Comments on the World Bank Report "At Your Service? The Promise of Services-Led Development"

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- The report discusses the service sector in 4 groups:
  - ✓ Global innovator services:
    professional, scientific, and technical services, ICT, finance
  - ✓Low-skill tradable services:
    transportation, warehousing, wholesale, accommodation and food
  - ✓ Skill-intensive social services:
    education, health
  - ✓ Low skill domestic services:
    retail, administrative and support services

- The report also examines whether technology can narrow the productivity-jobs dichotomy and whether the service sector can grow without a manufacturing base.

Comments

1. Regional perspectives: regional dynamism and existing conditions may matter.
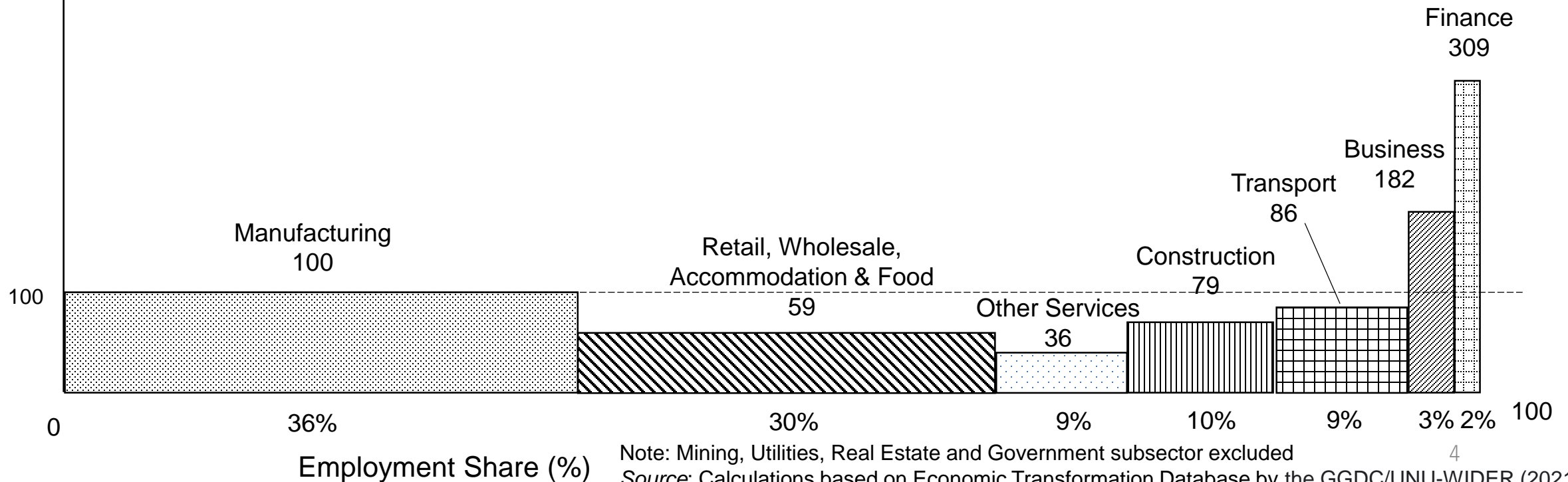
2. The role of FDI?

Asia's non-agricultural employment share and productivity in 2000

✓ Non-Agricultural employment in 2000: 47%
✓ Manufacturing took the largest share in the non-agricultural employment, followed by Retail, Wholesale, Accommodation & Food.
✓ Limited employment shares by higher productivity subsectors (Business and Finance)

Labor Productivity
(Manufacturing Labor Productivity in Asia in 2000 =100)

Countries covered:
Bangladesh, Cambodia, China, India, Indonesia, Lao People's Democratic Republic, Malaysia, Myanmar, Nepal, Pakistan, Philippines, Sri Lanka, Thailand, Viet Nam
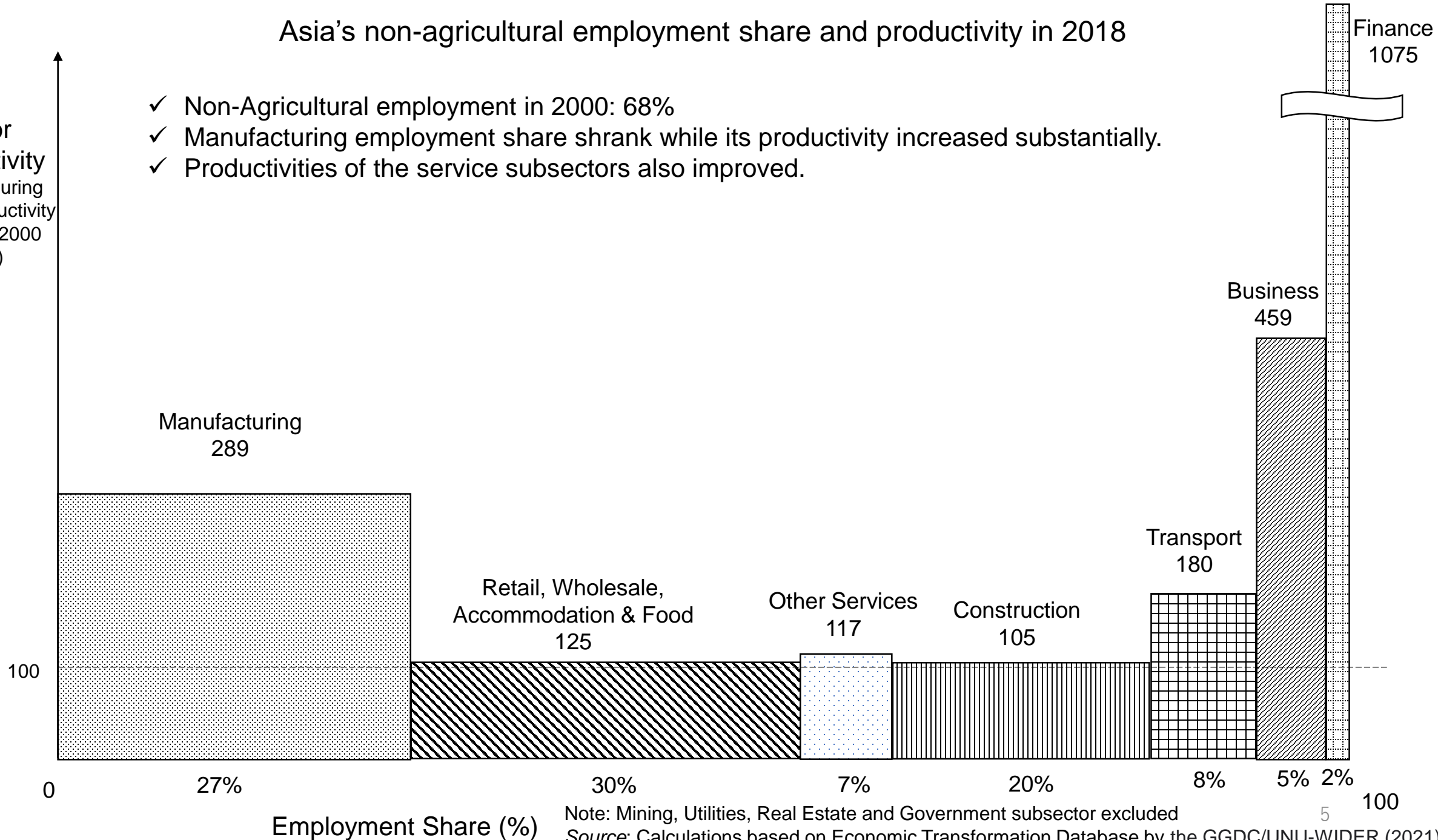

Finance 309

Business 182

Transport 86

Construction 79

Manufacturing 100

Retail, Wholesale, Accommodation & Food 59

Other Services 36

100

0

36%   30%   9%   10%   9%   3% 2%   100

Employment Share (%)

Note: Mining, Utilities, Real Estate and Government subsector excluded

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Source: Calculations based on Economic Transformation Database by the GGDC/UNU-WIDER (2021)

Asia's non-agricultural employment share and productivity in 2018

Labor Productivity
(Manufacturing Labor Productivity in Asia in 2000 =100)

✓ Non-Agricultural employment in 2000: 68%
✓ Manufacturing employment share shrank while its productivity increased substantially.
✓ Productivities of the service subsectors also improved.

Finance
1075

Business
459

Manufacturing
289

Transport
180

Retail, Wholesale, Accommodation & Food
125

Other Services
117

Construction
105

100

Employment Share (%)

0   27%   30%   7%   20%   8%   5% 2%   100

Note: Mining, Utilities, Real Estate and Government subsector excluded

Source: Calculations based on Economic Transformation Database by the GGDC/UNU-WIDER (2021)

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Sub-Saharan Africa's non-agricultural employment share and productivity in 2000

Labor Productivity
(Manufacturing Labor Productivity in Asia in 2000 =100)

✓ Non-Agricultural employment in 2000: 31%
✓ Manufacturing employment share was lower in Sub-Saharan Africa.
✓ Retail, Wholesale, Accommodation & Food took the largest employment share.

Countries covered:
Botswana, Burkina Faso, Cameroon, Ethiopia, Ghana, Kenya, Lesotho, Malawi, Mauritius, Mozambique, Namibia, Nigeria, Rwanda, Senegal, South Africa, Tanzania, Uganda, Zambia
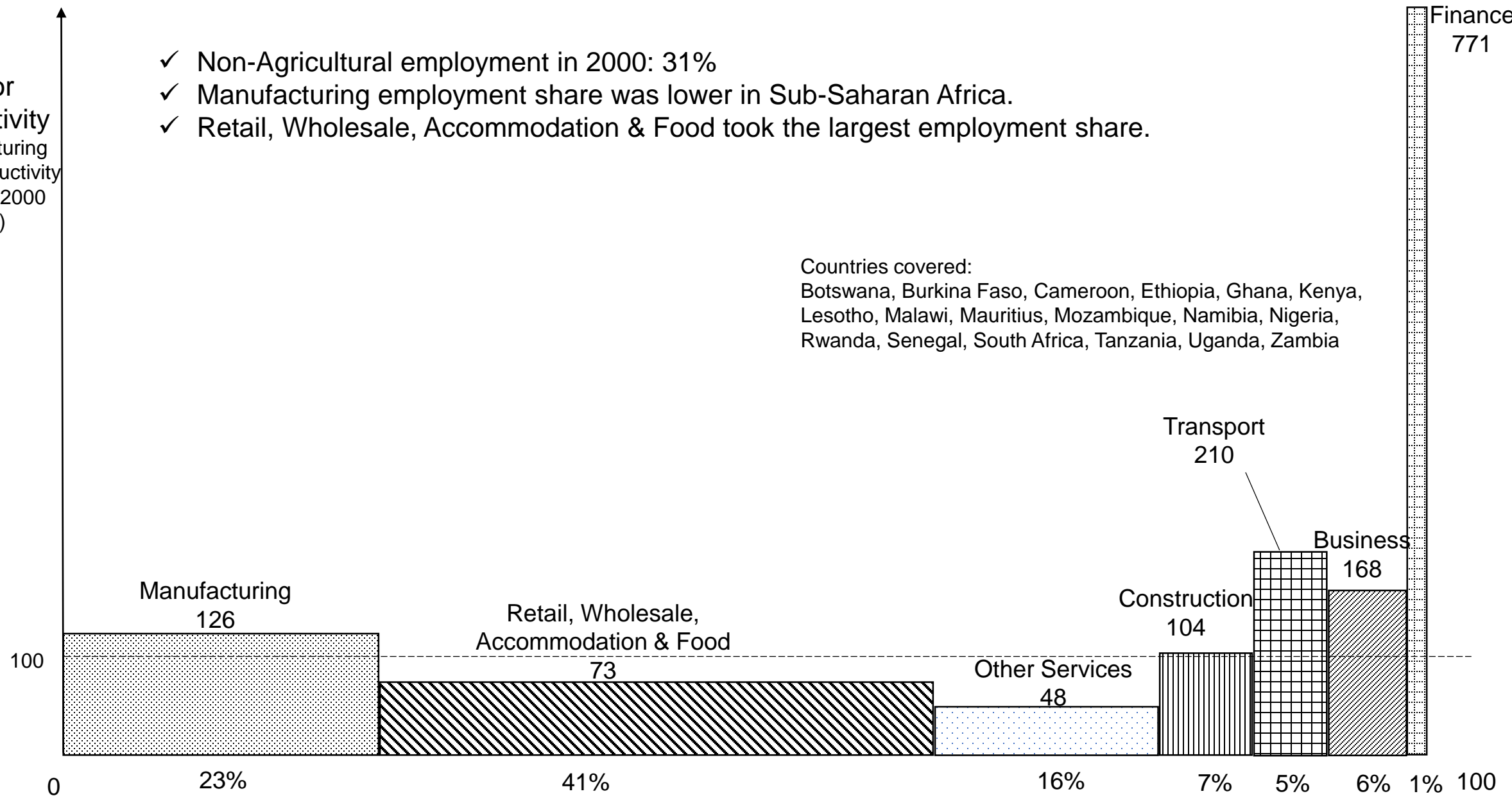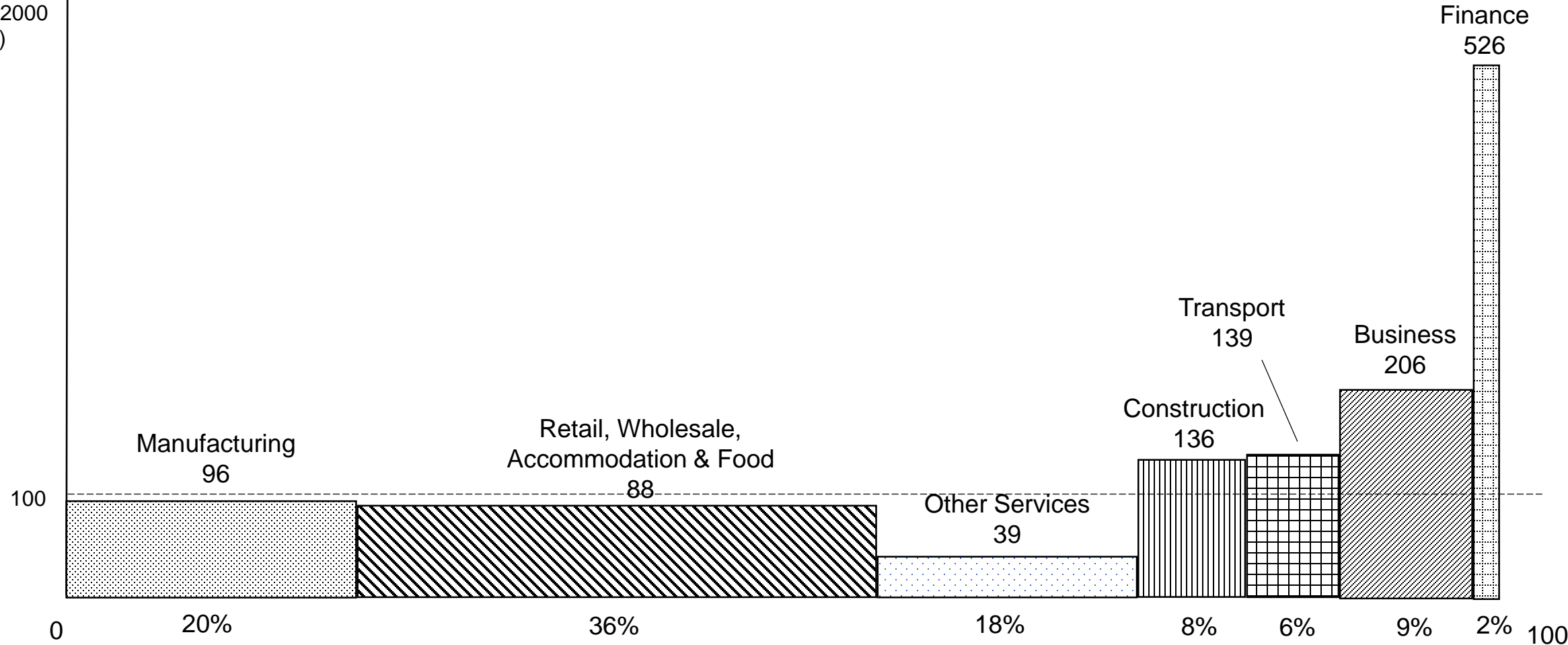
Finance
771

Transport
210

Business
168

Construction
104

Manufacturing
126

Retail, Wholesale, Accommodation & Food
73

Other Services
48

100

0   23%   41%   16%   7%   5%   6% 1% 100

Employment Share (%)

Sub-Saharan Africa's non-agricultural employment share and productivity in 2018

Labor Productivity
(Manufacturing Labor Productivity in Asia in 2000 =100)

✓ Non-Agricultural employment in 2018: 48%
✓ Manufacturing employment share shrank and more employment in multiple service subsectors.
✓ Increased employment in Business and Finance is encouraging but the productivity of each sector has not improved or even become lower.

Finance
526

Transport
139

Business
206

Construction
136

Manufacturing
96

Retail, Wholesale, Accommodation & Food
88

Other Services
39

100

0   20%   36%   18%   8%   6%   9%   2%   100

Employment Share (%)

Note: Mining, Utilities, Real Estate and Government subsector excluded
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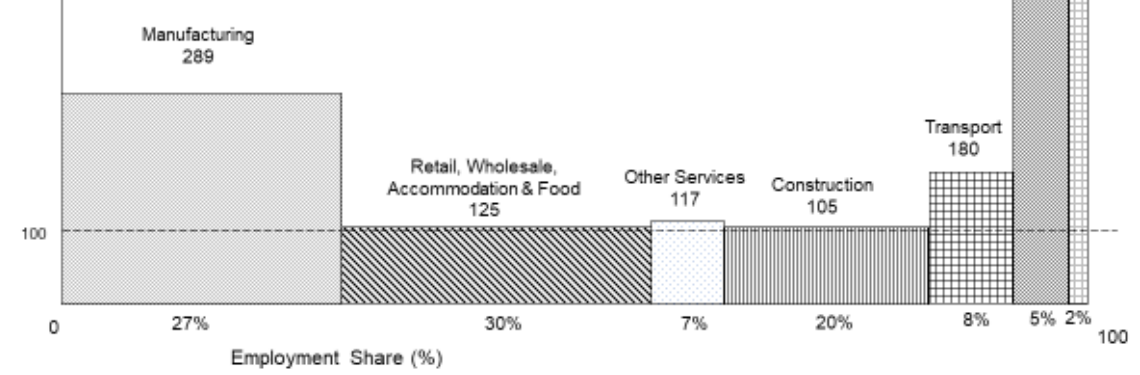
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Asia in 2000

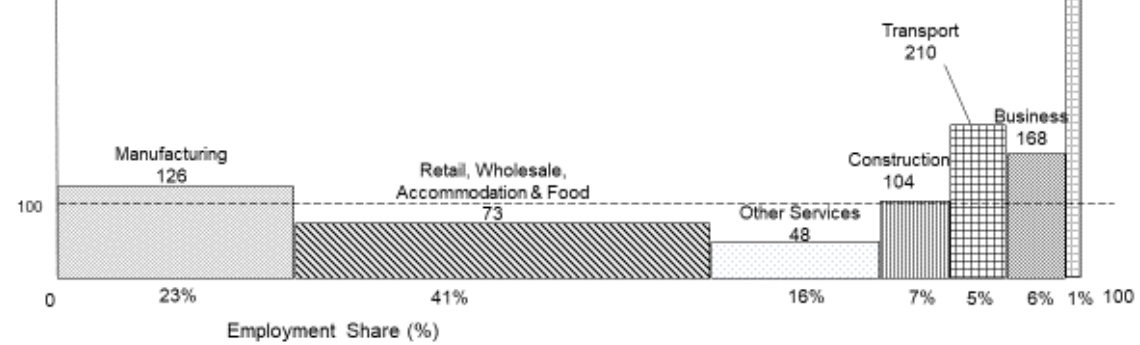Labor Productivity (Manufacturing Labor Productivity in Asia in 2000 =100)

Sector	Value
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Other Services	36
Construction	79
Transport	86
Business	182
Finance	309

Employment Share (%): 36% | 30% | 9% | 10% | 9% | 3% | 2%

Asia in 2018

Labor Productivity (Manufacturing Labor Productivity in Asia in 2000 =100)

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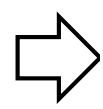
Sub-Saharan Africa in 2000

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Sub-Saharan Africa in 2018

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