies on job retention: Evidence from South Africa during the COVID-19 pandemic: Timothy Köhler (DPRU, University of Cape Town)
- Who was impacted and how? The COVID-19 pandemic and the long uneven recovery in India: Mrinalini Jha (O.P. Jindal Global University)

Income & Wealth Inequality
Chair: Ingrid Woolard (Stellenbosch University)
- Global Value Chains and Income Inequality: Evidence from Africa: Martin Paul Jr. Tabe-Ojong (IFPRI)
- Mending the Gap: Apparel Export Prices and the Gender Wage Gap in Bangladesh: Raymond Robertson (Mosbacher Institute for Trade, Economics, and Public Policy)
- Social stratification and post-school funding thresholds: A dynamic approach to profiling the missing middle: Emma Whitelaw (University of Cape Town)
**Parallel Sessions - PM**

**Structural Change**
Chair: Sam Jones (UNU-WIDER)
- Subnational Perspective of Structural Change in Africa: Evidence from Morocco: **Al-Mouksit Akim** (Mohammed VI Polytechnic University)
- Sectoral employment and income inequality in the era of globalization: **Wannaphong Durongkaveroj** (Ramkhamhaeng University)
- Manufacturing in Sub-Saharan Africa: Deindustrialisation or a Renaissance? **Chris Rooney** (DPRU, University of Cape Town)
- Intersectoral linkages and Construction Productivity: **Kunal Sen** (UNU-WIDER)

**Youth & Labour Markets**
Chair: Lawrence Jeff Johnson (ILO)
- Wage Subsidies and Youth Employment: Firm-Level Evidence from South Africa: **Andinet Woldemichael** (African Development Bank)
- Employment support program and young people’s employability in French-speaking sub-Saharan Africa: **Andre Dumas Tambour** (University of Yaounde II)
- The impact of vocational training interventions on youth labor market outcomes: A meta-analysis: **Jonathan Stöterau** (The World Bank and Humboldt University Berlin)
- The Impact of Grants and Skills Training on Youth Employment Outcomes in Liberia: **Mitja Del Bono** (The World Bank Group)

**Policy & Regulation**
Chair: Anthony Black (University of Cape Town)
- Protect Incomes or Protect Jobs? The Role of Social Policies in Post-pandemic Recovery: **Iván Torre** (The World Bank)
- Policy Determinants of Economic Transformation in Developing Countries: **Jala Youssef** (University of Paris 1 Pantheon-Sorbonne)
- Is the enforcement of labor regulations effective in promoting formal employment? The Peruvian case: **Yulia Valdivia** (The World Bank - Poverty and Equity Global Practice)
- Get Up, Stand Up: Labor Unions and Wages in Brazil: **Niels-Hugo Blunch** (Washington and Lee University)

**Technology & Future of Work**
Chair: Piotr Lewandowski (IBS)
- Routine-biased technological change and employee outcomes after mass layoffs: evidence from Brazil: **Antonio Martins Neto** (The World Bank and UNU-MERIT)
- The Impact of Artificial Intelligence on Labor Markets in Developing Countries: A New Method with an Illustration for Lao PDR and Viet Nam: **Ekkehard Ernst** (International Labour Organisation)
- Employment Impacts of 4IR Technologies in the South African Manufacturing Sector: **Robert Hill** (DPRU, University of Cape Town)
- Job quality gap between migrant and native gig workers: evidence from Poland: **Zuzanna Kowalik** (IBS)
The second conference keynote speaker, Prof. Ragui Assaad, discussed how North African labour markets exhibit high unemployment rates, especially among educated youth and disproportionately among women, along with low and stagnant female labour force participation. And this, even though females have high levels of educational attainment.

Furthermore, this labour market has an oversized public sector and there are large distorted investments in human capital, where credentials are favoured over skills.

The reasons behind these phenomena are the longstanding practise of using public sector employment as a tool of political appeasement led to durably segmented labour markets.

This ultimately misallocated both human capital in the economy and leads to investments in the wrong kind of capital. This segmentation drives the aforementioned unemployment, erodes the social contract, and results in informalisation for educated young men and falling participation for educated young women.
Airport transfers & local transport
The DPRU organising team engaged with local small business, S.I. City Bowl Shuttles to provide transfers for both arrival and return trips to and from the airport for conference delegates.

Conference Dinner Venue
The southern tip of the African continent is the meeting place of the mighty Indian and the Atlantic oceans. The Two Oceans Aquarium at the V&A Waterfront, is ideally positioned to showcase the incredible diversity of marine life found in these waters.

“While the aquarium is about fun and entertainment, it is also devoted to education, and conservation of marine life. Many of the animals housed here were rescued, and are either recuperating from injuries or trauma, or can no longer live in the wild.”

Photography
The DPRU organising team engaged with local photographer, Klara Beckerling of Everyday Studios, to capture the images included in this brochure, that have also been made available to all conference attendees.
The 2022 Jobs and Development Conference was co-hosted and organised by the Development Policy Research Unit (DPRU) at the University of Cape Town.