

Abstract Charles Gottlieb

This paper builds a database of individual labor market outcomes for over 58 countries to measure how labor market turnover evolves with development. We show that average employment duration is increasing with aggregate income: labor market turnover is higher and job stability lower in low income countries. We analyze this stylized fact through the lens of an experience good model of labor market turnover to understand to what extent imperfect information about employee-employer match quality, i.e. informational frictions, explains the cross-country variation in the distribution of employment durations.