While large firms are consistently more likely to offer formal training over small firms, there is some variation across regions. Large firms in the Latin America and Caribbean (LAC) region are the most likely to offer formal training. Out of 25 countries in LAC, only one country, Panama, had less than half of large firms offering formal training. While training rates are the lowest in the South Asia (SAR) region, this data is based on only two countries, Bhutan and Nepal. Large firms report a low level of formal training in the Eastern Europe and Central Asia (ECA) region as well. Among large firms, Azerbaijan reported the lowest rate of offering formal training in any country: only 13.8 percent of large firms offered formal training.

**Median labor productivity and wages data across regions**

Figures 3 and 4 illustrate the within-region variation in labor productivity and wages. These two measures are shown as an index. In each region the median
value for small firms has an index value of 100. Median values for medium and large-sized firms are shown as an index relative to small firms. Comparisons across regions should be done with care since the index value only reflects the relative position of medium and large-sized firms to small firms within each region.

Theories of the distribution of firm size relate larger firm size to higher productivity, which can be attributed to scale effects or allocative efficiencies. This phenomenon is seen in all regions. Labor productivity levels differ the most by firm size in Sub-Saharan Africa (SSA). Median levels of labor productivity among large firms in this region are over five times larger than among small firms. On the other hand, labor productivity is very flat in the ECA region: Nine out of the eleven countries with the lowest labor productivity index for large firms are in ECA. This aligns with findings by Bartelsman, Haltiwanger, and Scarpetta (2008), who also find that the covariance between firm size and productivity is low in the Eastern Europe and Central Asia region. Whether this may be due to market structure or other factors remains an open question.

Globally, median wages in large firms are twice as high as those in small-sized firms (Figure 4). The dispersion of wages is the largest in Sub-Saharan Africa and narrowest in the South Asia region. Further
analysis would be needed to understand the exact characteristics leading to large firms paying higher wages. It is not always the case that wages are higher in large firms. Median wages in large firms are lower than median wages in small firms in fifteen countries. While these countries are scattered across four out of the five regions, they share a similarity in being primarily small economies, and six being small island economies.\(^5\)

**Data**

The World Bank’s Enterprise Surveys (ES) provide a unique source of information that can be used to measure employment growth across a large set of developing countries. The data used for this note covers manufacturing and services firms in 106 countries from five regions. Additional information on data and definitions can be found on the IFC Job Creation website.\(^6\)

**Endnotes**

1. Labor productivity is calculated as total annual sales per full-time permanent employees.
2. The Sub-Saharan Africa region has the most surveys (38) and surveys were conducted over a large span of time: 2006-2010.
4. Wages are total annual labor costs divided by the number of full-time permanent employees.
5. Barbados, Fiji, Trinidad & Tobago, Madagascar, Grenada, Samoa
6. See [www.ifc.org/jobcreation](http://www.ifc.org/jobcreation), Case Studies and Notes, in particular the note on “Data and Definitions Used in the Enterprise Survey Notes” which contains definitions and a list of the countries covered.