



# Glossary

## JOBS

**Jobs:** While precise definitions vary, jobs are labor activities that generate income, monetary or in kind, without violating fundamental rights and principles at work. Jobs can take the form of wage employment, self-employment, and farming. They can be formal or informal.

**Good jobs for development:** These are jobs that contribute the most to societal goals. The development payoff of a job is the sum of the value it has to the worker and its spillovers (if any) on others. The individual value is the first-order measure of the development payoff, but spillovers can be substantial.

**Jobs lens:** Strategies, policies, and programs adopt a jobs lens if they take into account the development payoffs from jobs. The jobs lens involves aims at realizing the untapped development payoffs by addressing the constraints that prevent the private sector from creating more good jobs for development.

## SKILLS

**Cognitive skills:** They include verbal ability, working memory, numeracy, and problem-solving abilities. They are the foundation for the acquisition and building of other skills throughout life.

**Social skills:** They facilitate interaction and communication with others. They are based on personality traits that underlie behaviors such as teamwork, reliability, discipline, or work effort.

**Technical skills:** They enable the performance of specific tasks. They take the form of knowledge that is specific to a particular occupation or group of occupations.

**Entrepreneurship:** It is the combination of innovative capacity to put new ideas into effect with managerial capacity to increase a firm's efficiency within the limits of known technology.

## TRANSFORMATIONS

**Living standards:** They encompass the material and subjective aspects of well-being. Jobs contribute to living standards through earnings opportunities that lift people out of poverty, make them less vulnerable, motivate them, and contribute to their broader happiness and satisfaction with life.

**Productivity:** It is the amount of output generated with a given amount of inputs. A higher productivity of individual jobs, the creation of more productive jobs and destruction of less productive ones, and the reallocation of workers within countries and across borders drive changes in aggregate productivity.

**Social cohesion:** Societies are cohesive when they have the capacity to manage collective decision making peacefully. Jobs can contribute to social cohesion by nurturing trust in others beyond the group people belong to. They can also do so by fostering civic engagement.

## RIGHTS

**Core labor standards:** A set of eight International Labour Organization conventions included in the 1998 Declaration of the Fundamental Principles and Rights at Work. These conventions cover child labor, discrimination, forced labor, and freedom of association and collective bargaining.

**Health and safety at work:** Occupational accidents and work-related diseases can undermine workers' health, are an important source of mortality, and can have high costs to society.

## DEVELOPMENT PAYOFFS

**Spillovers:** Beyond their direct impact on the well-being of the people who hold them, jobs can have additional impacts on societal goals. Jobs may influence the living standards of others, their productivity, or the way collective decisionmaking works. Spillovers from jobs can be positive or negative.

**Earnings of others:** Uneven bargaining power or discrimination may lead to labor earnings that are too low or too high, with others gaining or losing as a result. Jobs supported through government transfers or restrictive regulations also affect the earnings and employment opportunities of others.

**Household allocations:** Jobs can change the status of their jobholders and increase their say on how resources are allocated among household members. Jobs that empower women can lead to greater investments in children's education and health.

**Poverty reduction:** In societies that value poverty reduction, jobs that take people out of hardship increase overall well-being. In these societies, employment opportunities tilted in favor of the poor are seen as preferable, even if aggregate earnings or output do not change.

**Agglomeration effects:** Work-related interactions can increase the productivity of others. The sharing of ideas; learning from customers, suppliers and competitors; and a better matching of skills across a larger pool of workers are among the mechanisms through which these productivity gains take place.

**Global integration:** Jobs linked to world markets and jobs in foreign-owned companies allow acquiring more advanced technical and managerial skills. These jobs can also change the industrial structure in ways that favor the most productive economic units and push the least productive out of business.

**Environmental effects:** Jobs have negative impacts on aggregate productivity when they damage the environment or lead to an overuse of scarce resources. But they can also have positive environmental effects, as in the case of jobs to manage forests and other common resources.

**Social identity:** Jobs can impact the well-being of others by influencing the values and behavior of those who hold them in ways that affect society at large. Jobs can shape the norms influencing how the jobholder interacts with others.

**Networks:** Jobs connect people to each other. They convey information among coworkers and society more broadly. Jobs may also contribute to tolerance when interactions at the workplace increase direct knowledge among people of different social and ethnic backgrounds.

**Sense of fairness:** Job allocations at odds with the idea of equality of opportunity may lead to frustration and disengagement from society and collective decision-making processes. Jobs that live up to standards of transparency and merit can contribute to the sense of fairness in society.

## JOBS CHALLENGES

**Agrarian economies:** In these economies most people are still engaged in agriculture, often in very small family farms, and cities are not yet a source of economic dynamism.

**Conflict-affected countries:** These are countries undergoing or emerging from conflict, where peace-keeping forces may still be needed or where deaths from conflict may still be high.

**Resource-rich countries:** Minerals account for a large share of exports. Exploitation of resources brings dramatic economic growth but undermines competitiveness and encourages jobs based on transfers.

**Small island nations:** Their size and remoteness make it difficult for them to reap the benefits of agglomeration and global integration. Their fragile ecosystems add to their vulnerability.

**Urbanizing countries:** The share of the urban population is growing rapidly. Cities are a magnet for rural migrants but may fail to move up from exports of light manufacturing to higher value added products.

**Countries with high youth unemployment:** Prolonged joblessness and idleness affect a large share of the often sizeable youth population. The allocation of business opportunities and jobs is tainted by privilege.

**Formalizing countries:** The coverage of social protection systems is large enough to envision extending it to the entire workforce, but how to do it without undermining productivity is a challenge.

**Aging societies:** The share of the working-age population is declining and the costs of providing and caring for the growing number of elderly is increasing, putting a double burden on living standards.

## *Bibliographical note*

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