

For Better or for Worse?

Job and Earnings Mobility in Nine Middle- and Low-Income Countries

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One of the most controversial debates on institutional design and economic policy has been sparked around the trade-offs between economic efficiency and job insecurity associated with labor mobility. This article examines worker flows and the associated earnings changes associated with such flows across different labor market statuses and across different types of jobs in nine countries. We find a higher degree of labor mobility across different types of jobs and between employment, unemployment, and inactivity in the three Latin American countries than in the six transition economies of eastern Europe and the former Soviet Union. We also find that mobility has important earnings consequences, which differ across countries. Moreover, individual heterogeneity and selection processes have a large role in shaping the earnings consequences of mobility.