



# Jobs since the Great Recession

David A. Robalino

Lead Economist - Leader Labor and Youth Team

The World Bank



**DIRECTIONS IN DEVELOPMENT**  
Human Development

# Working through the Crisis


*Jobs and Policies in Developing Countries  
during the Great Recession*

Arup Banerji  
David Newhouse  
Pierella Paci  
David Robalino  
*Editors*



THE WORLD BANK



 Max 18C, min 5C

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# Lehman collapse sends shockwave round world

## Shares and oil prices plunge, thousands lose jobs

**by Duncan** Economics Editor

... of a global financial meltdown yesterday as the world's biggest bankruptcy plunged markets into oil.

Investors were left reeling as the apt demise of the Lehman Brothers investment bank sparked the st shake-up on Wall Street in les.

Other of US capitalism's biggest tutions, Merrill Lynch, is to be owed by Bank of America in a billion takeover to save it from se.

es fell as fear spread through ancial system. Central banks un-urgent measures amid concerns e world economy was entering erous new phase. The Bank of d injected £5 billion of emer-pending into money markets

Dow Jones industrial average was down 300 points, or 2.6 per cent. Sentiment was also bolstered by steep falls in oil prices, which dropped by more than \$5 a barrel to \$96, closing under \$100 for the first time in six months and raising hopes that cheaper fuel would ease economic stresses on Western nations.

However, by close of trading the Dow had fallen by more than 500 points — its biggest one-day drop since the reopening after the September 11 attacks — as concerns mounted over the world's largest insurer. Shares in American International Group (AIG), which sponsors Manchester United, fell by 45 per cent after it made an unprecedented approach to the US Federal Reserve for \$40 billion in emergency funding.

Last night the Fed asked Gold



KIRSTY WIGG

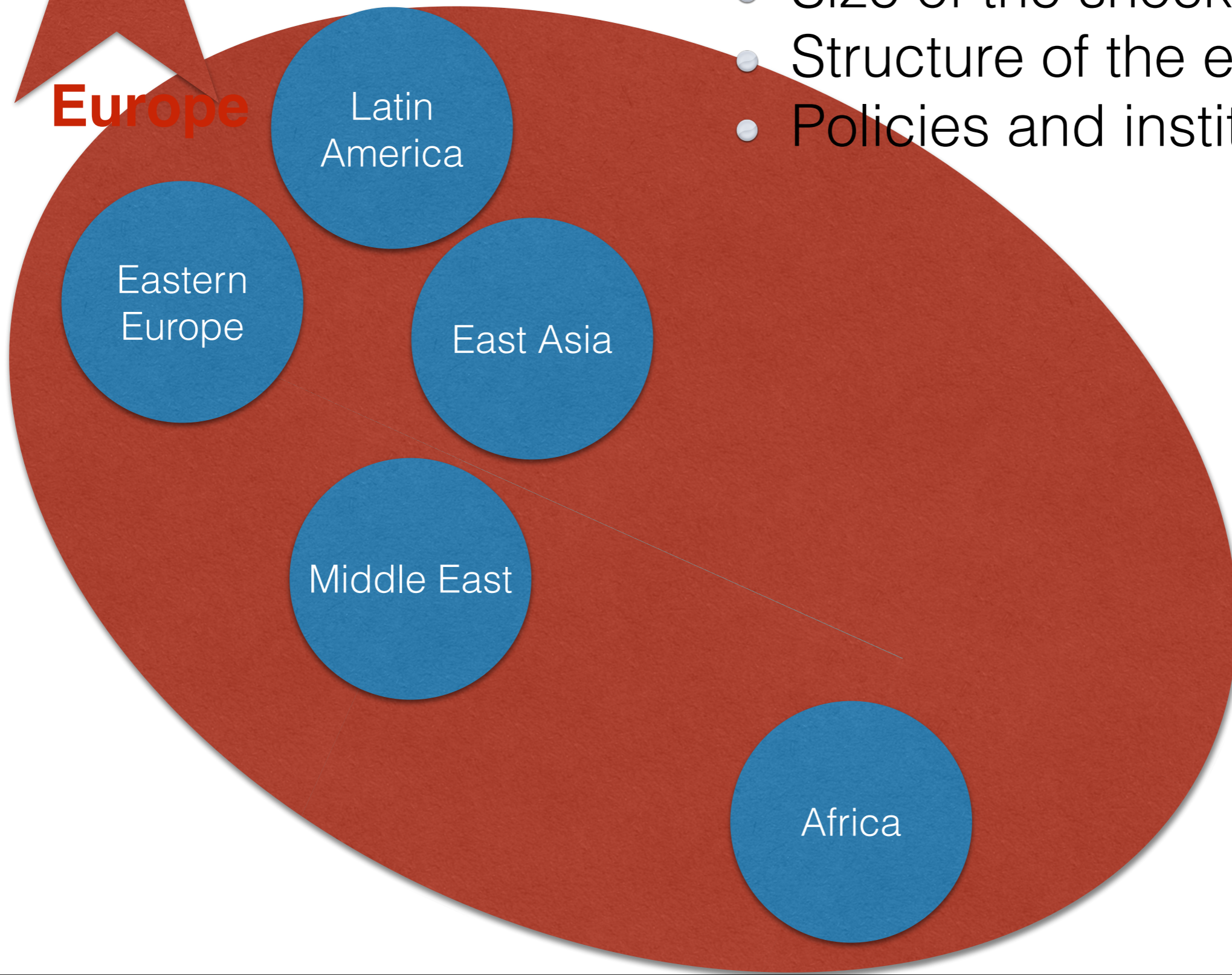
# Unemployment in the United States



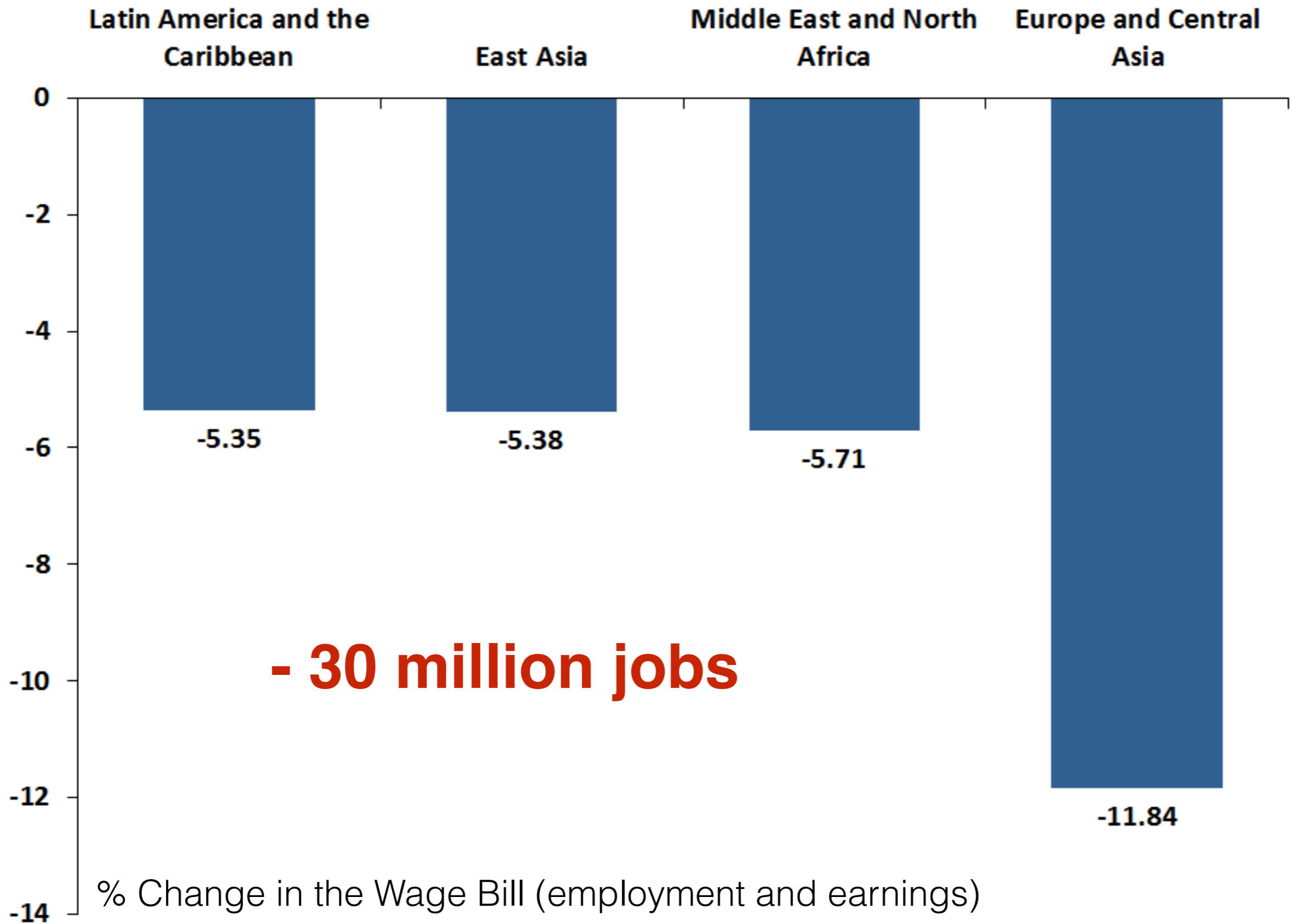


## Determinants of the impact:

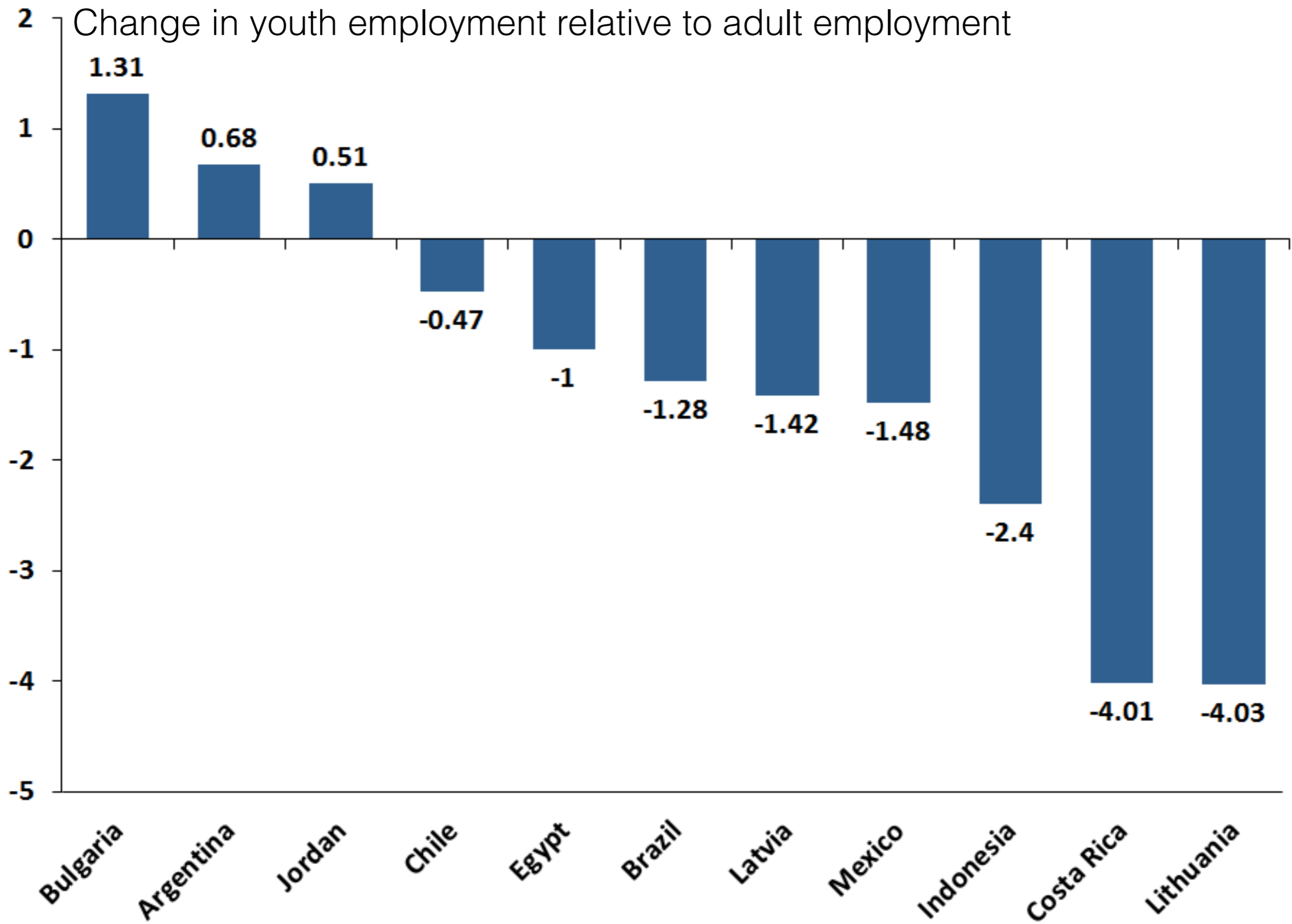
- Economic integration
- Transmission Channel
- Size of the shock
- Structure of the economy
- Policies and institutions



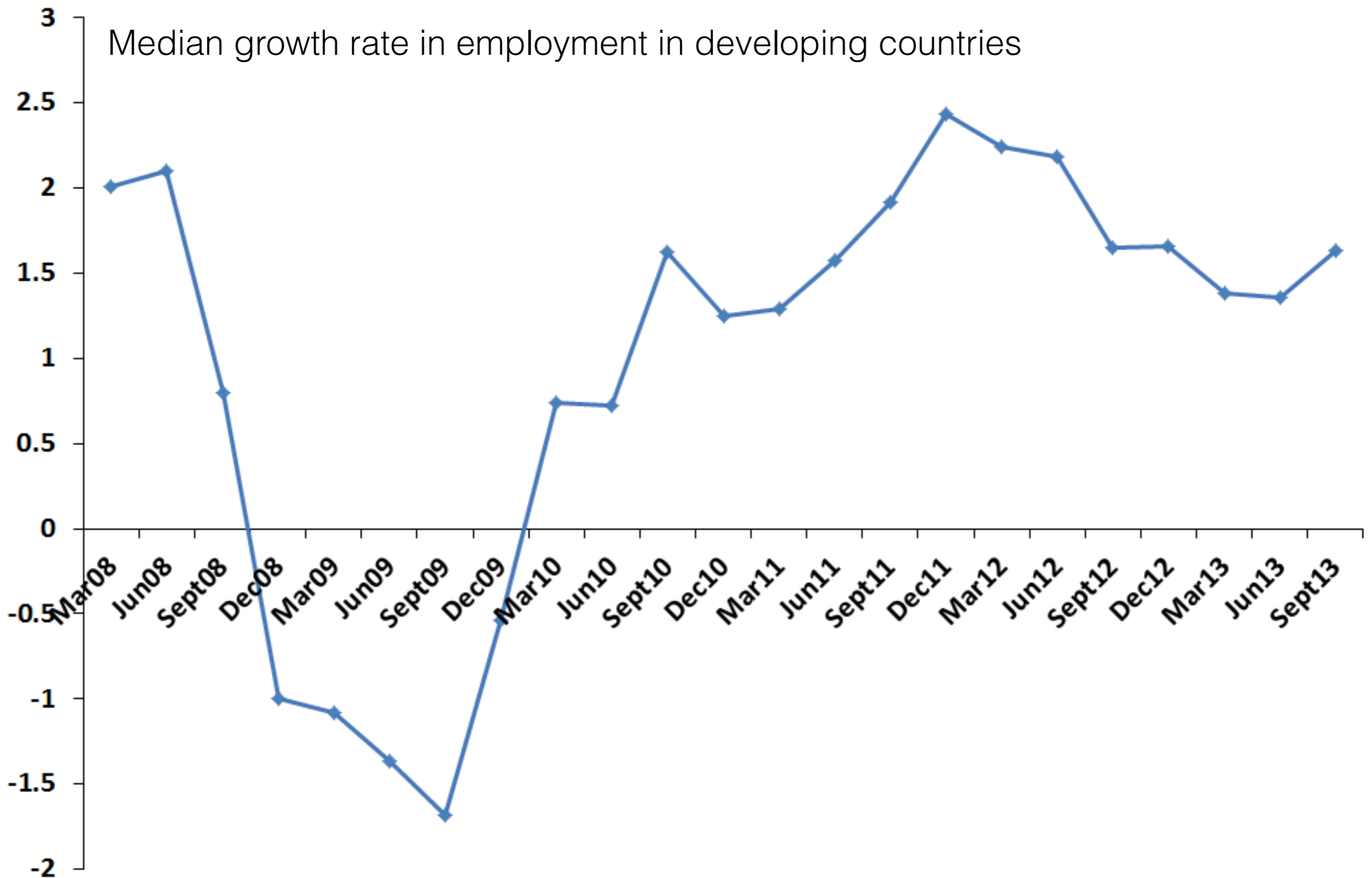
# The crisis affected employment and earnings worldwide



# Youth were often more affected than adults

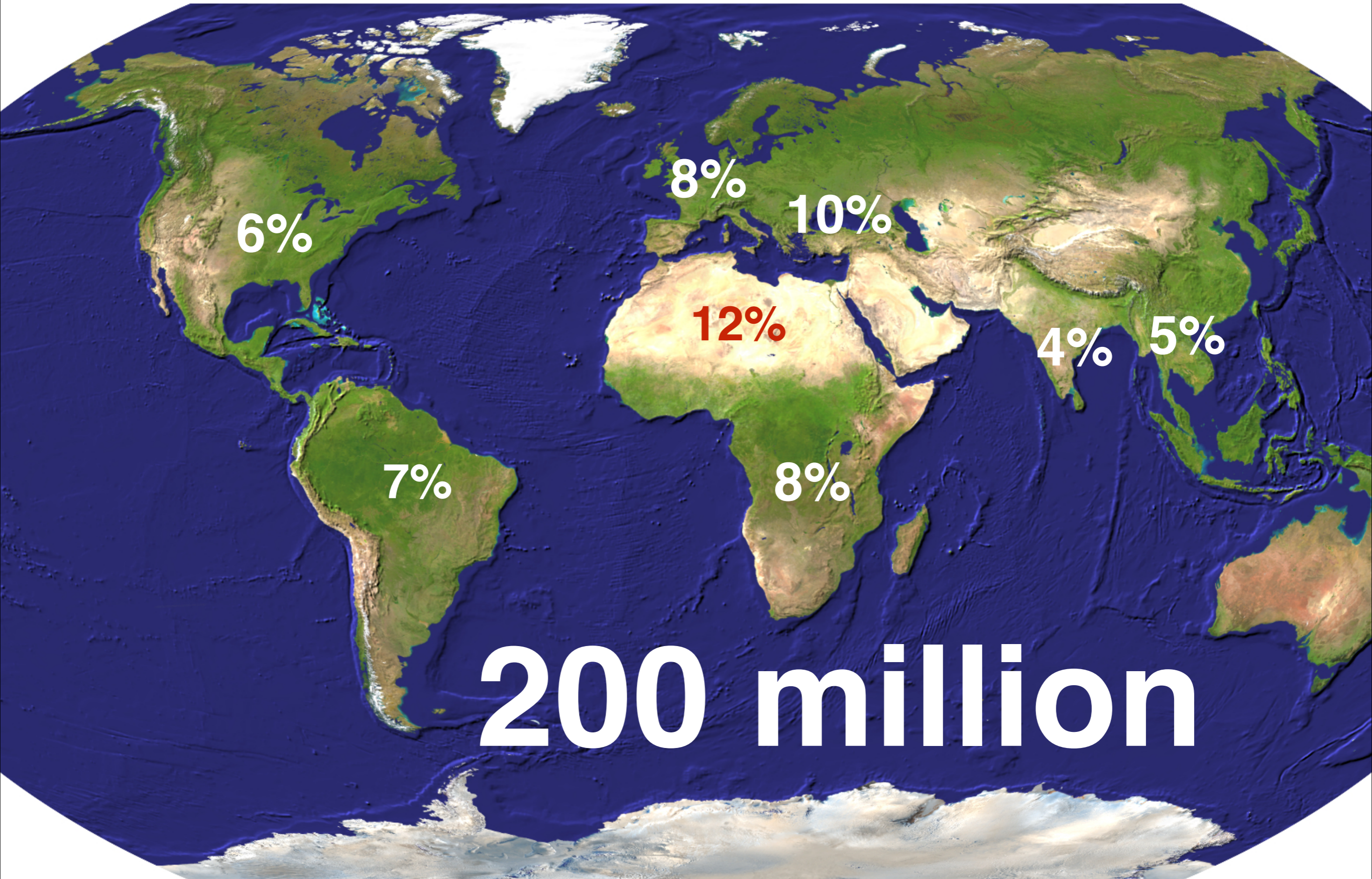


# The recovery has been slow

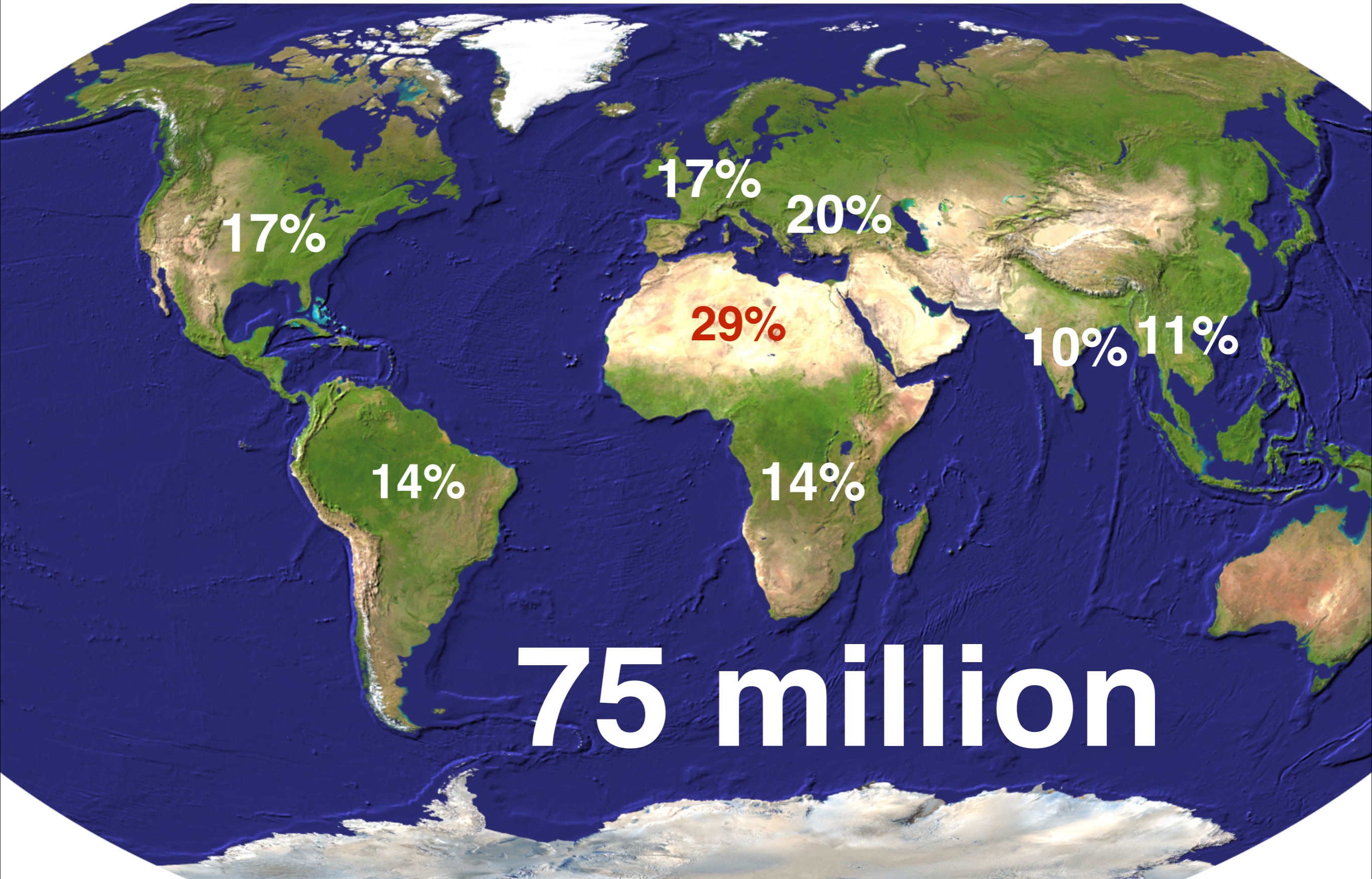




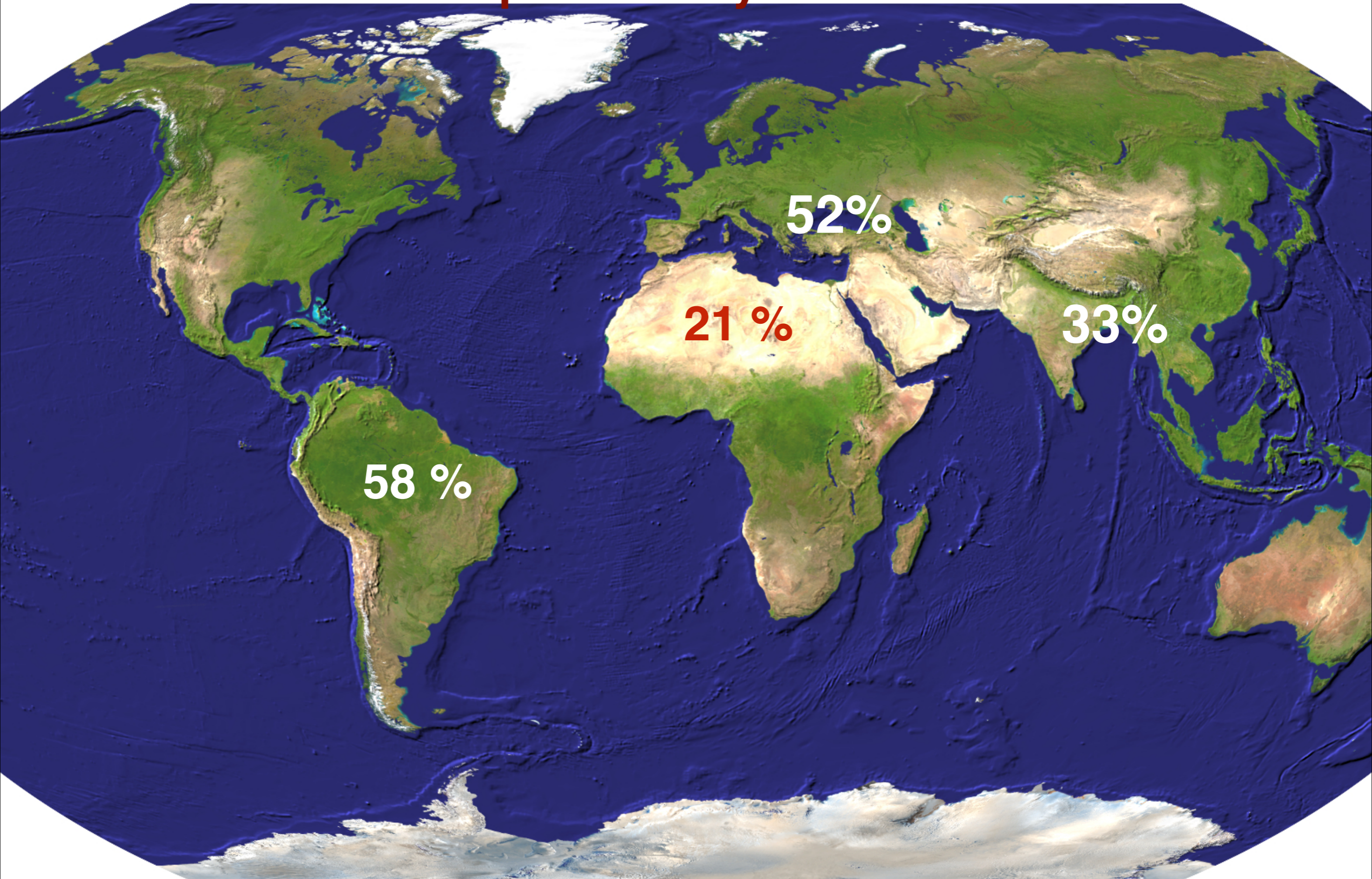
# 1. High unemployment...



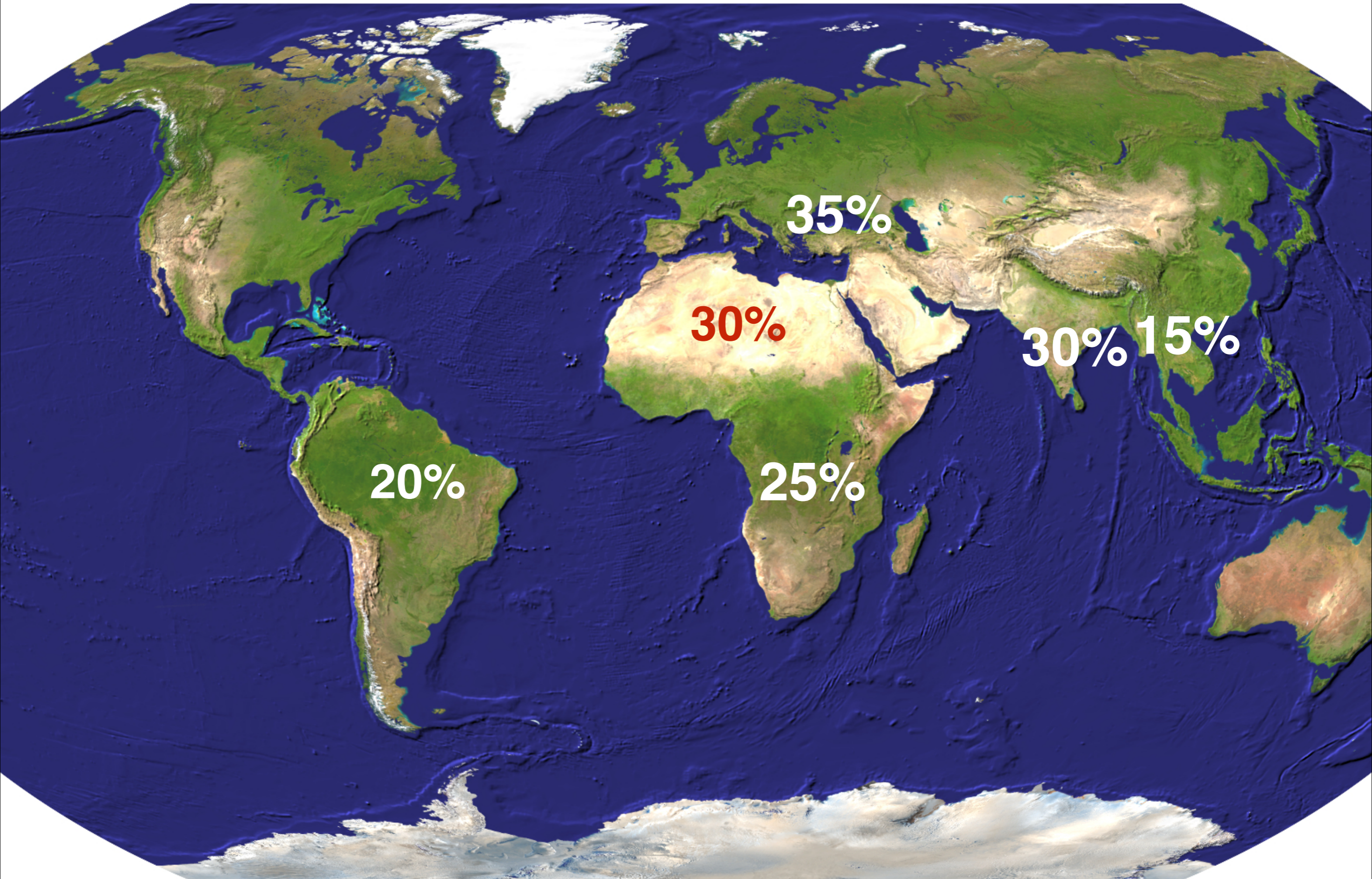
**... particularly among youth**



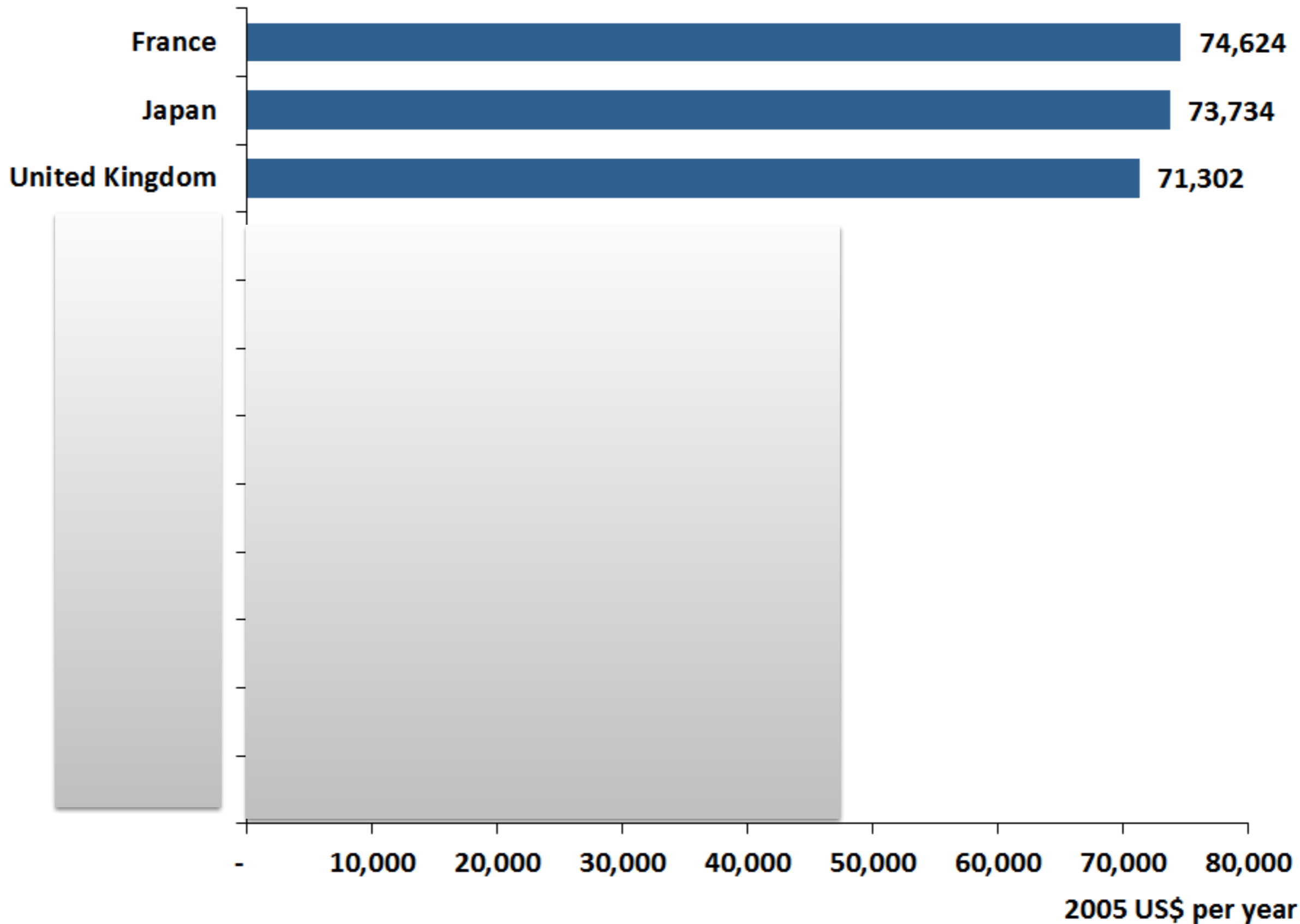
## 2. Many do not participate in the labor market, particularly women...



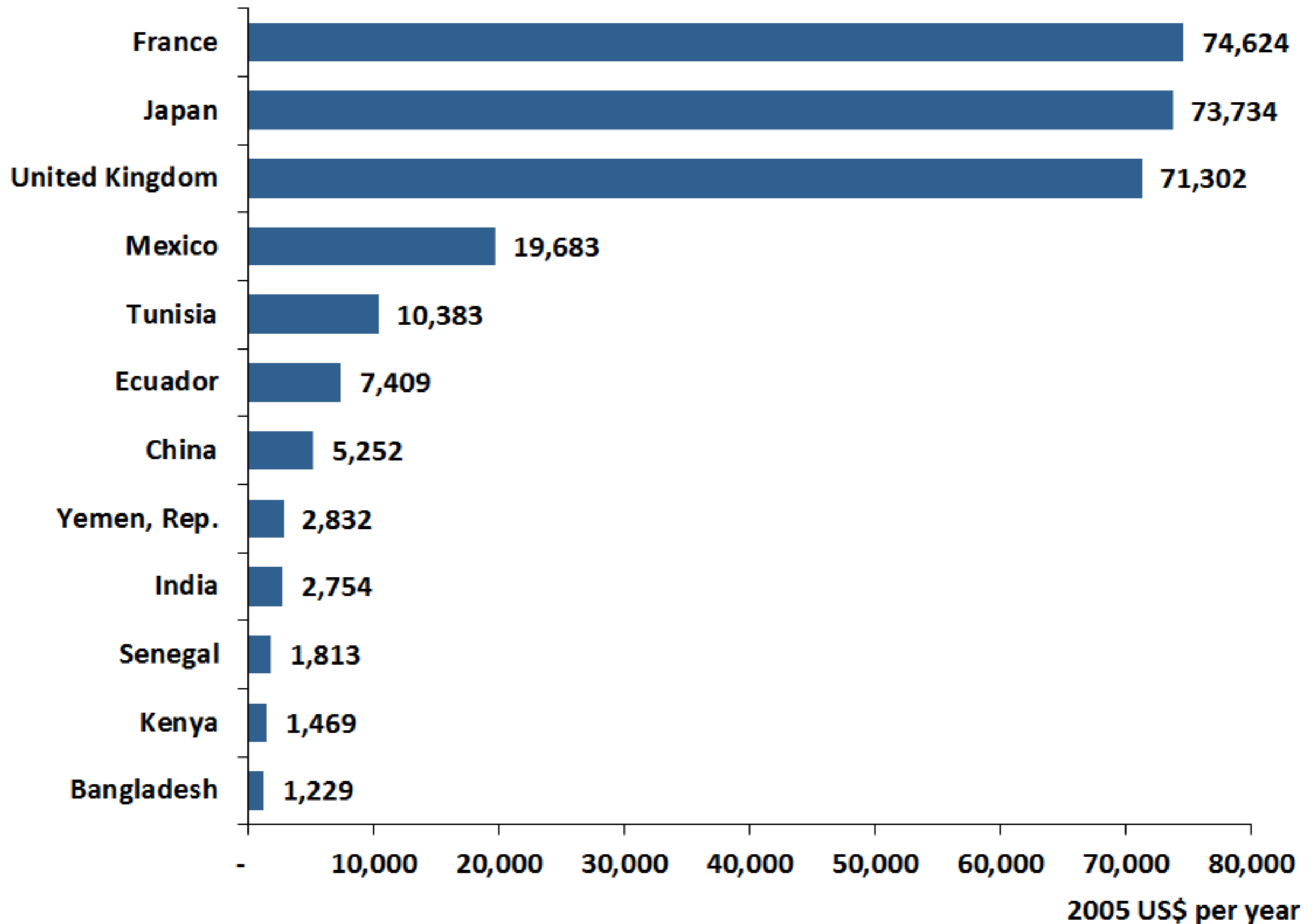
**... and youth who are not studying or looking for a job**



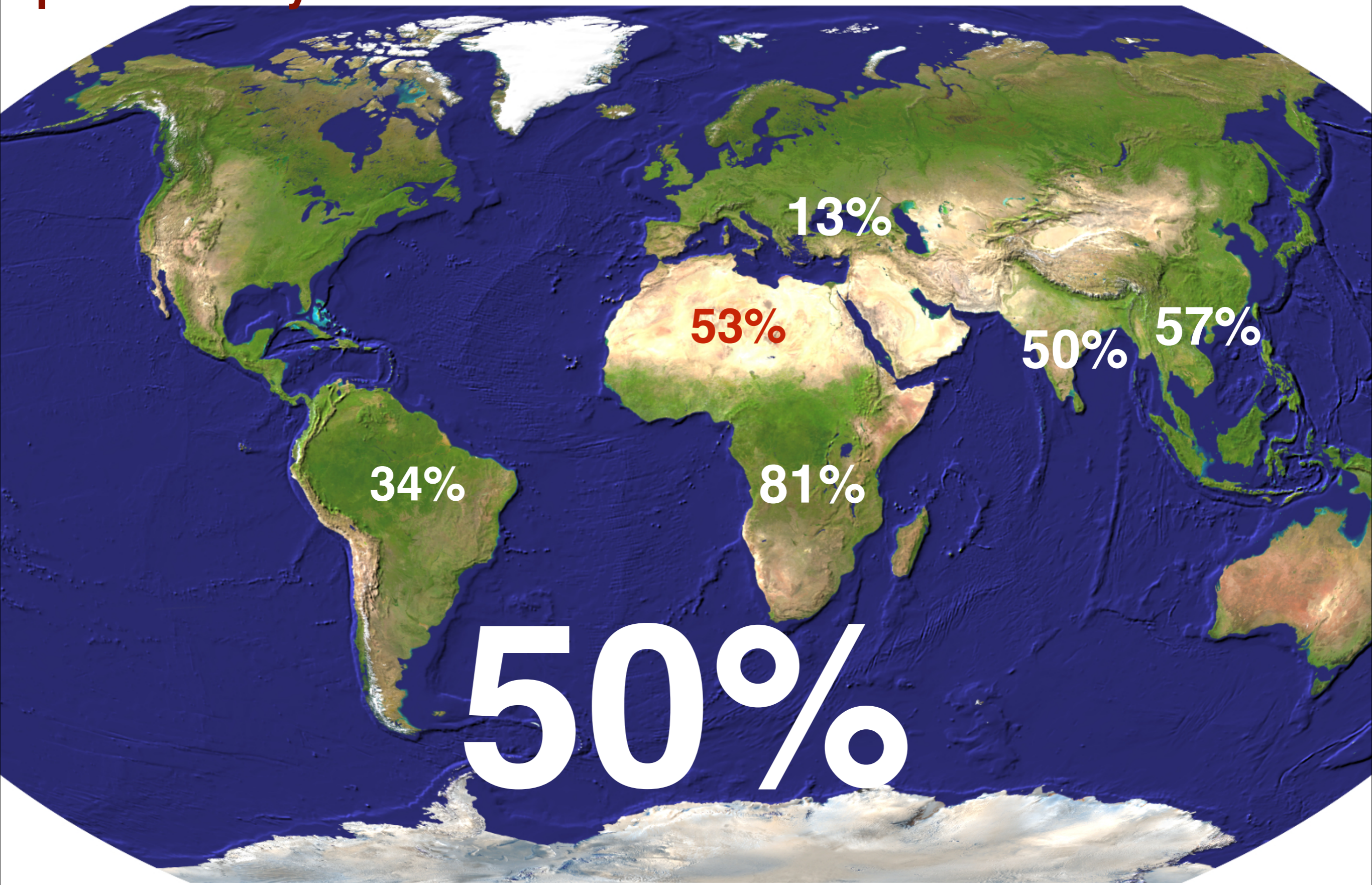
### 3. Very low labor productivity



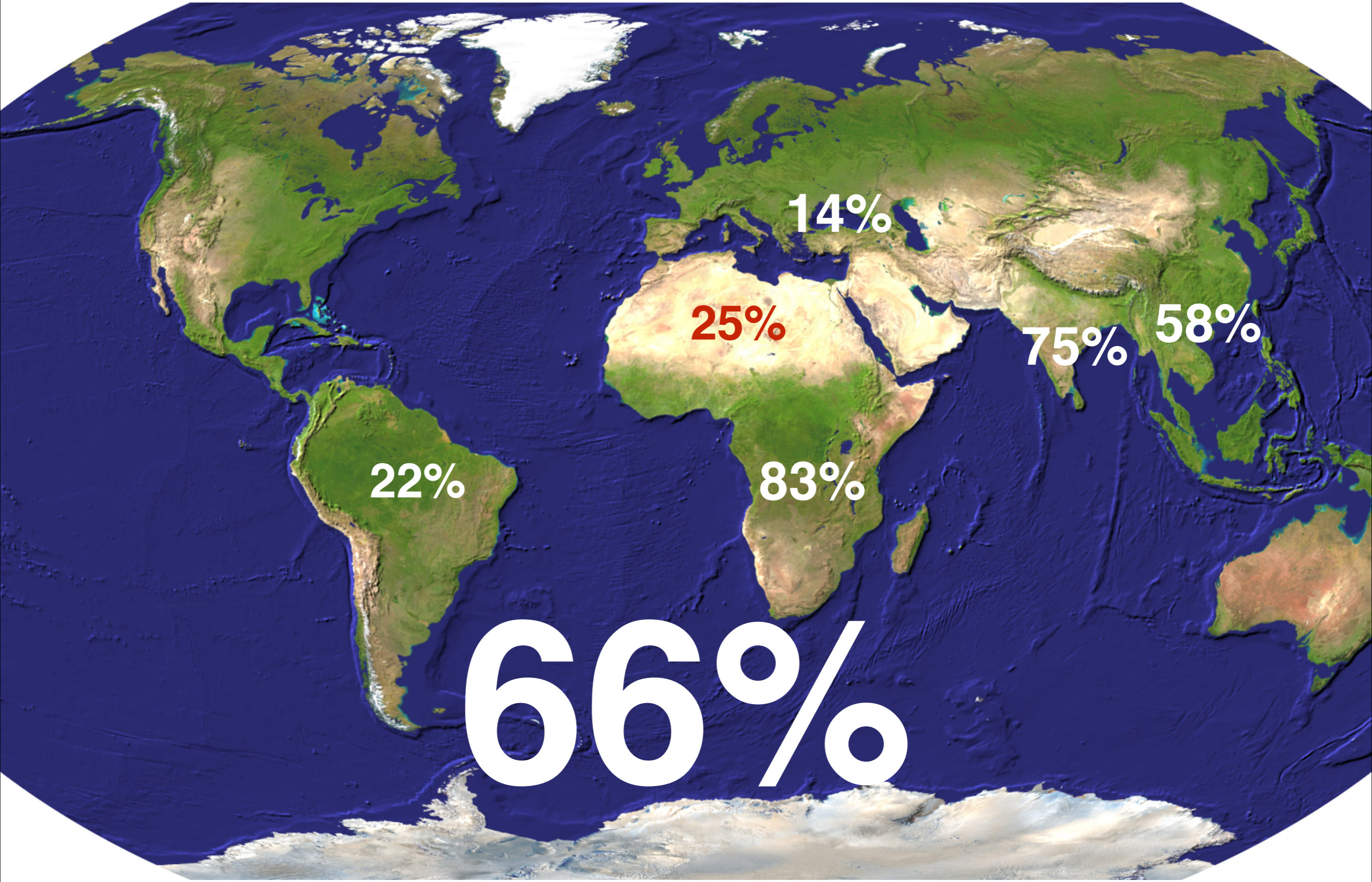
# Very low labor productivity



# A large share of workers are (self) employed in low productivity activities



# And the majority are poor





# Three factors that will affect the future of jobs

**Skills**

**Demographics**

**Technological change**