



Fourth Luca d'Agliano Lecture  
in Development Economics

**EMPLOYMENT AND DEVELOPMENT:  
GOOD JOBS, BAD JOBS**

**François Bourguignon**

Chief Economist and Senior Vice President, World Bank;  
Professor of Economics, Ecole des Hautes Etudes en Sciences  
Sociales, Paris

Monday, May 22nd, 2006  
11.00 a.m.

Fondazione Luigi Einaudi  
Palazzo d'Azeglio  
Via Principe Amedeo, 34  
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*The activities of the Centro Studi Luca d'Agliano in Torino are  
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**François Bourguignon**

François Bourguignon is Chief Economist and Senior Vice President for Development Economics at the World Bank and Professor of Economics at the Ecole des Hautes Etudes en Sciences Sociales (EHESS) in Paris. His main areas of interest focus on income distribution, inequality and poverty measurement, economic development and redistribution systems.

Since his appointment at the World Bank in 2003, he has mainly directed his attention on problems related to economic growth and its relationship with inequalities and on the evaluation of the development impact of programs and policies. Whilst at EHESS, from which he has been on leave since 2003, he funded and directed the Département et Laboratoire d'Economie Théorique et Appliquée (DELTA). FB has published widely, both in books and in economic journals such as the American Economic Review, Review of Economic Studies and Journal of Development Economics and now edits the World Bank Economic Review. He is the recipient of a number of important honors (silver medal for academic achievements from the French National Centre for Scientific Research, doctor ex-honoris causa, Université du Québec, Montréal). He is now also a Fellow of the Econometric Society.

**Employment and Development: good jobs, bad jobs**

How to create more and better jobs so as to eradicate poverty has been a key issue for policy makers around the world for a long time. Sustainable growth is essential to create more productive and rewarding jobs. But growth-enhancing reforms may also lead to greater inequalities: unskilled workers without training are less likely to get “good” jobs, and in countries lacking minimum forms of safety nets workers tend to be fully exposed to the cost of greater labor mobility. In this context, a recent report by the *World Commission on the Social Dimension of Globalization* (2004) called policy makers in developing countries – as well as donors and international organizations – to put employment at the center of their development strategy.

Any strategy to promote better labor market outcomes should start with a diagnosis of current labor market conditions, and how these conditions have evolved in countries that have undergone major structural and policy changes. It turns out that standard indicators used in developed countries, and in particular those related to unemployment, often are inappropriate in developing countries. Most workers cannot afford to be unemployed and may well be engaged in full-time employment, while remaining in poverty (working poor). This may be because they lack adequate skills, or because they cannot afford to search for good jobs, or because they live in areas where there is a shortage of good jobs and have difficulty in moving to other areas.

A more complete set of labor market diagnostics needs to be developed in order to assess labor market performance and to identify worse-off groups of workers so as to design effective policies to improve their welfare. This *lecture* discusses possible options to characterize labor market vulnerability, using existing statistical information. It draws on household survey data in a small sample of developing and emerging economies over the past decade to characterize labor-market performances. In particular, it examines the “quality” of jobs that different workers have access to, quality being defined by: i) the type of labor contract (written, with provision of social security benefits, informal, etc.), ii) working conditions; and iii) the level of earnings. It then tries to relate these performances to the structure of the economy, labor-market regulation and the macro-economic evolution of the country. Finally, it evaluates the implication of labor-market performances for poverty, by focusing on the issue of the “working poor” and its link with the actual poverty observed at the household level.

**Programme**

**11.00 Welcoming Address and Introduction**

**PIERO GASTALDO** (General Secretary,  
Compagnia di San Paolo)

**RICCARDO FAINI** (Professor of Economics,  
University of Rome “Tor Vergata”; Chairman of  
the Scientific Committee, Centro Studi Luca  
d'Agliano)

**11.15 Fourth Luca d'Agliano Lecture in  
Development Economics:  
“Employment and Development: good jobs, bad  
jobs”**

**FRANÇOIS BOURGUIGNON** (Chief Economist  
and Senior Vice President, World Bank;  
Professor of Economics, Ecole des Hautes  
Etudes en Sciences Sociales, Paris)

**12.45 Debate**

## The Luca d'Agliano Lectures in Development Economics

*The Luca d'Agliano Lectures in Development Economics are organised every year in Turin thanks to the generous support of the Compagnia di San Paolo. The aim at favouring the diffusion of the ideas of the best world thinkers in the field to a non specialised audience. The ultimate objective of the lectures is to help grounding the general debate on development issues, often confused and muddled, into sound economic analysis.*

### *The First Luca d'Agliano Lecture, 2003*

**Pranab Bardhan** (Professor of Economics, University of California, Berkeley):

*“Globalisation and the Poor”*

### *The Second Luca d'Agliano Lecture, 2004*

**Dani Rodrik** (Professor of International Political Economy, Harvard University):

*“Rethinking Economic Growth in Developing Countries”*

### *The Third Luca d'Agliano Lecture, 2006*

**Jeffrey G. Williamson** (Laird Bell Professor of Economics, Harvard University):

*“Globalization and Underdevelopment in the Pre-Modern Third World”*

## Luca d'Agliano

*Luca d'Agliano was born in Turin on July 4th, 1961. In September 1980, he went up to Churchill College, University of Cambridge, where he read philosophy and then economics. On taking his Bachelor of Arts degree in 1983, he was awarded a scholarship by the Fondazione Luigi Einaudi, Turin, and was admitted to St. Anthony's College, University of Oxford. Here, under the guidance of Amartya Sen, he studied questions relating to developing countries and welfare economics.*

*It was Luca's vision that the study of economics should be “... be continually carried over into practical applications, above all when attempting to solve problems that limit the growth of man's well-being. For this substantially ideological reason, it becomes important to combine close study of purely theoretical matters with a study of the problems afflicting the developing countries in their struggle against poverty [...]”. Nearly a year later, Luca d'Agliano lost his life in a road accident (June 1984).*

## Centro Studi Luca d'Agliano

*The Centro Studi Luca d'Agliano was founded in Turin in 1986 by the family of Luca d'Agliano, his friends, and some of his teachers. It is currently located at the Fondazione Luigi Einaudi in Torino and at the University of Milan. It is a non-profit research institution contributing original research in the field of international and development economics. Particular emphasis is placed on the training of young scholars and in giving them the opportunity of acquiring a truly international perspective. The activities of the Centro Studi mainly focus on academic research, but it also greatly contributes to the policy debate, working for institutions such as the World Bank, the European Commission, the United Nations, the Bank of Italy and the Italian Government.*

For information and replies

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For further information on Professor François Bourguignon and on the Lecture, please refer to:

[www.dagliano.unimi.it](http://www.dagliano.unimi.it)