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Sustainable
Livelihood
Opportunities in a
Post-Conflict Setting

YOUTH EMPLOYMENT IN SIERRA LEONE

47609



Pia Peeters
Wendy Cunningham
Gayatri Acharya
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THE WORLD BANK

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Cover design: Naylor Design.

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Abbreviations

AGETIP	Agence d'Exécution des Travaux d'Intérêt Public contre le Sous-Emploi (Public Works and Employment Agency)
CEC	community education center
CREPS	Complementary Rapid Education for Primary Schools
CYCI	Commonwealth Youth Credit Initiative
DCYP	Disadvantaged Children and Youth Programme
DDR	disarmament, demobilization, and reintegration
DfID	Department for International Development (United Kingdom)
ENCISS	Enhancing Interaction and Interface between Civil Society and the State to Improve Poor People's Lives
GDP	gross domestic product
GTZ	Deutsche Gesellschaft für Technische Zusammenarbeit (German Agency for Technical Cooperation)
NGO	nongovernmental organization
OECD	Organisation for Economic Co-operation and Development
PRSP	Poverty Reduction Strategy Paper
SLES	Sierra Leone Employers Survey
SLIHS	Sierra Leone Integrated Household Survey
SLPRSP	Sierra Leone Poverty Reduction Strategy Paper
TVET	technical and vocational education and training
UN	United Nations
UNAMSIL	United Nations Mission in Sierra Leone

UNDP	United Nations Development Programme
UNICEF	United Nations Children's Fund
UNIDO	United Nations Industrial Development Organization
UNIFEM	United Nations Development Fund for Women
UNIOSL	United Nations Integrated Office in Sierra Leone
UNOWA	United Nations Office for West Africa
USAID	United States Agency for International Development
WHO	World Health Organization
YEI	Youth Employment Inventory
YRTEP	Youth Reintegration Training and Education for Peace Program

Introduction and Summary

1

Sierra Leone is emerging from a period of postconflict reconstruction following a decade of civil war that began in 1991 and destroyed most of the country's social, economic, and physical structure. The war led to the displacement of 2 million people (almost half the country's population), the death of more than 20,000 people, and immeasurable suffering. At the core of the conflict lay a class of marginalized young people, especially from rural areas, lacking education and access to livelihood opportunities.

Because of their involvement in the conflict, and the impact it had on them, the situation of young people in Sierra Leone, especially those who are under- or unemployed, is a major concern for policy makers. According to the government, the fact that such a large number of people under 35 are inactive in the labor market could undermine development interventions and ultimately threaten the recently established stability. Many of these young people are illiterate, equipped with few employable skills, and lack work experience, in good part as a result of the conflict, which affected their formative years.

The government of Sierra Leone considers the creation of job opportunities for the large and growing number of young people a top priority—and a prerequisite for maintaining peace and promoting pro-poor growth. Reflecting this priority, the Sierra Leone Poverty Reduction Strategy Paper (SLPRSP) articulates its vision in terms of three complementary pillars: good governance, security, and peace; pro-poor sustainable economic growth for food security and job creation; and human capital development. The second pillar encompasses food security for the poor and vulnerable and expansion of job opportunities for the under- and unemployed, especially young people in urban and rural areas in both the formal and informal sectors. The SLPRSP II, which the government elected in 2007 is now preparing, continues to support the three complementary pillars and to maintain the focus on the challenges identified in the Country Assistance Strategy (World Bank 2008a).

The special needs of young people are of particular concern to the government, for both social and political reasons. On the social development side, people 15–35 are at a disadvantage relative to today's children or adults, because they grew up during a war, which affected both their human capital development and their transition into adulthood. Rather than spending childhood in school, protected by parents and the community and learning the skills needed to become productive adults, these young people experienced migration, sporadic school attendance, and absent parents or families. Transitioning from childhood to adulthood (heading a household, starting a family of one's own, securing employment to provide for dependents) is a difficult process under the best of circumstances; because of the conflict, it is particularly difficult for many young people in Sierra Leone. Holding a job and being able to provide for oneself and one's potential family are key elements of reaching adulthood. Lack of access to income, delays in family formation, and lack of recognition by society can lead to frustration, hopelessness, and a greater potential for violence and crime.

Political motivations for addressing the needs of young people are also important. Young people are prone to hold governments responsible for the problems they face making the transition to adulthood. This phenomenon is not limited to Sierra Leone: youth movements have been key in forcing government responses across the world. In the volatile environment of recovery from conflict it can be particularly significant. For all of these reasons, it is wise for the government, society, and the international community to understand the situation that young people are facing in Sierra Leone and to identify policies for better supporting them.

Objectives and Organization of the Study

This study aims to help readers understand the main issues and challenges facing young people in Sierra Leone with respect to the labor market. The specific objectives of the study are fivefold: to understand the characteristics of young people in Sierra Leone, to understand the relation between young people and the labor market in Sierra Leone, to analyze the skill needs of the country's labor market, to analyze skill development programs to enhance the employability of young people, and to identify policy and program recommendations.

The study pays special attention to understanding the different realities of labor supply and demand faced by men and women, urban versus rural residents, skilled versus unskilled workers, and workers in the formal versus informal sectors. Young people are compared with adults in the labor market to understand if the two groups face different or similar constraints and opportunities and to help identify youth-specific programs and policies versus programs and policies addressing the needs of both young people and adults in the labor market.

Employment and solutions to unemployment need to be considered in light of Sierra Leone's economic situation and the government's budget constraints. In Sierra Leone's challenging economic and human development context, policy makers are faced with many competing demands and limited resources. Given this reality, a

two-track approach is needed to address employment of young people. In the short and medium term, resources are needed to support their employability. In the longer term, investments and policy changes that could contribute to economic growth are required, combined with efforts to prepare today's children for more productive jobs in the growth sectors of the economy through education and training.

This study focuses on short- and medium-term solutions. It informs the government about the type of programs and policies that could improve the employability of young people, paying special attention to areas in which productivity can be rapidly improved.

The report consists of six chapters. Chapter 2 profiles young people in Sierra Leone. Chapter 3 examines young people in the labor market, with a focus on the labor supply side of the equation (that is, the skills young people bring to the labor market). Chapter 4 turns to employers (the demand side of the labor market) to better understand why they do or do not employ young people. Chapter 5 reviews skill development programs to enhance employability of young people in Sierra Leone and other countries and presents policy options for improving worker skills (supply side) and employer interest (demand side). Chapter 6 summarizes the lessons from the analysis and concludes with policy and program recommendations.

Data and Methodology

This study is based on the following main data sources: the Sierra Leone Integrated Household Survey 2003 and the Statistics Sierra Leone Census 2004; the Sierra Leone Employers Survey, developed as part of this study and implemented in coordination with Statistics Sierra Leone; and the Youth Employment Inventory prepared by the World Bank in 2006.

The study methodology included frequent consultations and coordination with the government, the donor community, and nongovernmental organizations (NGOs) to ensure the relevance of the study for the Sierra Leonean context and to build government and donor support for policy and program recommendations. Consultations included the following:

- A launching workshop at the beginning of the study with government and NGO representatives to identify their priorities for the issues to be addressed by the study¹
- A launching presentation and discussion of the proposed study to the donor community, hosted by the United Nations Mission in Sierra Leone (UNAMSIL), which included participation of all UN agencies and most of the key bilateral donors working in Sierra Leone, including the German Agency for Technical Cooperation (GTZ), the United Kingdom's Department for International Development (DfID), and the U.S. Agency for International Development (USAID)
- Continuous discussions throughout the preparation of the study with both the government and multi- and bilateral donors

- Continuous consultations with NGOs, youth umbrella organizations, and young people and adults themselves. These consultations included nationwide focus group discussions with young people and adults on employment, local governance, poverty, and conflict, undertaken in collaboration with Enhancing Interaction and Interface between Civil Society and the State to Improve Poor People's Lives (ENCISS).² The results of these discussions, summarized in *Voices and Views: Youth and Employment in Sierra Leone* (World Bank and ENCISS 2007), were used as an input into the *World Development Report 2007: Development and the Next Generation* (World Bank 2006c)
- A presentation of the main findings and recommendations to the Peace-Building Commission for Sierra Leone in New York
- A two-day workshop with the government and the donor community to discuss and validate the main findings, especially the recommendations of the report

Socioeconomic Context

Sierra Leone has a very young population. Of the country's 4.9 million people, 34 percent of whom live in urban areas, 42 percent are under 15 and about 34 percent are 15–35 (the definition of youth in Sierra Leone) (Statistics Sierra Leone 2005c).

Poverty rates in Sierra Leone are among the highest the world, with about 70 percent of its people living below the poverty line. The country ranked last out of 177 countries in the 2007/2008 UNDP Human Development Index. Annual per capita income of \$805 (purchasing power parity) is among the lowest in the world (table 1.1). Life expectancy is only 47.5 years for men and 49.4 years for women (Statistics Sierra Leone 2006b)—about three years less than the average for Africa and 18 years less than the world average (World Bank 2007a).

Literacy rates are low, at 49 percent for males and 29 percent for females (Statistics Sierra Leone 2005c). Men average less than four years of education and women less than two years. While access to primary school increased significantly during the past several years, raising net primary enrollment rates to 75 percent, access to junior- and senior-secondary schools remains very limited (World Bank 2007a). The quality of education is low and repetition rates very high, with about half of sixth graders older than 13.

The overall health situation remains poor, with infant, child, and maternal mortality rates among the highest in the world (table 1.1). The mean age of first sexual experience is 16, teenage pregnancy levels are 178 per 1,000, and 24 percent of people 20–24 and 28 percent of people 25–29 have sexually transmitted diseases. The prevalence of HIV is 1.5 percent nationally, with female prevalence peaking at 20–24 and male prevalence peaking at 35–39 (Statistics Sierra Leone 2005a).

While Sierra Leone's postconflict economic performance has been robust, the recovery remains fragile. Gross Domestic Product (GDP) expanded continuously between 2000 and 2007, growing 10.7 percent in 2003, 9.6 percent in 2004, 7.5 percent in 2005 (Statistics Sierra Leone 2007), and an estimated 6.8 percent in 2007

Table 1.1 Selected Social Indicators for Sierra Leone

<i>Indicator</i>	<i>Value</i>
GDP per capita, 2005 (purchasing power parity, current \$) ^a	805
<i>Literacy rate, 2004 (percent)^b</i>	
Total	39
Male	49
Female	29
<i>Net enrollment rate, 2003–04 (percent)^c</i>	
Primary	75
Junior-secondary	13
Senior-secondary	7
<i>Life expectancy at birth, 2004 (years)^a</i>	
Total	48.4
Male	47.5
Female	49.4
<i>Mortality</i>	
Maternal mortality ratio 2000 (per 100,000 live births) ^a	2,000
Infant mortality rate 2004 (per 1,000 live births) ^b	115
Under-five mortality rate 2004 (per 1,000 live births) ^b	194

a. World Bank 2006d.

b. Statistics Sierra Leone 2005c.

c. World Bank 2007a.

(World Bank 2008a). Much of the postconflict growth, however, was a bounce-back effect as a result of recovery in agriculture and mining, large-scale resettlement and reconstruction activities, and the peacekeeping operation and other donor-funded programs (World Bank 2006b). Continuing constraints to improved economic performance include limited private investment; weak local purchasing power; still dilapidated infrastructure (although the government has invested significantly to improve the country's infrastructure, especially access to main roads and electricity); and weak governance, as demonstrated by weak institutional capacity, a fragile judicial system, and corruption (World Bank 2005c, 2008a). This challenging economic and human development situation is not merely a postconflict phenomenon, as many of these challenges existed during the 1980s and contributed to the outbreak of the conflict.

Within this complex and challenging context, identifying strategies to prepare this generation of young people to participate fully in the economy and contribute to economic growth is a priority for public policy. Other nations have faced the youth employment challenge, although few have done so under such daunting circumstances.

Main Findings

According to the national definition of Sierra Leone, young people (people 15–35) represent 34 percent of the population (Statistics Sierra Leone 2004). For the purposes of this report, these people are divided into three groups: adolescents (15–19), youth (20–24), and young adults (25–35).

Today's young people are transitioning from excombatants and victims of civil conflict to productive civilians in a peaceful society. While the social infrastructure in postconflict Sierra Leone is changing, intergenerational tensions remain. In many rural areas, elders still hold power over land and labor; throughout the country people over 35 appear to have more promising opportunities than younger people.

One of the key transitions from childhood to adulthood is leaving school and becoming a full-time worker (or homemaker). Many social scientists consider the start toward working life the most important marker of independence. In Sierra Leone all young men and women pass through certain stages in the school-to-work transition, but these paths differ by demographic group.

The percentage of people inactive in the labor market (those not in school, not working, and not looking for employment) is high, especially among urban youth. By 20–24 one in three urban youth and one in six rural youth is inactive in the labor market. Inactivity rates for male and female youth are similar. However, while inactivity rates for female youth are similar to adult rates, those for male youth are almost twice as high as those for male adults.

Just 4 percent of all young people in Sierra Leone are unemployed, but this figure hides significant difference across demographic groups. Urban residents 15–24 are 25 times as likely to be unemployed than their rural counterparts. Among 15- to 19-year olds, unemployment rates are 17.4 percent in urban areas and just 0.7 percent in rural areas. The gap decreases with age, but it remains substantial. Young men are almost twice as likely to be unemployed as young women.

Average unemployment rates fail to capture discouraged workers, people who are inactive in the labor market, the underemployed, and people with very low-paying, poor-quality jobs. Nearly 10 percent of Sierra Leoneans 20–24—but just 3 percent of adults who are inactive in the labor market—are discouraged workers, reflecting the much higher level of hopelessness among youth. As in other Sub-Saharan African countries, many people are too poor to be unemployed and must take up work regardless of its quality or level of remuneration. The levels of unpaid labor are very high in Sierra Leone, especially in rural areas where subsistence farming is the norm. Underemployment is significant in Sierra Leone, where one in five youth 20–24 is working fewer hours than he or she would like (the figure for adults is one in six).

As with adults, employment of young people is concentrated in agricultural activities, in the informal sector, and among the self-employed. Agricultural activities represent 70 percent of employment, with similar levels for young people and adults. The service sector is underpopulated by young people, while the retail sector employs them heavily. Formal sector employment increases with age, but it remains very low across the life cycle (at just 9 percent of the working-age

population). Self-employment represents more than half of employment, with many of the self-employed working for themselves because of lack of other opportunities.

Young people tend to have less promising employment opportunities than adults in Sierra Leone:

- Less than half of young workers receive payment for their labor, compared with two-thirds of adults 35 and older, even though young people tend to be better educated than adults.
- Young people have far fewer opportunities for salaried employment than adults.
- Formal employment opportunities are significantly lower for young people than they are for adults.
- Public sector employment opportunities are mainly for adults.
- The desire to change jobs is highest among 25- to 35-year-olds.

In the short term, the agricultural and agrobusiness sector and public sector works hold the greatest potential to absorb a large number of unskilled young workers. Food crop production will be the main driver of agricultural growth and poverty reduction. In the medium to longer term, promotion of export products, such as cocoa and gari, offers the greatest potential for major increases in employment opportunities and incomes in rural areas. Low-skilled labor could be partially absorbed through the ongoing and planned high levels of investment in infrastructure and other public sector works, such as waste management. Developing innovative mechanisms for road maintenance and other public services through private small and medium-size enterprises also holds the potential to absorb both unskilled and skilled young workers. Other promising sectors for employment include tourism and mining.

Business and farm owners tend to be adult men with higher levels of education than the general population. Younger entrepreneurs (defined as entrepreneurs 20–35) represent only one-quarter of business owners, with fewer young owners in larger firms than in smaller firms. Male ownership is the norm, increasingly so with business size; it is also more prevalent in formal than in informal businesses. Only 9 percent of farm owners are younger than 35. In focus group discussions, many young people cite inadequate access to land and credit as major constraints in rural areas, which may partly explain the observed low proportion of younger farm owners.

The survey of employers conducted for this study finds that limited job opportunities for young people are linked more closely to the general lack of economic opportunities for business operation and development than to age-related factors. Some features of the labor market in Sierra Leone do disadvantage young people, however. Many employers, for example, prefer not to hire people 18–24, especially women. They tend to hire employees based on strong social connections, which young people typically lack. Focus group discussions reveal that young people perceive that only people who are well connected (older people and

relatives of contractors, government officials, and NGO staff) can obtain paid employment and that connections are more important than merit.

Employers perceive the skill level of their employees as low and problematic. The skill shortage is more serious for agricultural businesses, larger businesses, and formal enterprises. As a result, demand for training of employers is high. However, lack of resources prevents employers from providing training. Almost half of all businesses and two-thirds of agricultural producers did not provide formal training to their employees because of financial constraints.

Business employers perceive on-the-job experience as the best means to improve the skills of employees. In contrast, agricultural producers would prefer to rely more on formal training. For both skilled and unskilled workers, business employers perceive on-the-job experience as the best method to improve the skill level of their employees. For unskilled workers, apprenticeships are another favored means, possibly because of low or nonexistent costs for the employer.

International experience suggests that training and skill development programs for young people can be successful when they involve the private sector in identifying the skills required by the market and providing practical, relevant work experience. Demand-driven models create more promising training courses that equip participants with the skills required by the private sector. On-the-job training, including apprenticeship, is one of the most effective and cost-efficient approaches for strengthening skills.

Traditional technical and vocational education and training (TVET) programs are often not effective in promoting employment of young people. In developing countries, a major issue with TVET is the often-missing link with market needs, resulting in saturation of the labor market with popular skills, such as carpentry, soap making, tailoring, and so on. As primary school enrollment rates increase, demand for secondary education is expected to increase. Policy makers will need to determine the level of attention and public resources to allocate to general education and how much to TVET, especially given the much higher unit cost of TVET.

Nonformal education programs that bring school dropouts up to an academic level equivalent to that missed in formal schooling could be especially important in a country in which young people missed educational opportunities because of conflict. Combining equivalency programs with other services as part of a comprehensive program can yield positive benefit-cost ratios. These comprehensive second-chance programs work, but their high cost highlights the importance of providing a good education the first time around.

Investments in public works are a sound option for creating employment opportunities for young people, particularly in the short term. These programs should also provide skill development training.

While improving chances for young entrepreneurs holds promise for job creation, international evidence indicates that not everyone is suited to self-employment. Partly for this reason, failure rates among programs that try to spur self-employment and entrepreneurship tend to be high. In addition to a certain skill level, one also

needs to be business savvy, which is a difficult skill to acquire. Careful targeting and screening for these programs is important to success and cost-effectiveness.

Recommendations

Policy and programming areas to improve sustainable livelihood opportunities of young people in Sierra Leone can be classified into four categories:

- Priority short-term interventions that build on international experiences of cost-effective programs with a positive impact or current opportunities in Sierra Leone. These interventions have the greatest potential impact on the sustainable employment opportunities of young people and would require relatively limited resources.
- Risky and costly short-term investments that are nevertheless needed in Sierra Leone. These types of interventions need to be implemented on a pilot basis and carefully monitored and evaluated before being scaled up.
- Long-term interventions to improve the employment opportunities of the young people of the future.
- Medium- to long-term interventions to get the environment right to benefit the young people of today and tomorrow.

Interventions of the first kind include strengthening the skills of formal and informal private sector employers and their employees; implementing specific interventions in agriculture; developing work experience of young people through public work schemes; and strengthening the skills profile of out of school young people. Interventions of the second kind include increasing access to financing for private sector employers and farmers and supporting self-employment and entrepreneurship for young people. Interventions of the third kind include increasing access to quality primary and secondary education, including TVET, as well as developing specialized labor for sectors in need of highly-skilled labor. Interventions of the fourth kind include improving access to land for young people as well as rethinking the definition of young people in Sierra Leone.

Based on a review of international experience and this review of the Sierra Leone context, this report concludes that the effectiveness of employment programs for young people will be limited unless policy makers address a number of weaknesses:

- The implementation capacity of both the government and many of the NGOs and private sector providers of youth employment programs is insufficiently strong.
- Programs for young people are often poorly designed, supply-driven, short-term interventions with no follow up.
- Most programs focus on short-term employment creation instead of sustainable employment.

- Programs for young people focus disproportionately on training, with weak program development and limited links to labor market demand.
- Programs have invested heavily in entrepreneurship, with limited success.
- Significant investment in TVET programs has not had the hoped-for impacts. Traditional apprenticeships may offer more promising opportunities.

Sierra Leone has made significant efforts to promote the development of its young people. It has a youth policy that identifies job creation and skills training as key strategic areas for intervention, as well as a National Action Plan for youth. While the economic and human development situation the country faces will continue to limit work opportunities for all Sierra Leoneans in the near future, a number of focused interventions can provide opportunities for young people. If properly designed and thoughtfully implemented, the interventions proposed in this report can improve the employment prospects of the country's young people. The sustained recovery of the economy, an improved investment climate, and increased development of the private sector are needed to improve labor market opportunities for both young people and adults, however, as even the best-designed and implemented policies and programs are likely to fail in a stagnant economy.

Notes

1. The workshop was organized in 2005. Participating government representatives included the Hon. Solomon Brewae, Vice President of Sierra Leone; the Hon. Dennis Bright, Minister of Youth and Sports; the Hon. Dr. C. A. Jalloh, Minister of Marine Resources; the Hon. Dr. Kedi Sesay, Minister of Trade and Industry; the Hon. Dr. P.A. Harding, Minister of Transport and Communications; the Hon. Alpha O. Timbo, Minister of Labor, Industrial Relations and Social Security; the Hon. Sidikie Brima, Minister of Local Government and Community Development; the Hon. Okere Adams, Minister of Tourism and Culture; and Prof. H. B. S. Kandeh, Statistician General, Sierra Leone. Also in attendance were representatives from the Ministry of Development and Economic Planning; the Ministry of Agriculture, Forestry and Policy; and the National Commission for Social Action.
2. These consultations were cofunded by the Department for International Development (DfID). The objectives of the focus group discussions were to understand attitudes, perceptions, and expectations regarding employment and employability for and of young people and to identify social and institutional issues affecting their access to employment. A total of 714 people participated in 36 focus group discussions, in all four regions and 12 districts of the country, covering both urban and rural communities (World Bank and ENCISS 2007).

Young People in Sierra Leone

2

The 2007 *World Development Report* identifies “youth” as the transitional phase from childhood to adulthood during which young people gradually come to be recognized—and to recognize themselves—as adults through a process of intense physiological, psychological, social, and economic change (World Bank 2006c). The report identifies five life transitions taking place during this period: learning as adolescents and young adults, starting a productive working life, adopting a healthy (or unhealthy) lifestyle, forming families, and exercising active citizenship.

The transitions for young people in Sierra Leone have been especially challenging, because they have had to combine these five transitions with a sixth transition: from excombatants or victims of civil conflict to productive civilians in a peaceful society (box 2.1). The report focuses mainly on the second transition, starting a productive working life. This chapter sets the stage by briefly defining young people in the Sierra Leonean context. It examines the influence of social constructs and discusses the other four transitions (education, health, family, and citizenship) in Sierra Leone.

Defining Young People in Sierra Leone

Youth is a social construct; its definition thus varies considerably. The United Nations World Program of Action for Youth identifies youth as the period between 15 and 24 (UN 2005). The World Health Organization (WHO) and UNICEF distinguish three categories of people 10–24: adolescents (15–19), youth (15–24), and young people (10–24). The 2007 *World Development Report* defines youth to include everyone between 12 and 24. The definition in Sierra Leone (15–35) is wider than it is in many countries in Sub-Saharan Africa (Government of Sierra Leone 2003).

Box 2.1 The Dual Transition of Young People in Conflict and Postconflict Settings

In conflict and postconflict settings, young people face a dual transition. While the life stages preceding adulthood are complex and challenging during peacetime, the effects of conflict further complicate the process by breaking down social norms and cultural practices, exposing young people to violent societal leaders, disrupting educational systems and employment opportunities, delaying family formation, and preventing the exercise of citizenship. Particularly for young people, who often have few assets and little power, violence can promote a sense of identity based on the exertion of power. Young people in conflict and postconflict settings must thus navigate the complex transition from being a combatant or victim to being a civilian and productive member of society as well as achieving adulthood (World Bank 2005f).

In many countries, young people have been the main perpetrators of violence. As studies in Liberia and Sierra Leone have shown, at the core of conflicts was a class of marginalized people, especially young men, who were trapped in a perpetual state of “youth,” unable to marry and make the transition to adulthood and achieve manliness (Richards, Bah, and James 2004; Richards 2005). Before the genocide in Rwanda, young people were largely trapped in lives of poverty, immobility, frustration, and humiliation (Correia and Bannon 2006). Surveys of young people in northern Uganda indicate complex incentives for participation in the Lord’s Resistance Army. Estimates suggest that up to 66,000 people 13–30 have been abducted, of which about only one-fifth engaged in violence. Most became involved under extreme duress. Up to one-third were willing recruits, attracted by the camaraderie or lure of promotion (Annan and others 2005). In Nepal *dalits* and ethnic minorities have reported less discrimination as members of Maoist fighting forces or in areas under Maoist control than in society at large (Bennett and Bannon 2004).

Education systems—which tend to reflect the skills, values, and social relations of dominant groups in society—are frequently a contributory factor to violence. In Kosovo, for example, access to education was explicitly based on ethnic identity. Kosovar Albanians were forced to leave the Kosovo public schools in the early 1990s; the “parallel system” established in its place came to be seen as a symbol of the Kosovar Albanian struggle against Serb rule (World Bank 2005b).

While men are more likely than women to participate in conflict, young women and girls are often the most victimized in conflict settings. Repressive attitudes toward and expectations of young women and girls are intensified by conflict and violence. They are vulnerable to rape and sexual violence. Women captured by militia groups may be distributed as war booty among fighters, as a means of ethnic cleansing; many male fighters believe that women’s bodies are theirs by right (Save the Children 2005). Young women are also more vulnerable to violence and assault during flight or in refugee camps, where protection and the rule of law are weak or absent.

This report follows the national definition of Sierra Leone and the following subgroups: adolescents (15–19), youth (20–24), and young adults (25–35). The three age groups are considered throughout the analysis to better understand the constraints each group faces and to determine whether or not it makes sense to lump the three subgroups into a single category. When comparing Sierra Leone with other countries, the 15–24 age definition is used, so that cross-country comparisons can be made.

Sierra Leone has a young population. According to the national definition, people 15–35 represent 34 percent of the population (Statistics Sierra Leone 2005c). The 15–19 age group represents 11 percent, the 20–24 age group 8 percent, and the 25–35 age group 15 percent of the population.

Young people are more urbanized than children or adults. Among the overall population, 63 percent live in rural areas, compared to 53 percent for 20–24 year olds and 58 percent for 25–29 year olds (Statistics Sierra Leone 2005c). These urban youth and young adults are concentrated in the Freetown area. During the conflict, young people seemed to migrate more often than adults to the Freetown area in search of safer environments. Focus group discussions revealed that they continue to migrate to urban areas in search of more promising labor market opportunities, especially paid labor (World Bank and ENCISS 2007).

A second factor influencing the higher concentration of young people in the Freetown area is that young people already in urban areas have a strong resolve to remain there (Leibbrandt and Mtsheni 2004). Migrant young people, both voluntary and forced, generally regard themselves as urbanized. In Dar es Salaam, Tanzania, for example, the government campaigned to repatriate urban migrants, most of whom were young men, to rural areas. The efforts failed, wasting scarce resources (Sommers 2003; Leibbrandt and Mtsheni 2004).

A third reason why young people in Sierra Leone migrate to urban areas is the social control of elders in rural areas (discussed below). Migration often leads to separation from their families and traditional ties, resulting in a breakdown of communal traditions and family bonds.

Many young men in Sierra Leone are missing. While there are roughly equal numbers of men and women who are children, adolescents, and adults, a different pattern emerges for the 20–34 age group, only 45 percent of whom are men. A closer look at the data reveals that this gender imbalance in the population is primarily a rural phenomenon (figures 2.1 and 2.2). Among people 20–34 in rural areas, only 42 percent are men.

The gender imbalance in rural areas is likely a result of two phenomena. First, while both males and females suffered during the conflict, young men seemed to have had a higher incidence of death. Second, men seemed to have migrated more during the civil conflict (although young women still outnumber young men in urban areas).

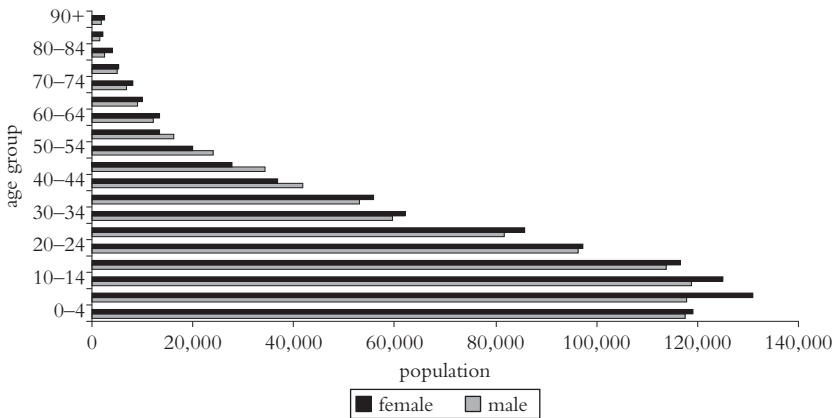
Social Constructs

This report does not address in detail the underlying social organization patterns of Sierra Leonean society. A brief overview of these patterns, especially in rural areas, is important, however, to understand the opportunities and constraints of

young people with respect to the labor market and to develop policy and program recommendations.¹

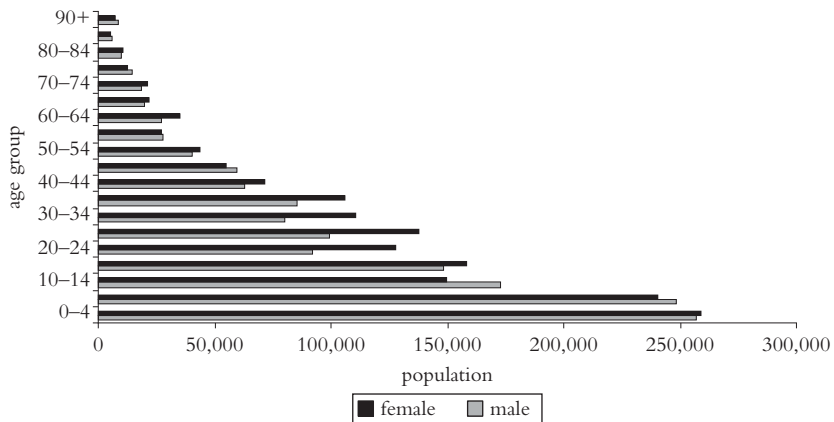
The social context prevalent in rural Sierra Leone emerged during the late 19th century (box 2.2). Family lineage is the foundation of social organization. The main landowning families in villages are organized in patrilineages—that is, membership, land access, and property pass along the male line. Among village elites marriage has

Figure 2.1 Urban Population, by Age Group



Source: Authors' calculations based on the 2004 Population and Housing Census (Statistics Sierra Leone 2005c).

Figure 2.2 Rural Population, by Age Group



Source: Authors' calculations based on the 2004 Population and Housing Census (Statistics Sierra Leone 2005c).

Box 2.2 The Roots of the Current Social Context

The current social context in rural Sierra Leone emerged from circumstances of extreme social flux in the late 19th century. The interior was relatively peaceful until about 1874, after which for a period of about 15 years it was thrown into chaos by “a succession of captains of freebooters whose constant plundering and slave raiding affected even the coast and the Colony [Freetown] borders, endangered British subjects trading up-country, and cut off trade” (Fenton 1948, cited in Richards, Bah, and James 2004, p. 2). In a situation of insecurity and social flux, precedence went to first-comers, provided they had the means to deal with the threat of war.

A typical pattern was one in which a hunter established a base for his area of operations, to be joined later by kinsmen and their dependents, who established a successful farming community. “War boys” (professional warriors) were hired for protection and “to make conquests”; a chiefdom was formed “of which the ruling family is that of the founder of the central town” (Fenton 1948, cited in Richards, Bah, and James 2004, p. 2). A Mende town of about 200 houses, for example, was composed of the ruling family (supplying the section chief and town headman), six other leading families linked by marriage alliance, and about “sixty houses of single families who have one or two houses each” inhabited by “a very few traders or craftsmen” and “farmers who are clearly late arrivals and strangers, [having] obtained land from original families within the last generation or two” (Fenton 1948, cited in Richards, Bah, and James 2004, p. 2). This pattern is broadly similar for all Sierra Leonean ethnic groups and language communities.

These were the circumstances in which the British took administrative control of the interior in 1896, following the drafting of the Protectorate Ordinance. The system of governance was later termed “indirect rule” (that is, rule by chiefs through “native” institutions). The British system greatly strengthened the position of the chiefs by giving them the right to labor and other support in the Protectorate Native Law Ordinance of 1905. A two-class society was thus formed, made up of ruling families and others (small farmers, “strangers,” and domestic slaves).

Source: Richards, Bah, and James 2004.

long been a matter of strategic alliance, in addition to serving procreative and domestic functions. Members of weak lineages try to align themselves with stronger lineages. Those who have migrated from their own chiefdoms—perhaps to find work or escape customary social controls—have less of a vested interest in a system that offers them few clear property rights and ties them to village patrons in subordinated

and deferential social relationships over the longer term. Those with the smallest stake of all are young people squeezed for labor by the marriage system and local custom of labor control by elders. Lack of family connections is still a major source of vulnerability and poverty, especially in rural Sierra Leone.

Land is at the heart of social organization. Access to and control over land is usually the defining source of capital for elites. Landowning families control access to land, often limiting possibilities for others to develop a more independent source of livelihood (Richards, Bah, and James 2004; Richards 2005). If young people decide to leave their chiefdom of birth, they lose rights to land, which are assigned only to members of a family lineage.

Elders often control labor, especially that of young people from weaker family lineages in rural areas. Under customary law, villagers throughout Sierra Leone were and often still are liable for "community labor";² chiefs are also permitted to accept "voluntary" labor of their subjects. There was (and is) a strong feeling among young people that elders make the law to suit their own purposes (Peters 2006). Richards, Bah, and James (2004) identify one of the causes of marginalization of rural young people as "agrarian involution," in regard to pressure not on land but on labor supply. As more powerful lineages send larger numbers of young people to cities for their education, pressure grows on the young people who remain to provide more and more of the domestic services (through early marriage for young women) and agricultural and other labor (through bride service and community labor for young men). Unable to progress by education or working on their own account and finding themselves increasingly exploited, young women and men from vulnerable groups have few routes of escape other than, for example, laboring for pittances in the diamond fields. Enrolling in war provided temporary release for some while entrapping many others (Richards, Bah, and James 2004).

The crisis before the conflict resulted in collapsed expectations of the traditional social support mechanism and hopelessness among young people in rural areas. The economic crisis of the 1980s caused the collapse of social services such as education and medical care, and the shrinking of economic opportunities. This collapse was particularly devastating for young people in rural areas (Peters 2006). A patrimonial system with elders exercising strong social controls over the younger generations can last only as long as young people believe that their turn will eventually come. The social, political, and economic marginalization of young people resulted in lack of opportunities, spreading a feeling of despair and of being exploited by the very elders who, in more prosperous times, would historically have been more willing to help young people with education or jobs in exchange for political loyalty. The crisis in expectations is perhaps as important as any actual deterioration in material conditions, as extreme poverty is no new feature in the lives of most young people in rural Sierra Leone (Richards, Bah, and James 2004; Richards 2005; Peters 2006).

Although social patterns in postconflict Sierra Leone are changing, intergenerational tensions remain. Studies since the conflict have shown that a kind of "youth emancipation" has taken place; elders cannot rely as much as in the past on their

customary authority (Richards, Bah, and James 2004; Richards 2005). The war eroded the financial powers of elders over young people. Where poverty used to marginalize some young people, it is now more general and pervasive, limiting the traditional control of elders, who lack the resources to renew themselves as patrons. The postwar period saw a remarkable upsurge in self-organized social activism among young people, who established business cooperatives; groups aiming at the development of a chiefdom, section, or district; and occupational groups, such as bike-riders and tape-sellers associations. In the Kono district alone, one NGO study counted 141 groups with membership of more than 17,000 young people (Peters 2006).

Institutional values have changed little, and elders from strong lineages (male and female) have stakes in reviving the old system in order to hold on to their power. Customs and regulations concerning relations between elders and young people are still deemed to have a morally binding force. Another aspect that does not appear to have changed is the weak position of “strangers,” who do not have family to speak on their behalf (Peters 2006). Among these “strangers” are excombatants who have not migrated back to their own communities, perhaps because of lack of opportunities in their home communities, their resistance to return home without some financial capital, or atrocities committed during the conflict.

Land is still controlled mainly by male elders; young people’s access to land varies by locality, often limiting their opportunities for sustainable livelihood development. In communities with abundant land, young people tend to have access to land if they are interested in developing it. In some communities, such as Bombali, the support of the paramount chief greatly facilitates access to land. Access to land is perceived to be easier for annual crop cultivation than for tree crops and easier for young men than for young women (World Bank and ENCISS 2007).

In communities with pressure on land, adults are given preference for the most fertile land and the land closest to the communities. According to young people in some rural communities, elders’ control over land enables them to dominate them and their labor. Some young people also mention that owners tend to demand higher rents or fees for their land after young people invest in the land and start reaping the benefits of that investment (World Bank and ENCISS 2007).

Young people, especially men, continue to migrate to urban areas because of their low social capital in rural areas and their desire for paid labor. Richards argues that the dislike of rural youth is not focused on agriculture as such but on their vulnerability to exploitation by village elites and elders. Richards argues that young people’s desire to leave rural areas is based largely on their wish to escape exploitation by village elites and elders rather than their desire not to work as farmers. Young people, especially young men, continue to leave rural areas because they cannot clearly calculate the returns on investment of their only asset (labor) as a result of the often continuing arbitrary use of custom by elders to “tax” labor. They migrate to urban areas or areas with mining opportunities in the hopes of finding

paid labor opportunities. Their continuous migration has resulted in labor supply bottlenecks in some rural areas and in large numbers of young people who are displaced from families and traditional ties, resulting in a breakdown of communal traditions and family bonds (chapter 4).

Education

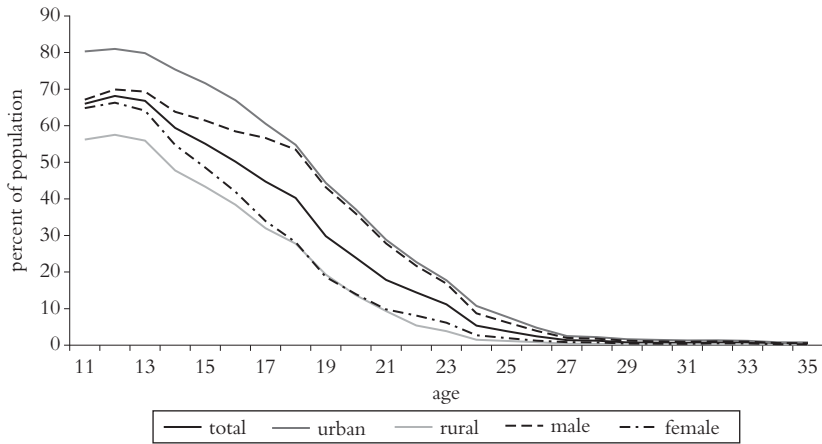
Although school participation rates of children are low in Sierra Leone, the percentage of young people attending school is higher than the average for Sub-Saharan Africa, most likely as a result of the decade-long conflict. Among 12-year-olds in Sierra Leone, only 68 percent are in school, compared with more than 85 percent of all children in developing countries (World Bank 2006c). The proportion of people 15–24 who are still in school—34 percent according to the 2004 Census data and 42 percent according to the Sierra Leone Integrated Household Survey (SLIHS)—is relatively high compared with other countries in Sub-Saharan Africa (figure 2.3). The percentage of young people in school in a cross-country study covering 13 Sub-Saharan African countries ranges from 11 percent in Burkina Faso to 42 percent in Kenya (World Bank 2007b). The relatively high levels of school attendance by young people can be partially explained by the catching-up effect by those who lost out on education opportunities during the conflict.

Education levels for young people remain low. About 35 percent of people 15–24 and 63 percent of people 25–35 in Sierra Leone never attended school. Within both age groups, only 20 percent finished primary school. While literacy rates for young people are higher than for adults, they remain very low, at 53 percent for adolescents, 40 percent for youth, and 29 percent for young adults (Statistics Sierra Leone 2005c).

Education levels of young women are significantly lower than for young men; education levels for children tend to be more gender equal. Young people surveyed in 2002 consistently ranked “lack of educational opportunities” as their greatest constraint (Women’s Commission 2003). Excombatants participating in the Disarmament, Demobilization, and Reintegration (DDR) program also listed education opportunities as one of their top priorities. As noted later in the report, firm and farm owners perceive the skill level of their employees as low.

The government has made significant efforts to improve access to education in recent years. In 2001 it introduced the Free Primary Education Policy. Under the 2004 Education Act, all children should complete basic education: six years of primary school and three years of junior-secondary school (World Bank 2007a). The government has maintained a focus over the last several years on expanding basic education access to the entire country, with particular attention to disadvantaged groups such as girls and residents of the northern and eastern regions at the primary and junior-secondary school levels. Access to education has increased significantly since the end of the conflict, with primary school enrollments doubling between 2001/02 and 2004/05. Enrollments in junior-secondary school and senior-secondary schools also increased significantly, although the government currently faces a bottleneck for

Figure 2.3 Share of Population That Is in School and Not Working, by Age, Gender, and Urban-Rural Location



Source: Authors' calculations based on the 2004 Population and Household Census (Statistics Sierra Leone 2005c).

secondary-school entry as a result of increased graduation from primary school. In addition to an expansion in general education, student enrollments in technical and vocational education and training (TVET) also expanded, with more than 30,000 students enrolled in such programs.

Despite these improvements, about 25–30 percent of primary school children in Sierra Leone—more than 240,000 children—are still out of school. Girls, children in rural areas, children from the poorest households, and children in the Northern region continue to be particularly disadvantaged. Access to senior-secondary school and higher education remains very limited, with gross enrollment rates at about 14 and 4 percent, respectively. These rates are lower than the averages for low-income countries in Africa. In addition to low levels of school enrollment, the quality of education is low and repetition rates very high. Currently, about half of sixth graders in primary school are older than 13.

Health

The overall health of the population, including sexual and reproductive health, remains poor. Infant, child, and maternal mortality rates are among the highest in the world. The mean age of first sex is 16, teenage pregnancy levels are 178 per 1,000, and sexually transmitted infection rates are high (24 percent among people 20–24 and 28 percent among people 25–29). The prevalence of HIV is 1.5 percent

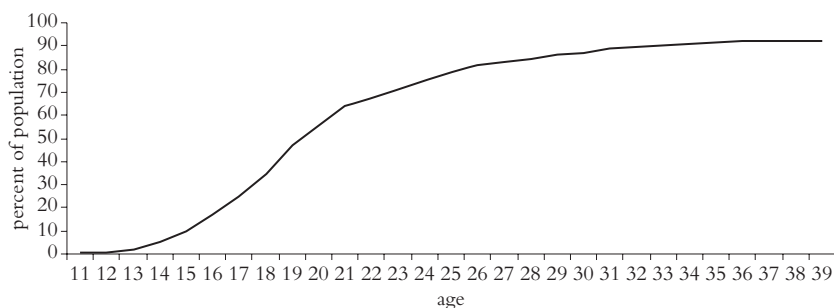
nationally, with female prevalence peaking at 20–24 and male prevalence peaking at 35–39 (Statistics Sierra Leone 2005a). The low rates suggest that the main risk of HIV/AIDS in Sierra Leone is among high-risk groups, such as commercial sex workers, miners, truck drivers, the police, and the military (UNAIDS 2006). Recently, the government tightened the focus of HIV/AIDS programs on these groups, with an emphasis on behavior change and well-targeted treatment of HIV.

Although HIV/AIDS rates are still relatively low, ingredients are likely in place for a rapid spread of the epidemic. Key factors found to facilitate the spread of the disease in other conflict and postconflict environments are present in Sierra Leone. They include a brutal and protracted civil conflict with increased levels of rape, sexual violence, and abuse; high unemployment and chronic poverty; high levels of commercial sex work and the informal exchange of sex for goods and services; massive population movement (internally and among refugee populations); and minimal public health infrastructure (Global Fund 2005; UNICEF 2005). However, new research from Uganda casts doubt on the widely held assumption that internally displaced people and refugees are more likely to be infected with HIV than people in more stable settings. A recent review of the HIV literature on displaced people in eight countries (including Uganda) also failed to find evidence that conflict increases HIV transmission (WHO 2006).

Family Formation

The entry into parenthood starts earlier for females. Teenage motherhood levels are high, with 17 percent of 16-year-olds and 47 percent of 19-year-old females mothers (figure 2.4). These levels are high compared with other Sub-Saharan African countries and other regions of the world. Almost 80 percent of 25-year-olds are

Figure 2.4 Share of Female Population with at Least One Child, by Age



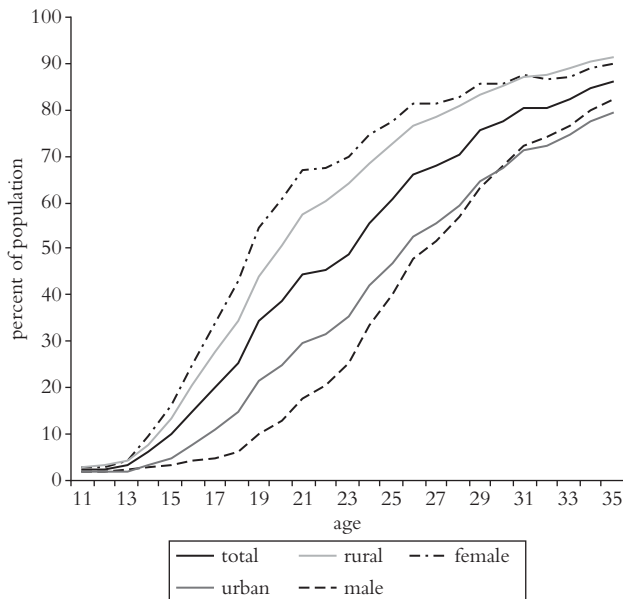
Source: Authors' calculations based on the 2004 Population and Housing Census (Statistics Sierra Leone 2005c).

mothers in Sierra Leone, compared with nearly 60 percent of young women in developing countries overall (World Bank 2006c).

Young men make the transition to fatherhood later, as elsewhere in the world. Males transition into family life as young adults and often have to wait years before achieving independence as a household head. About half of young men are married at 27, and 15 percent are still not married at 35. In contrast, more than half of young women are married at 19, and 71 percent are married at 24 (figure 2.5). As elsewhere in the region, young people transition earlier into family life in rural areas than urban areas.

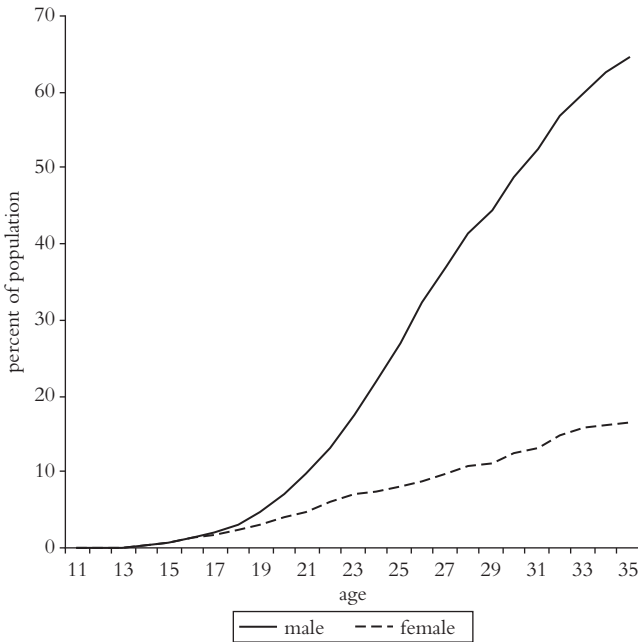
Young men's labor market outcomes are associated with the timing of transition to marriage and parenthood. Young men, especially those from weaker family lineages, often depend on the decision of elders to be able to marry, and they often have to provide labor to their future in-laws in exchange for their wives (World Bank 2006c). A young man also needs a certain level of financial independence to be able to afford marriage. Delays in marriage can lead to frustration, social exclusion, and ultimately violence (Correia and Bannon 2006). Becoming an independent household head occurs late in life for Sierra Leonean

Figure 2.5 Share of Population That Is Married, by Age, Gender, and Urban-Rural Location



Source: Authors' calculations based on 2004 Population and Housing Census (Statistics Sierra Leone 2005c).

Figure 2.6 Share of Population That Heads a Household, by Age and Gender



Source: Authors’ calculations based on 2004 Population and Housing Census (Statistics Sierra Leone 2005c).

men: only 22 percent are household heads at 24, and just 65 percent are household heads by 35 (figure 2.6).

Citizenship

Youth is the period during which people begin to be heard and recognized outside their families. They start to participate in social and political life on their own. This involves rights, such as the right to vote and the right to a fair trial, and obligations, such as paying taxes (World Bank 2006c). Political marginalization of young people, especially in rural Sierra Leone, contributed to the formation of the rebel forces. Promoting productive civic engagement of young people at the national and local level is crucial for the sustainable, peaceful development of the country. As former Secretary-General of the United Nations Kofi Annan said, “No one is born a good citizen; no nation is born a democracy. Rather both are processes that continue to evolve over a lifetime. Young people must be included

from birth. A society that cuts off from its youth severs its lifeline” (cited in World Bank 2006c, p. 183).

The government has made significant progress developing policies to strengthen the voice of young people in political life. In 2003 it adopted the Sierra Leone National Youth Policy. A National Youth Advisory Council was set up at the national level inside the Ministry of Youth and Sports, which coordinates all government policy and programs related to young people and ensures inclusion and participation of affiliated organizations. At the local level, District Youth Committees have been set up to strengthen development issues at the local level, with membership drawn from youth organizations, NGOs, young workers, and youth clubs (Government of Sierra Leone 2003). After the 2007 presidential and parliamentary elections, the Ministry of Youth and Sports was transferred to the new Ministry of Education, Youth and Sports. The president’s vision for youth employment and empowerment includes the creation of a National Youth Commission—to provide the focused policy direction for and leadership of the many agencies and departments of the government dealing with the issues of youth—and nationwide labor centers to invest in the country’s work force and assist in job placement (UN 2008).

Social activism among young people is increasing, although their voice at the political level remains more muted than that of adults. The postwar period saw a remarkable upsurge in self-organized social activism among young people. Many communities have developed strong informal networks and local institutions, partly as a reaction to the breakdown of national structures. There is some evidence that social networks and institutions are strongest in those parts of the country hit hardest by the war (Bellows and Miguel 200; World Bank 2006c). A survey by Whiteside and Zimmer (2006) of rural communities in Sierra Leone explores various aspects of citizenship.³ Two trends emerge. First, women score substantially lower than men on a variety of measures of political awareness, political and community participation, and associational activity. Second, both men and women are the most knowledgeable and active in their middle years (30–40).

Young people have somewhat less access to information and knowledge of local governance than adults. They were less likely than adults to vote in the 2002 general election and the 2004 local government election,⁴ although their intentions to vote in the presidential elections of June 2007 were similar to those of adults. Their voice in community decisions is weaker than that of adults; they generally attend fewer community meetings, speak less during meetings, and lack local leaders their age. Community-designated “youth” leaders tend to be older, often older than 35. In the surveyed communities, 39 percent of designated leaders were past 35, and 96 percent were past 24. Notably, more than 10 percent of these “youth” leaders were over 50. In terms of citizens’ perceptions of their own empowerment, respondents were asked whether they felt they had any chance of changing an unjust local government policy or an unjust chieftdom law. In both cases, young women, adult women, and young men were significantly less likely than adult men to report that they had some ability to change the policy or law (Whiteside and Zimmer 2006).

Conclusions

Understanding the social context in Sierra Leone is necessary to analyze the opportunities and constraints today's young people face. While the social patterns in postconflict Sierra Leone are changing, intergenerational tensions remain. The social, political, and economic marginalization of young people before the conflict resulted in lack of opportunities, spreading despair, and the feeling of being exploited by elders who in more prosperous times would have been more willing and able to help young people with education or jobs in exchange for political loyalty. Studies since the conflict have shown that some kind of "youth emancipation" has taken place; elders cannot rely as much as they did in the past on their customary authority to exploit young people. Elders from strong lineages (male and female) have stakes in reviving the old system to hold on to their power. Customs and regulations concerning relations between elders and young people are still deemed to have morally binding force. Young people still feel the control of elders over their labor and access to land.

Education levels for young people remain low. Some 35 percent of 15- to 24-year-olds and 63 percent of 25- to 35-year-olds never attended school. For both age groups, only 20 percent finished primary school. While literacy rates among young people are higher than for adults, they remain very low, at 53 percent for adolescents, 40 percent for youth, and 29 percent for young adults.

The overall health of the population, including sexual and reproductive health, remains poor. Infant, child, and maternal mortality rates are among the highest in the world, and both teenage pregnancy levels and rates of sexually transmitted infections are high.

Young adults (25–35) are similar to adults. Like older adults, almost all young adults have left the schooling system; they have similar reproductive experiences as adults and are as knowledgeable and active in political life at the community level. Young adults may have fewer opportunities for work, however, because of their limited social capital compared with adults. Another difference is that only as young adults do most men transition into family life and become independent household heads. In contrast, young adult women's levels of motherhood are comparable to those of mature adult women.

Notes

1. This section is based largely on Richards, Bah, and James (2004) and Peters (2006).
2. The categories of permitted unpaid labor include the building and repair of the paramount chief's house, the construction and repair of government buildings, emergency work to combat epidemics and famine, and communal services under the Public Health Ordinance (sanitation, protection of water supplies, maintenance of main paths and bridges). In some circumstances a paramount chief may also require communities to make a rice farm.

3. The figures in this report are based on data from the GoBifo/ENCISS/Decentralization baseline (November 2005-January 2006), which covers wards in 3 of 19 local council areas. The survey was conducted by the Evaluation Unit of the Institutional Reform and Capacity Building Project, with technical oversight from researchers at the Abdul Latif Jameel Poverty Action Lab, the University of California at Berkeley, and the World Bank.
4. Self-reported voting participation in the general election of 2002 was 77 percent for men and 73 percent for women 18-24, versus 94 and 88 percent, respectively for male and female adults. Reported self-voting in recent local government elections shows similar trends (Whiteside and Zimmer 2006).

The Transition from School to Work

3

One of the key transitions from childhood to adulthood is leaving school and becoming a full-time worker or homemaker. Many social scientists consider the start of working life the most important marker of independence (World Bank 2006c). This transition results in five possible states:

- *Full-time student*: The person is in school and not working. He or she may be searching for a job, but school is the main activity.
- *Student and worker*: The person is both in school and working. He or she may be engaged in paid or unpaid labor.
- *Unemployed*: The person is not in school and not working but is available for work and searching for a job.
- *Inactive in the labor market*: The person is not in school, not working, and not looking for a job. This category may include young mothers who work long hours in hidden labor while caring for their children or households. It may also include young men or women who are “truly inactive,” meaning that they are not engaged in any productive activity.
- *Worker*: The person is not in school and has a job. The job may be paid or unpaid, full time or part time.

This chapter traces the transition through these labor market states for young men and women. It finds that young people generally leave school, enter unpaid labor, and graduate to self-employment; a small number end their work lives in wage employment. Success in navigating these transitions differs by gender and by urban or rural residence; social norms, local markets, and poverty play key roles in determining a young person’s success on the path. In contrast, education seems to play a minor role. The years between 20 and 24 represent the “transition age”: inactivity in the labor market and unemployment rates are highest during this time, which is also the period during which young people have left school and begun

their full-time work lives. (For a complete list of statistics discussed in this chapter, see appendix A.1.)

Time Use among Young People in Sierra Leone

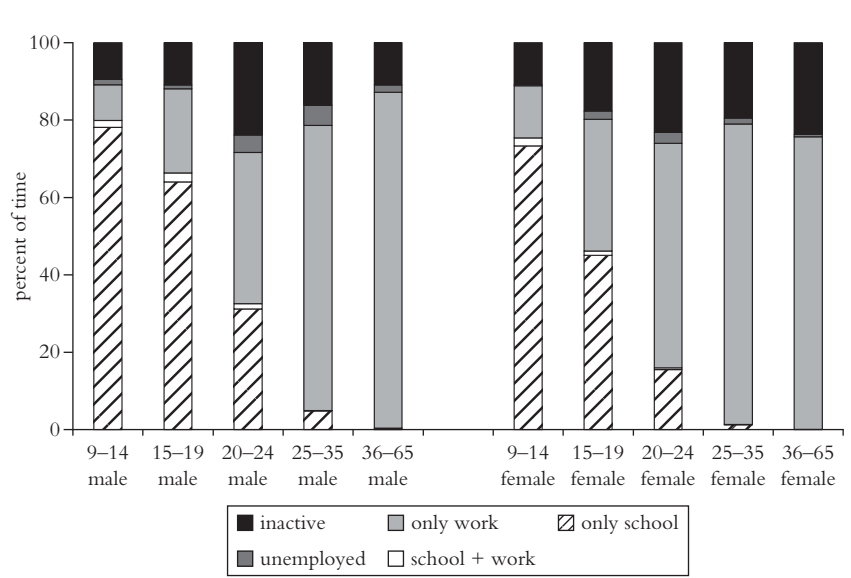
Young people divide their time among many different school, employment, or inactivity states. The distribution of time use differs by gender, age, and urban or rural residence.

Leaving School

School attendance declines rapidly with age. Four of every five boys and girls 9–14 are in school, but attendance rates sharply diverge thereafter (figure 3.1). By 15–19 just three of every five boys and two of every five girls are full-time students. By 25–35 few men and almost no women are in school.¹

The reasons for leaving school are mixed. Financial constraints can be a reason for leaving school. Young people report that they feel that they have obtained the skills needed for the labor market. Thus their school leaving can be a reflection of their judgment that they have extracted all that is marketable (World Bank and ENCISS 2007). As people age they become more attractive to, and attracted by, the labor market. This makes school an expensive activity, because full-time

Figure 3.1 Time Use in Sierra Leone, by Age and Gender



Source: Authors' calculation based on the 2004 Sierra Leone Integrated Household Survey.

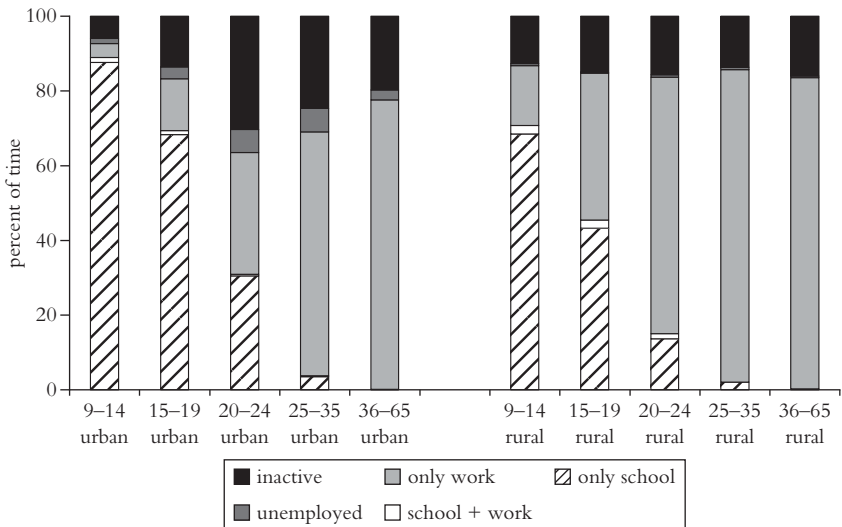
students are sacrificing income to attend school. With age the opportunity cost of not working increases, because older workers tend to earn higher wages.

Girls leave school earlier than boys because of social norms. At a young age, social expectations begin to enter the time-use decision of young women. Young people claim that some families do not value girls' education beyond the primary years and discourage further education (World Bank and ENCISS 2007). They perceive that families encourage more education for boys. As discussed in chapter 2, young women begin their reproductive role and their married life earlier than men do, with 17 percent of 16-year-old and about 47 percent of 19-year-old women mothers; more than half of young women are married by 19. Marriage and motherhood contribute to early school dropout. Men begin their married lives later: only about half of men are married by 27. They remain in their parents' households longer and therefore have more freedom to continue their education.

Young people in rural areas begin the transition out of school earlier than young people in urban areas. Some 87 percent of 9- to 14-year-olds in urban areas and just 68 percent in rural areas are still in school (figure 3.2). By 15–19 the figures fall to 68 percent and 43 percent, respectively. By 20–24 only slightly more than 1 in 10 rural youth is in school, compared with 3 in 10 urban youth.

Earlier school leaving in rural areas may reflect several factors. First, the opportunity cost of work may be higher in rural areas, where subsistence agriculture is the norm and families who own land need family members to work it, particularly

Figure 3.2 Time Use in Sierra Leone, by Age and Urban-Rural Location



Source: Authors' calculation based on the 2004 Sierra Leone Integrated Household Survey.

given labor shortages in rural areas (chapter 4). Second, there is a shortage of secondary schools in rural areas. Third, the value of school may not be high to young people or their families, where “walking behind one’s father” is considered the best preparation for the job market. The focus group discussions reveal that although farming is not considered a profession and parents would prefer that their children go to school, learn a trade, and get a job, the pressures of daily life lead to a different outcome (World Bank and ENCISS 2007).

Less than 2 percent of Sierra Leoneans of any age, gender, or location combine work and school. This low incidence is common across Sub-Saharan Africa (World Bank 2007b), although it is not common in other developing regions in the world. The low propensity to combine work and school may be a statistical artifact emerging from the way the questions in the survey were asked—“what is your *primary* activity?”—which precludes stating more than one response. Alternatively, it may reflect a tendency for students to view market work as extra activities outside of their main responsibility, which is school.

Finding One’s Way: Inactivity and Unemployment

A key concern of policymakers and citizens in Sierra Leone is the abundance of inactive young people, primarily young men who do not appear to be engaged in school or work. While policymakers are concerned about the current and future welfare of these young men, they may also be concerned about the link between violence and inactivity. Unemployment among young people and civil violence are positively correlated, suggesting that the concerns of policymakers are well founded (World Bank 2006c).

To better understand inactivity in the labor market and unemployment in Sierra Leone, it is important to clarify the terminology used in this report (figure 3.3):

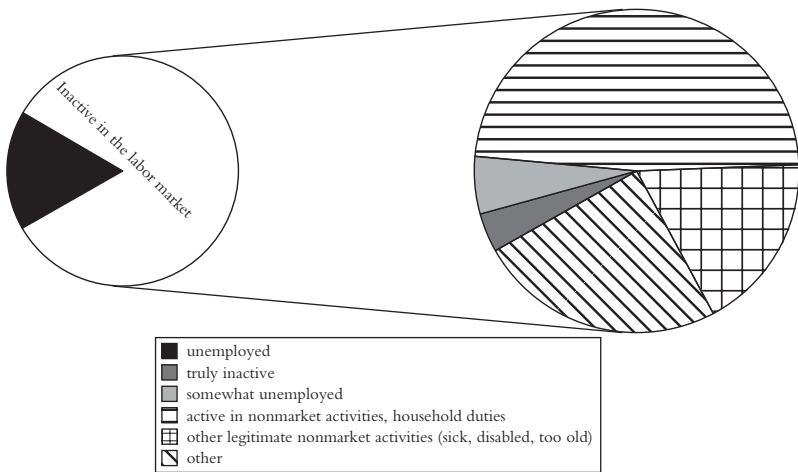
- *Jobless*: The person is not in school or working. People who are jobless are either inactive in the labor market or looking for a job (jobless people looking for work are usually referred to as *unemployed*).
- *Inactive in the labor market*: The person is not in school, not working, and not looking for a job.² People who are inactive in the labor market can be divided into four categories:
 - *Truly inactive in the labor market*: The person is not working and has no intention of finding work.³
 - *Somewhat unemployed*: The person is either awaiting reply from a job inquiry; waiting to start a job (that is, the employment has been offered but the start date has not yet arrived); or trying to set up his or her own firm. These people are considered “somewhat unemployed” because, although they have finished their job search, there is uncertainty if the job will actually materialize or they will succeed in setting up a firm.
 - *Active in nonmarket activities*: The person is dedicating his or her time to home duties.

- *Other legitimate inactivity*: The person is not working or studying because of illness, old age, disability, or other similar reason.
- *Unemployed*: The person is not in school or working but is available for work and searching for a job. All unemployed people are classified as participating in the labor market.⁴

One in four young men is jobless (neither working nor in school). Male joblessness begins at a very young age: among 9- to 14-year-olds, 1 of every 10 boys is either unemployed or inactive in the labor market. Among youth 20–24, the rate rises to 3 in 10. This is the peak of male joblessness. At older ages the percentage of men who are inactive in the labor market or unemployed decreases to 2 in 10 for young adults and 1 in 10 for men 36 and older. For all ages most joblessness is a result of inactivity in the labor market, with less than 14 percent of all jobless men unemployed.

Only 5–10 percent of men who are inactive in the labor market can be considered truly inactive, meaning that they do not work and have no intention of finding work (table 3.1).⁵ The truly inactive rate among 20- to 24-year-olds (9 percent) is significantly higher than for other young people or adults. Some of the truly inactive are discouraged workers: they would like to work but do not believe there are any jobs for them. This is revealed by the comments of focus group participants, who feel that employers, knowing that there is abundant unskilled labor, offer wages that are so low that the potential worker prefers to be inactive in the labor market (World Bank and ENCISS 2007). In rural areas farming is not considered a real job, so young people prefer to be inactive in the labor market rather than engage in

Figure 3.3 Activities of Jobless in Sierra Leone, Ages 15–35



Source: Authors' calculation based on the 2004 Sierra Leone Integrated Household Survey.

Table 3.1 Profile of the Jobless, by Age and Gender (percent)

Status	Male				Female			
	15–19	20–24	25–35	36–65	15–19	20–24	25–35	36–65
Truly inactive in the labor market	5.4	9.0	5.0	3.1	0.5	3.1	3.5	1.7
Somewhat unemployed	5.6	7.3	11.5	5.7	6.6	6.5	2.7	5.6
Active in nonmarket activities: home duties	39.8	16.9	24.6	9.1	68.1	50.6	59.2	33.9
<i>Reasons for inactivity</i>								
Old age ^a	0	0.96	0.85	3.2	0.1	1.9	0.6	15.3
Sickness/disability	18.2	5.1	19.6	56.3	13.7	14.4	21.0	32.3
Other ^b	30.9	60.7	38.5	22.4	11.0	23.5	13.0	11.1
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: Authors' calculation based on the 2004 Sierra Leone Integrated Household Survey.

a. Respondent believes that employers would like to hire younger workers.

b. Not specified in the survey.

farming (World Bank and ENCISS 2007). Other truly inactive men are seasonal workers who have no intention of working in the offseason.

The majority of young men who are inactive in the labor market are classified as “somewhat unemployed,” “engaged in nonmarket activities,” or “not working for other reasons.” Those who say that they are awaiting a reply from a job inquiry, waiting to start a job, or setting up a firm—the “somewhat unemployed”—represent almost 10 percent of young men who are inactive in the labor market. The size of this category increases with age. Whether these job opportunities are real or represent wishful thinking is not clear, but optimistically these people can be considered as somewhat unemployed. One-quarter of all young men who are inactive in the labor market report that they dedicate their time to home duties (“active in nonmarket activities”) but only 9 percent of adult men report the same. The heavy allocation of young men’s time to home duties may reflect work in rural activities, where market and domestic work often overlap. Up to 20 percent of young people who are inactive in the labor market have legitimate reasons for not working or studying, ranging from illness to disability. As expected, these rates are significantly lower among young people than adults.

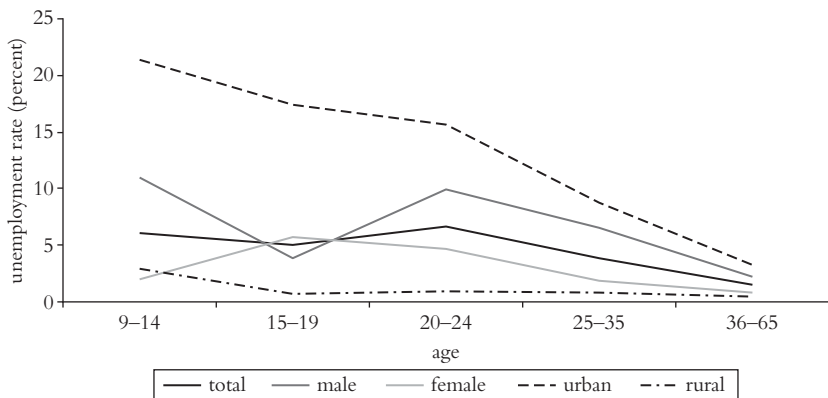
Young women have the same jobless rates as young men, but they begin at earlier ages. By 9–14, 1 of every 10 girls is jobless, meaning that they are either unemployed or inactive in the labor market. This figure is the same share as that for boys the same age (figure 3.1). However, female joblessness increases rapidly: by 15–19, 2 of every 10 women are jobless, while men have the same joblessness rates they did at 9–14. By 20–24 men catch up and surpass women, with more than 3 of every 10 men jobless, compared with 2.5 of every 10 women. Women’s trends later in

life also differ from men's, because men's joblessness falls with time while women's stabilizes in their early 20s. As with men, most joblessness among women is a result of inactivity in the labor market, with less than 9 percent of jobless women claiming they are unemployed.

Women's greater inactivity in the labor market is largely a result of household duties. About 60 percent of young women who do not participate in the labor market report that they are not working or looking for work because they are dedicated to home duties (table 3.1). This is consistent with the early marriage and childbearing discussed in chapter 2 and highlighted by the focus group discussions (World Bank and ENCISS 2007). As expected, household responsibilities are a greater burden for women than men and limit the types of jobs (hours, location) women can take. Only 3 percent of young women are truly inactive (compared with 7 percent for young men), and only 5 percent are waiting to start a job (compared with 9 percent for young men).

The percentage of young people who are neither working nor in school is higher in rural than urban areas, but the rural jobless are younger than their urban counterparts. Among rural 9- to 14-year-olds, 1 in 10 is neither working nor in school—twice the rate among their urban counterparts (figure 3.4). The higher rate in rural areas reflects earlier school dropout, the seasonality of rural employment, and earlier marriage and motherhood among girls. By 15–19, 13 percent of young people in urban and rural areas are inactive in the labor market; by 20–24, one in three urban youth is inactive in the labor market compared with one in six rural youth. The rapid increase in inactivity in urban areas is likely the result of the difficulty in finding jobs there (in rural areas work on a parent's or chief's land is usually available), coupled with the fact that more young people leave school as they age.

Figure 3.4 Unemployment Rates in Sierra Leone, by Age, Gender, and Urban-Rural Location



Source: Authors' calculation based on the 2004 Sierra Leone Integrated Household Survey.

Less than 5 percent of young people are unemployed (that is, searched for a job for at least one hour the past week). Unemployment among both men and women peaks at 20–24. Most youth unemployment is in urban areas, especially the Freetown area. This may reflect the abundance of work opportunities in labor-scarce rural areas or the complete absence of employment, which discourages young people from looking for work.

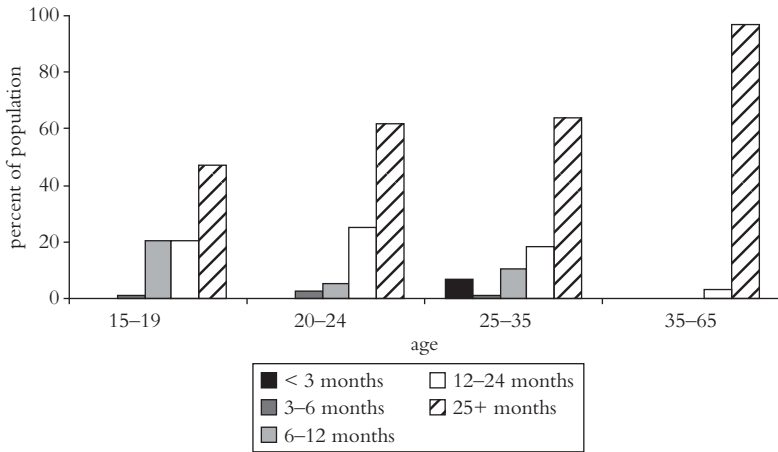
Young men have higher unemployment rates than young women as a result of their higher education levels. More than 7 percent of men 15–24 report that they are searching for jobs, compared with 5 percent of women. These rates differ by age group: among 15- to 19-year-olds, women have higher unemployment rates, but men's rates exceed women's after age 20 (figure 3.4). Men's higher rate of unemployment is largely explained by their higher education levels: men and women the same age with the same education levels have the same unemployment rates (appendix A.2 for regression specification and estimates). The scarcity of skilled jobs may be underlying educated men's higher unemployment rates.

Urban young people are 25 times more likely to be unemployed than their rural counterparts. Among 15- to 19-year-olds, urban unemployment rates are 17.4 percent, compared with 0.7 percent in rural areas. The gap decreases with age but remains substantial. The differential remains even after equalizing education levels across rural and urban zones. Higher urban unemployment rates among young people are a result of fewer paid or unpaid job opportunities in urban areas than in rural areas, where work on the family's or the chief's land is an option.

The unemployment rate is higher among young people (5.9 percent) than among adults (3.8 percent among 25- to 35-year-olds and 1.5 percent among people over 35). Although young people are four times as likely as adults to be unemployed, this is a better situation than in most Sub-Saharan African countries (World Bank 2007b).

At first glance it is somewhat surprising that young people, who are more educated than their elders, have a harder time finding jobs than adults. Unemployment rates increase with the level of education, however, through junior-secondary school.⁶ This suggests that more-educated young people either have fewer labor market opportunities or they hold out longer for jobs than do people with less education. It also suggests that education alone cannot compensate for lack of experience: 20- to 24-year-olds with more education are more frequently unemployed than adults (appendix A.2 for regression specification and estimates). (chapter 4 addresses this point by identifying the skills that employers value, which are not primarily those gained in schools.)

Unemployment among young people lasts two years on average; adult unemployment lasts longer. Nearly all unemployed adults claim that they have been searching for a job for more than two years, but only half of unemployed 15- to 19-year-olds and two-thirds of unemployed 20- to 35-year-olds reported searching that long (figure 3.5). While one could argue that young people necessarily have shorter unemployment spells because they are new entrants to the labor force, the similar duration of unemployment for the 20–24 and the 25–34 age groups suggests otherwise. Instead, three separate phenomena occur at each stage of life: the youngest

Figure 3.5 Time Spent by Unemployed Searching for a Job, by Age

Source: Authors' calculation based on the 2004 Sierra Leone Integrated Household Survey.

group is only beginning their unemployment spells, so they are shorter; by 20–24 youth are at equilibrium duration of unemployment; and a group of older workers cannot integrate into the labor force. Notably, while young people have shorter unemployment duration than adults, the duration still lasts two years on average.

The traditional International Labor Organization definition of unemployment—the proportion of the labor force in a particular age group that is looking for a job—is more appropriate in OECD countries than in Sierra Leone or Sub-Saharan Africa. Unemployment rates fail to capture discouraged workers, high inactivity rates in the labor market, and the quality of work. A large number of young people are inactive in the labor market (not working, not in school, and not looking for work). Many of these people are discouraged workers, people who would like to work but are not looking anymore because they believe there are no jobs available. As in other Sub-Saharan African countries, many people in Sierra Leone are too poor to be unemployed and must take up work regardless of its quality or level of remuneration (World Bank 2007b). As discussed below, the levels of unpaid labor are very high in Sierra Leone, especially in rural areas where subsistence farming is the norm. Unemployment rates also fail to capture underemployment. In Sub-Saharan Africa many people who are categorized as employed are working fewer hours than they would like (World Bank 2007b).

Young people in the transition period search for jobs through informal means. While 39 percent of the unemployed ask friends and relatives if they know about job opportunities, more than 62 percent of 20- to 24-year-old unemployed youth use this method (table 3.2). As noted in chapter 4, this is a good strategy, because

Table 3.2 What Did You Do in the Past Seven Days to Find Work? (percent)

<i>Age group</i>	<i>Applied to prospective employers</i>	<i>Visited firms and other work sites</i>	<i>Asked friends/relatives</i>	<i>Took action to start own firm</i>	<i>Started an agricultural activity</i>
15–19	40.5	4.7	32.5	12.9	9.4
20–24	26.4	2.1	62.3	3.0	6.3
25–35	32.9	21.2	33.1	4.8	8.1
35–65	29.0	18.3	23.0	6.1	23.5
Total	28.2	13.2	38.5	5.9	12.1

Source: Authors' calculation based on the 2004 Sierra Leone Integrated Household Survey.

Note: Rows sum to 100.0 percent.

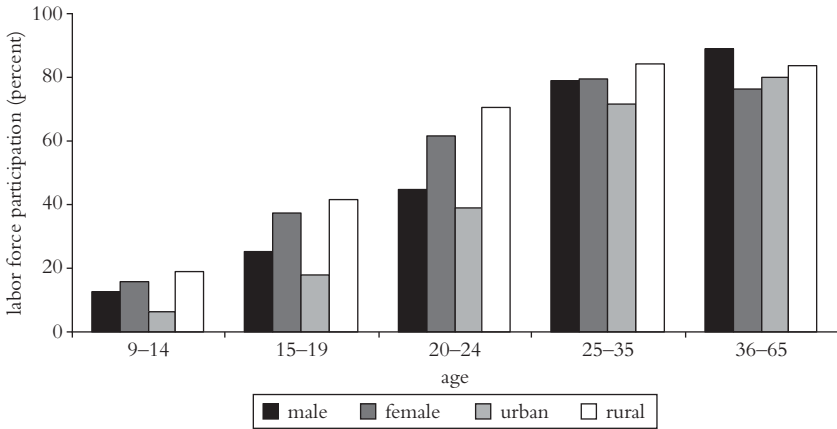
most firms hire workers through personal connections and word of mouth. People 15–19 and 25–35 prefer direct job search (applying to employers or visiting firms/work sites). People 15–19 have the greatest propensity to start their own firms. Young people are frustrated by informal methods of job search, because they believe that they have fewer labor market connections than adults and thus do not have a fair chance to compete for a job. As a result, they feel that they end up in more physically demanding and less glamorous jobs than those obtained through personal connections (World Bank and ENCISS 2007).

Working

Young women are often perceived as lazy (World Bank and ENCISS 2007). In fact, they begin their work lives earlier than men. By 9–14, 16 percent of girls identify their main activity as work, while only 13 percent of boys do so. This gap increases with age, as girls increasingly leave school to start families, join their husband's household, and take on adult employment roles while boys are still full-time students. As young adults, men have caught up to women, with three of every four men or women identifying employment as their full-time activity. Men's employment increases in adulthood, while women's decreases slightly (figure 3.6).

Labor force participation rates of male and urban young adults remain significantly lower than those of the adult population. Labor force participation rates among 25- to 35-year-olds are almost 10 percent lower than those of adult men and urban populations. Conversely, rates among female and rural young adults are comparable to those of people over 35. This can be partially explained by the higher levels of inactivity in the labor market for male and urban young adults compared with the adult population. Contrary to popular belief, migrants have higher employment rates than nonmigrants (box 3.1).

Young people in rural areas start work earlier and work more hours than their urban counterparts. By 9–14, 1 in 5 rural girls and boys cites working as a full-time

Figure 3.6 Labor Force Participation, by Age, Gender, and Urban-Rural Location

Source: Authors' calculation based on the 2004 Sierra Leone Integrated Household Survey.

Box 3.1 Migrants and the Labor Market

Migrants are blamed for being “idle” in Freetown. But a closer look at the data shows that migrants are actually more integrated into the labor market than nonmigrants. Relative to nonmigrants in the same regions with the same level of education, age, and gender composition, migrants are 14 percent more likely than nonmigrants to be employed (older migrants and nonmigrants have the same labor force participation rates) (appendix A.2).

The reason for higher employment among migrants may be linked to the reason for migration. During the war, many young people fled their chiefdoms in search of safety or as a result of atrocities they committed there. After the war, they did not want to or could not return to their homes. These people lack the strong social networks that keep people fed even when they are not working. They may therefore have a greater incentive to work. Some migrants may also be economic migrants, who moved in search of job opportunities and thus are more committed to the labor market.

New migrants may be migrating in search of formal sector employment. Migrants have a slightly greater (and statistically significant) chance of finding formal sector jobs. Migrants who return to their hometowns have a lower (and statistically significant) chance of being employed in the formal sector (appendix A.2 for regression specification and results).

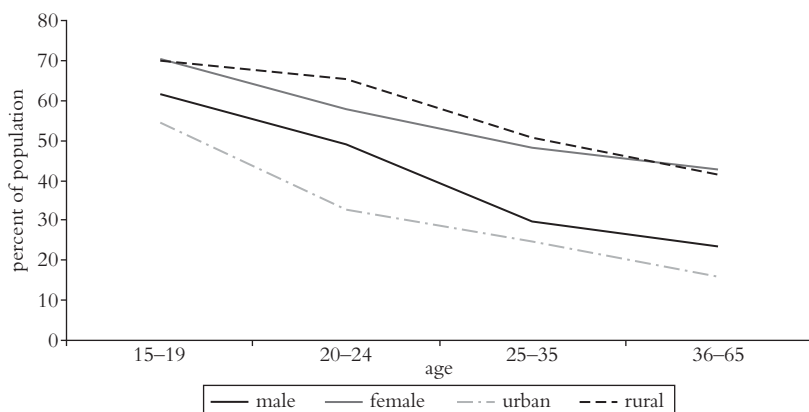
activity, compared with 1 in 20 in urban areas. The gap decreases with age, with 70 percent of rural 20- to 24-year-olds working compared with 40 percent of urban youth the same age. By 35-65, rural and urban adults have nearly identical work-only rates (figure 3.6). Thus young people in urban areas start work later and take longer to reach adult levels of employment than their rural counterparts. This trend is similar to that in other countries in Sub-Saharan Africa (World Bank 2007b).

The earlier and higher work rates of rural young people are a result of several factors specific to rural life. Students leave school earlier in rural than in urban areas. The abundance of productive activities in family agriculture, paid or unpaid, provides an immediate source of employment, which is scarcer in urban areas. Young people report that while they do not consider farming a career, it is a job they can fall back on if nothing else is available. The scarcity of jobs in urban areas, and the feeling that employers are exploitative, may lead to higher levels of discouraged workers among urban youth (20-24), as discussed above. Rural women may have greater ability to combine work and domestic responsibilities than do urban women.⁷

TYPE OF WORK. Youth not only transition from school to work, they also transition through types of jobs. This section describes each stage of the cycle.

UNPAID LABOR. The vast majority of young people begin their work lives in unpaid labor. More than 50 percent of young people in urban areas and 70 percent of in rural areas are unpaid workers (figure 3.7). Unpaid work could include working on a family farm in a rural area or working as an apprentice in a family member's shop in Freetown.

Figure 3.7 Percentage of Workers Who Are Unpaid Employees, by Age, Gender, and Urban-Rural Location



Source: Authors' calculation based on the 2004 Sierra Leone Integrated Household Survey.

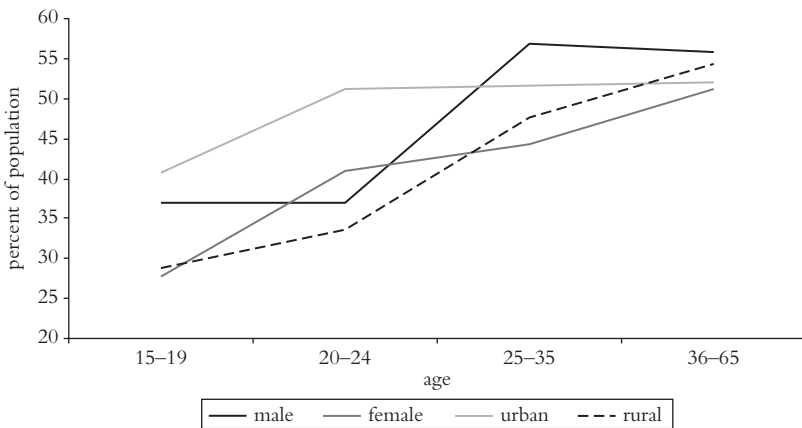
At every age, women and rural workers are more often employed in unpaid labor than men and urban workers. At 15–19 women and rural residents are 10–15 percentage points more likely than men or urban residents to be unpaid workers. Although unpaid labor declines with age for all Sierra Leoneans, it falls more quickly for men and urban workers, as men start their own businesses rather than working in someone else’s firm or farm, and urban workers leave the family business for wage or self-employment.

Even though young people are better educated than adults, they have a higher incidence of unpaid labor. For a given level of education, unpaid labor among young people is greater than adult unpaid labor (appendix A.2 for the regression specifications and results).

Although unpaid labor declines with age, one in three adults in Sierra Leone is working without pay. Four of every 10 working women are employed in their husband’s store or farm. Among adult men, 23 percent are working without pay. Some are rural workers who are subsistence farmers, have not yet inherited their parents’ land, or are working a family member’s land. About 16 percent of working adults in urban areas are unpaid. While much of this is family labor, and profits are shared through household pooling of expenditures, this statistic suggests that unpaid young people will not necessarily become independent income-earning adults.

SELF-EMPLOYMENT. Self-employment increases with age. While many young people believe that self-employment is the most viable employment sector for them (World Bank and ENCISS 2007), only one of every three working young people is self-employed, compared with half of working adults (figure 3.8). For

Figure 3.8 Percentage of Workers Who Are Self-Employed, by Gender, Urban-Rural Location, and Age



Source: Authors’ calculation based on the 2004 Sierra Leone Integrated Household Survey.

women and men in both urban and rural areas, the share of self-employed workers increases with age.

Men become self-employed at an earlier age than women. By 25–35 nearly 57 percent of men are self-employed. In contrast, female self-employment does not exceed 50 percent until women reach mature adulthood (36–65). This is largely the result of women's greater unpaid labor when they are younger, as they work in their parents' and then their husbands' firms and farms. Only once they reach a more mature age do they begin selling in markets, processing agricultural goods, or engaging in other small-scale activities (World Bank and ENCISS 2007).

Urban young people are more likely to be self-employed than those in rural areas at all ages, but rural self-employment rates increase with age. Between the ages of 15 and 24, urban young people are 10 percentage points more likely to be self-employed than their rural counterparts; the gap closes in the young adult and adult periods. This may reflect the life cycle of rural labor, starting as an unpaid laborer on a family's land and, over time, inheriting rights to the land and running one's own farm. It may also reflect the life cycle of young urban dwellers, who stay in school longer, try out self-employment, and, if lucky, graduate to the wage sector.

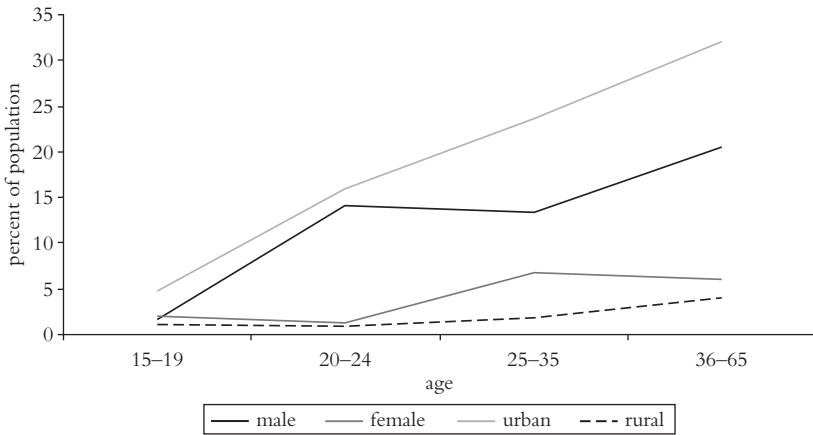
The data do not reveal if the lower self-employment rates among youth are the result of a lack of capital or social constraints. Young people point out that credit opportunities are limited for them, that they do not have the capital (tools) to make a potential firm productive, and that they lack the connections needed to buy cheaper inputs, access markets, or improve other business conditions (World Bank and ENCISS 2007). Family expectations and tribal obligations may also limit the ability of young people to strike out on their own. With age these constraints may loosen.

WAGE EMPLOYMENT. Wage employment, while scarce, increases with age, rising with each successively older age group (figure 3.9). This increase is sharpest in urban areas, where wage opportunities are greatest. The ratio of youth to adult paid labor (0.3) is among the highest in Sub-Saharan African (based on data for 13 countries excluding Sierra Leone) (World Bank 2007b). The gap between male and urban young adults on the one hand and mature adults on the other remains large.

Women and rural workers have very low rates of wage employment, and the figure barely changes with age. Wage employment is never more than 4 percent of employment for even the oldest rural age group; it represents a mere 1 percent of employment among rural youth 20–24. Nationally, women's wage employment reaches 7 percent for the 25–35 age group. This low level demonstrates that wage employment is an urban, male phenomenon.

The paid labor market values experience over education. As discussed in chapter 2, adults have less education than young people, but young people hold fewer wage jobs (which purportedly are more skill based). Comparing wage employment of young people and adults with the same level of education, greater wage employment still exists among adults. The size of the gap falls, suggesting that the higher level of education of young people helps more of them become wage laborers but that

Figure 3.9 Percentage of Workers Who Earn Wages, by Age, Gender, and Urban-Rural Location



Source: Authors' calculation based on the 2004 Sierra Leone Integrated Household Survey.

education is not powerful enough to overcome the disadvantage of being young (appendix A.2 for regression specification and estimates). Young people attribute this to their perception that labor market connections rather than merit are the key factor in hiring decisions (World Bank 2007b).

Almost 70 percent of all unemployed people in Sierra Leone are hoping to join the wage sector (figure 3.10). Another 25 percent would like to become self-employed, using loans from families or financial institutions. The desire of young people to be self-employed decreases over time, with 30 percent of unemployed 15- to 19-year-olds preferring this type of work, compared with 16 percent of 25- to 35-year-olds. However, 27 percent of adults favor self-employment. Most unemployed people report that they are available for full-time work; 25 percent of the unemployed would accept part-time work.

FORMAL SECTOR EMPLOYMENT. Formal sector wage jobs that offer benefits are the most coveted. Formal sector employment is small in Sierra Leone, at less than 10 percent for the overall population.

The formal sector is not a sector of entry: less than 1 percent of Sierra Leoneans under 19-year-olds, 3 percent of 20- to 24-year-olds, and 8 percent of 25- to 35-year-olds hold formal sector jobs. By age 36-65, 13 percent of the age group hold formal sector jobs (figure 3.11).

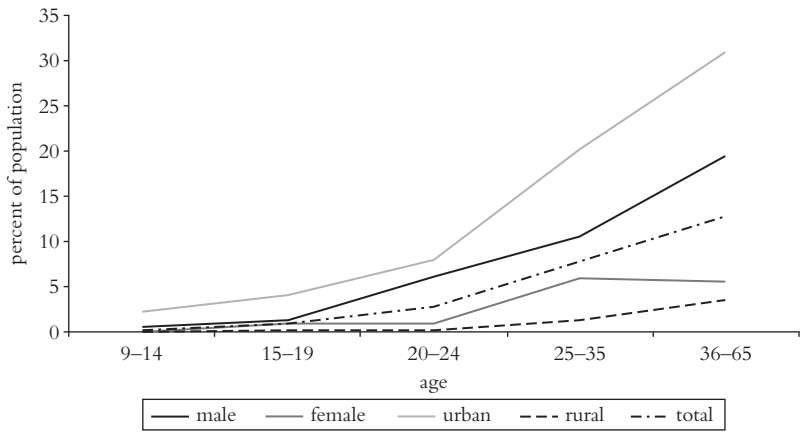
Formal sector employment increases over time among all groups. Given the trends observed for wage employment, it is not surprising that formal sector employment is highest among men and in urban areas. Up to 10 percent of working men and 20 percent of urban workers are formal sector employees by age 35.

Figure 3.10 Type of Work Sought by the Unemployed, by Age



Source: Authors' calculation based on the 2004 Sierra Leone Integrated Household Survey.

Figure 3.11 Percentage of Workers in the Formal Sector, by Age, Gender, and Urban-Rural Location



Source: Authors' calculation based on the 2004 Sierra Leone Integrated Household Survey.

Note: Formal sector workers are defined as those receiving job benefits.

The largest increase in formal sector employment occurs between ages 20–24 and 25–35, allowing time for young workers to cycle through unpaid, self-employed, and informal wage work to build up the labor connections and experience to secure a formal sector wage job. Higher formal sector employment of men is partly the result of higher education levels; if female education levels were equal to those of men, the gap between men’s and women’s formal sector employment would be

much smaller. However, educational differences between women and men do not explain everything—there seems to be a premium to being male that is not explained by other factors.

Although formal sector employment is low among young people, it would be up to 4 percent lower than the levels observed if young people had the same education levels as adults. Thus while experience is necessary to access the formal sector, education also opens doors to this sector (appendix A.2 for regression specification and estimates).

Employees in the formal sector are more skilled than other workers. The likelihood of having a formal sector job increases with education level. Thus while the risk of unemployment increases as a person has more education, once he or she finds a job, it is more likely to be in the formal sector.

INDUSTRY. The main economic activity in Sierra Leone is agricultural work, which accounts for 70 percent of employment (26 percent in urban and 91 percent in rural areas) (figures 3.12 and 3.13). Agriculture is the largest industry in Sierra Leone, and it is overwhelmingly labor intensive. In farming activities young men prepare the land for cultivation and harvest; young women weed, harvest, and prepare the harvest for consumption or sale.

While males and females are equally likely to be agricultural workers, more female-headed households undertake this activity. The agricultural sector is a source of employment for both genders. And while household heads as a group do not engage in agricultural activities as much as household dependents do, household

Figure 3.12 Distribution of the Labor Force, by Industry, Age, and Gender

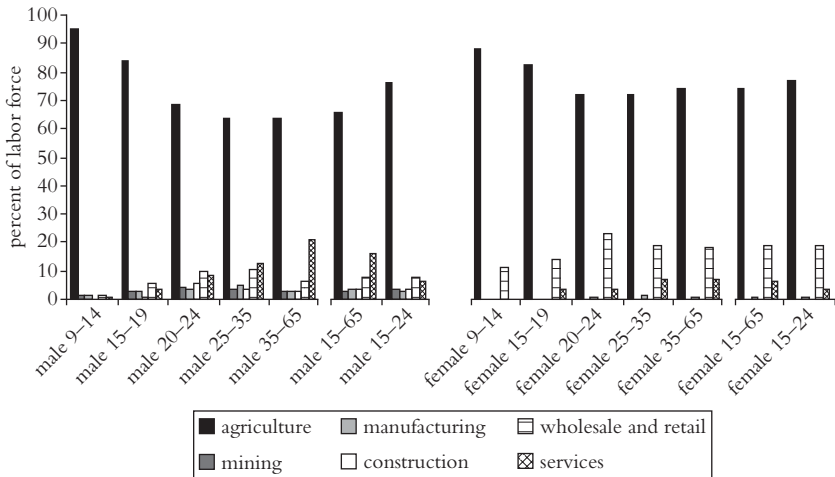
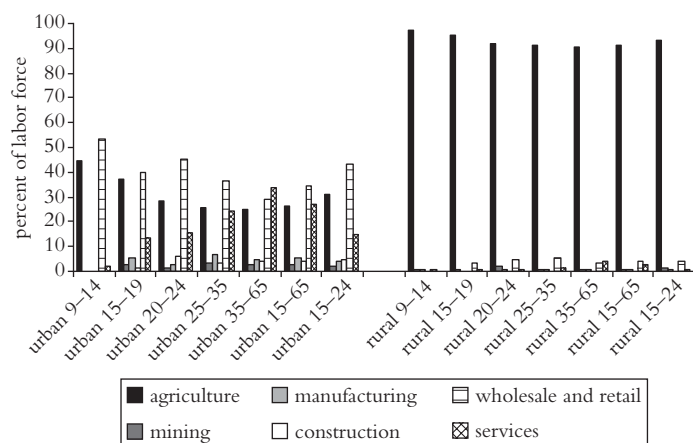


Figure 3.13 Distribution of the Labor Force by Industry, Age, and Urban-Rural Location



Source: Authors' calculation based on the 2004 Sierra Leone Integrated Household Survey.

heads who are females disproportionately work in this sector. This is likely closely linked to their participation in the retail sector (appendix A.2) and the higher probability of combining agricultural activities with household duties compared with other employment opportunities with less flexibility.

According to the World Bank (2006b), the agricultural and agrobusiness sector is the main driver of poverty reduction in the short and medium term. The sector has the potential to absorb unskilled youth on a large scale. In the short term, food crop production will certainly be the main driver of agricultural growth and poverty reduction. The food crop sector accounts for 60 percent of rural nonmining GDP, and there is still significant potential to meet unsatisfied latent demand and replace imports. In the medium to longer term, promotion of export products such as cocoa and gari offers the greatest potential for major increases in employment opportunities and incomes in rural areas.

Increasing areas under cultivation holds significant potential in Sierra Leone, where there is abundant land and low-skilled labor and where most traditional cash crop production was severely curtailed or halted by the war. Rehabilitation of and investment in the production, processing, and marketing of cashews, cocoa, gari, ginger, and milled rice offer the best opportunities for expanding agricultural exports. These crops are produced and processed primarily by smallholders and small business enterprises. Better processing technologies would not only raise the incomes of processors, they would also likely increase demand for primary products as an input into processing. Total (direct and indirect) potential employment gains are estimated at 72,000 person-years (World Bank 2006b).

Other potential areas for future employment of young people are livestock and artisanal fishery. These areas hold the potential for increased demand if average income levels increase, because they are sensitive to growth in incomes (World Bank 2006b).

Many young people, especially males, do not want to be farmers. Farming is considered too labor intensive and insufficiently profitable. Young people note that access to better tools (especially mechanized ones), opportunities for basic processing, and possibilities of higher returns would make farming much more attractive to them. Both young people and adults engage in subsistence farming to survive. Parents state that they do not want their children to remain farmers but instead want them to obtain the skills for farming as a fallback occupation in case they are not successful in school or fail to find a paying job (World Bank and ENCISS 2007).

In areas with mining opportunities, young men are drawn away from agricultural activities in the (often vain) hope of obtaining higher earnings. Although the mining sector represents a small percentage of employment opportunities, it represents the most important source of GDP in Sierra Leone. The sector accounts for only 1.4 percent of employment (4.3 percent among men 20–24 and 3.6 percent among men 25–35). Export revenues reached \$134 million in 2005, equivalent to 11 percent of GDP. Mining output has been driven by the resumption of rutile, bauxite, and industrial diamond mining, supported by higher private investment. Diamond output has increased since 2005, and rutile and bauxite production, which resumed in the first quarter of 2006, increased in 2007. Gold output more than quadrupled between 2005 and 2007 (World Bank 2008a). Support to provide higher-level skills to young people in mining areas could increase their potential involvement in the emerging small-scale mechanized mining sector. Support to increase the share of revenue going to low-skilled labor in the artisanal mining sector would benefit young men. While the artisanal mining sector is projected to decline in the near future, large numbers of young men participate at the bottom of the work chain and would benefit from revenue-sharing interventions.

The service industry is underpopulated by young people (appendix A.2 for regression specification and results). Men tend to work in this sector more than women.

A potential area of growth in the service industry is tourism. Small-scale beach hotels offer the best opportunity in the short term; larger-scale tourism has potential in the medium to long term. “Take-off” is constrained by the limits of entrepreneurship in Sierra Leone and the difficulties in putting together all of the elements that make up a successful tourism industry (World Bank 2006b). Development of small-scale tourism would help partially respond to the need for stable employment for the large number of unemployed young people in the Freetown area.

The retail industry disproportionately employs youth. The likelihood of working in the retail sector decreases with age. Women and migrants also tend to work in this sector. While household heads have greater employment in the retail industry than dependents, female household heads are less likely than male household heads to be employed there. The sector has organized groups of young

workers, such as vendors of music cassettes and jewelry. Girls and young women are heavily involved in the retail sale of agro products.

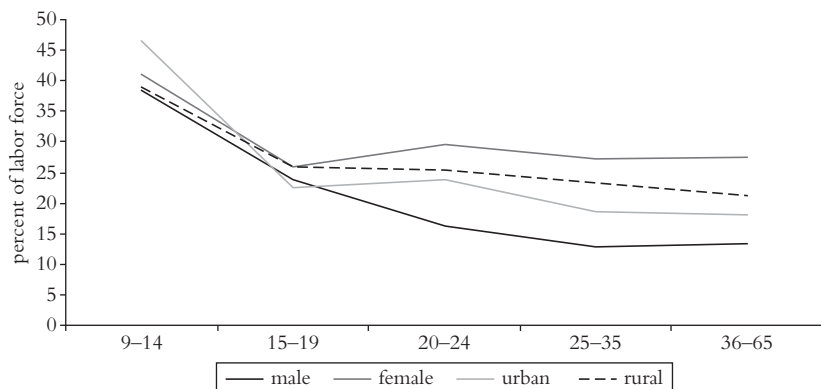
The infrastructure sector also holds great potential for absorbing youth labor. Although the government has undertaken significant efforts to improve dilapidated infrastructure since the end of the conflict, infrastructure remains underdeveloped and a constraint to economic growth. Low-skilled labor could be partially absorbed through the ongoing and planned high levels of investment in infrastructure. There is also a huge backlog in maintenance, as scarce resources for road maintenance are spent on emergency works (World Bank 2006b). Developing innovative mechanisms for road maintenance and other services, such as garbage collection by small and medium-size enterprises, holds the potential to absorb both unskilled and skilled youth.

UNDEREMPLOYMENT. Having a job is often not sufficient, because of low wages or the part-time or seasonal nature of employment. Underemployment can be interpreted as holding a job that offers less than full-time employment.

Full-time work increases with age. Although young people in Sierra Leone rarely combine work and school, part-time employment is highest among the youngest workers (figure 3.14). However, 60 percent of 9- to 14-year-old workers are already working full time, and by 15-19 three-quarters of workers are doing so. This compares with 80 percent of adults working full time.

One in five young people would like to work more hours. This share is constant across the 15-35 age group, but men's desire to work more hours increases with age while women's decreases with age (table 3.3). The difference probably reflects the fact that household duties conflict with full-time market work for women. Young people in both urban and rural areas would like to work more

Figure 3.14 Share of Labor Force Working Part Time, by Age, Gender, and Urban-Rural Location



Source: Authors' calculation based on the 2004 Sierra Leone Integrated Household Survey.

Table 3.3 Share of Working Labor Force That Would Like to Work Longer Hours

<i>Characteristic</i>	<i>9–14</i>	<i>15–19</i>	<i>20–24</i>	<i>25–35</i>	<i>36–65</i>
Male	9.2	17.7	21.8	23.1	18.9
Female	8.2	19.2	17.3	16.2	12.6
Urban	5.6	17.4	21.7	18.5	16.0
Rural	9.0	19.0	17.5	19.1	15.9
Total	8.6	18.6	18.9	18.9	15.9

Source: Authors' calculation based on the 2004 Sierra Leone Integrated Household Survey.

Note: Figures show responses by employed participants to question "Did you want to work more hours during the past seven days?"

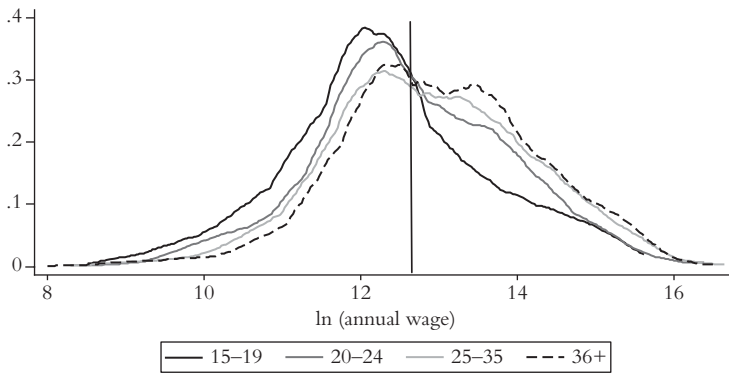
hours. Adults are marginally happier than young people with the amount of hours they supply to the labor market, with one in six desiring longer work hours.

QUALITY OF WORK. The desire to change jobs increases with age, peaking at age 25–35. Less than 1 percent of people 15–19 are searching for a new job. Almost 5 percent of working men 25– to 35-year-olds (and just 1.4 percent of their female counterparts) are looking for new jobs. The tendency to look for a new job is stronger in urban areas, where the spectrum of jobs is larger than in rural areas. Nearly 63 percent of those who are working and looking for a job have started their own agricultural activities, and another 6 percent are trying to start their own business.

Most of those who are working and searching for jobs wish to transition to the self-employment sector. About 40–70 percent of nonagricultural firm owners and 91 percent of firm owners in the agriculture sector are looking for different business opportunities. This compares with only 19 percent of paid workers who want to open their own firms. Most unpaid workers (62 percent of those currently working in nonagricultural activities and 92 percent of those currently working in agriculture) hope to become self-employed.⁸

WAGES. Young people earn lower wages than adults (figure 3.15). At low wages, there are more 15– to 19-year-olds than any other age group (to the left of the vertical line); at high wages, there are fewer 15– to 19-year olds than any other age group (to the right of the vertical line). The number of people earning a low wage decreases with age, and the number earning a high wage increases with age.

Wages are much lower in rural than urban labor markets. The dual spikes for each age group in figure 3.15 suggest that two underlying distributions exist, each with its own spike. Analysis of urban wages and rural wages confirm this suspicion: the spikes for each geographic area are consistent with the two spikes (per age group) in the combined sample (figure 3.16). In both urban and rural areas, workers earn more as they age (more of them are to the right of the vertical line). Comparing the urban and rural figures reveals that there are more workers earning high wages in urban areas than in rural areas, while the reverse is observed for low wages.

Figure 3.15 Distribution of (Log) Annual Wages by Age Group

Source: Authors' calculation based on the 2004 Sierra Leone Integrated Household Survey.

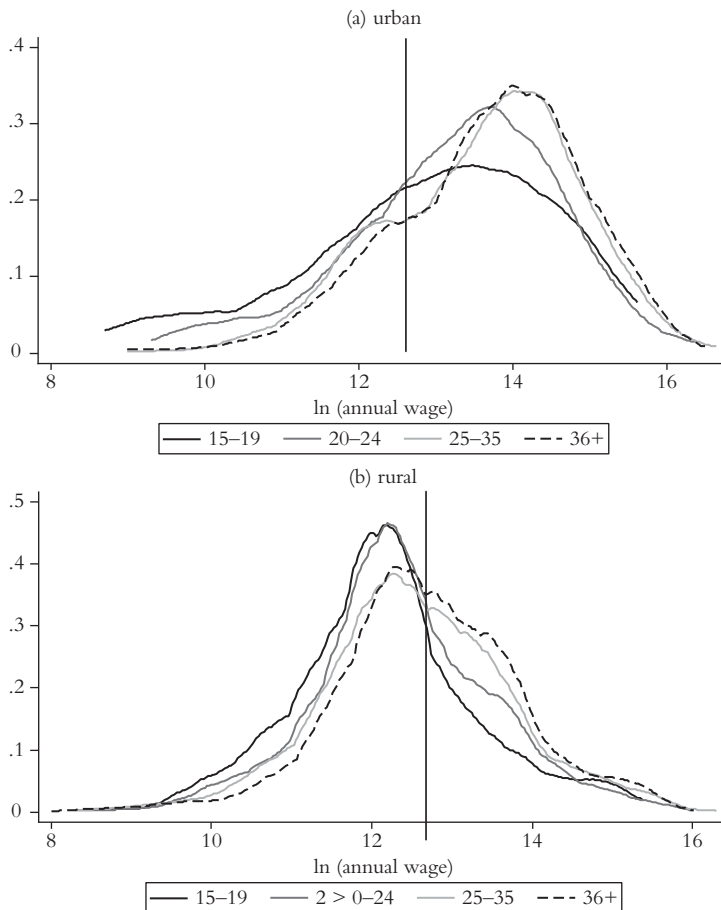
Note: The vertical line represents the wage at which people 15–19 switch from representing the largest group earning the wage to the smallest group earning the wage.

Better-educated workers earn higher wages. But although education increases earnings in a statistically significant manner, the relation is not very strong in Sierra Leone. Education explains relatively little about why some workers earn more than others; most of the difference in wages across the population reflects other factors.⁹ People with more education do not earn much more than those with less education: on average a person with higher education earns roughly twice what a person with no formal education earns, while a person who completed primary school earns about 40 percent more than someone with no education (figure 3.17).

Education does not explain the high number of low-income workers. Breaking out the earnings distribution by education group reveals that many people in all age-education groups earn low wages (that is, the long left tail persists across education groups) (figure 3.18).¹⁰ Within each education group, the young are not always the lowest earners. Among people with four to six years of education, for example, the share of people earning low wages is largest among people 15–19 (the 15–19 line is above those for all other age groups on the far left side of figure 3.18), but the percentage of people earning high wages is larger among people 15–19 than it is for people 36 and older (the 15–19 line is above the 36+ line on the right side of figure 3.18). Thus to some extent, education compensates for less job experience. Finally, there is no evidence of a “labor aristocracy” earning exceptionally high wages. If there were such a group, the graph would have a long right tail.

Minimum wages are not binding in Sierra Leone: none of the figures shows kinks or deformations that would suggest that minimum wages affect the wages paid by employers in either the rural or the urban sector. The wage distributions are relatively smooth, suggesting that a competitive labor market sets wages (Cunningham 2007). The fact that the minimum wage does not affect the paid wage is bad news, in that wages are lower than the government would like. But for

Figure 3.16 Distribution of (Log) Annual Wages, by Age Group and Urban-Rural Location



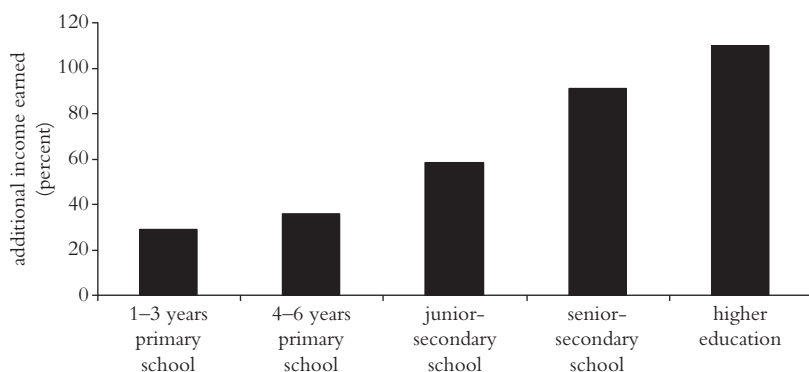
Source: Authors' calculation based on the 2004 Sierra Leone Integrated Household Survey.

Note: The vertical line represents the wage at which people 15-19 switch from representing the largest group earning the wage to the smallest group earning the wage.

young people, this can be good news, because in countries in which the minimum wage is binding, they tend to be the first to lose their jobs when the minimum wage is raised.

Because the minimum wage does not appear to be binding, it is worth questioning whether any labor legislation is enforced and affects employment or wages of young people in Sierra Leone. The data do not permit this issue to be tested. It is an issue for further analysis.¹¹

Figure 3.17 Additional Income Earned Attributable to Additional Education Completed



Source: Authors' calculation based on the 2004 Sierra Leone Integrated Household Survey.

Note: Figure shows additional income earned relative to a worker with no formal education. The bars in this figure are the point estimates for each corresponding education dummy from an ordinary least squares regression of the log of annual wages on each education level.

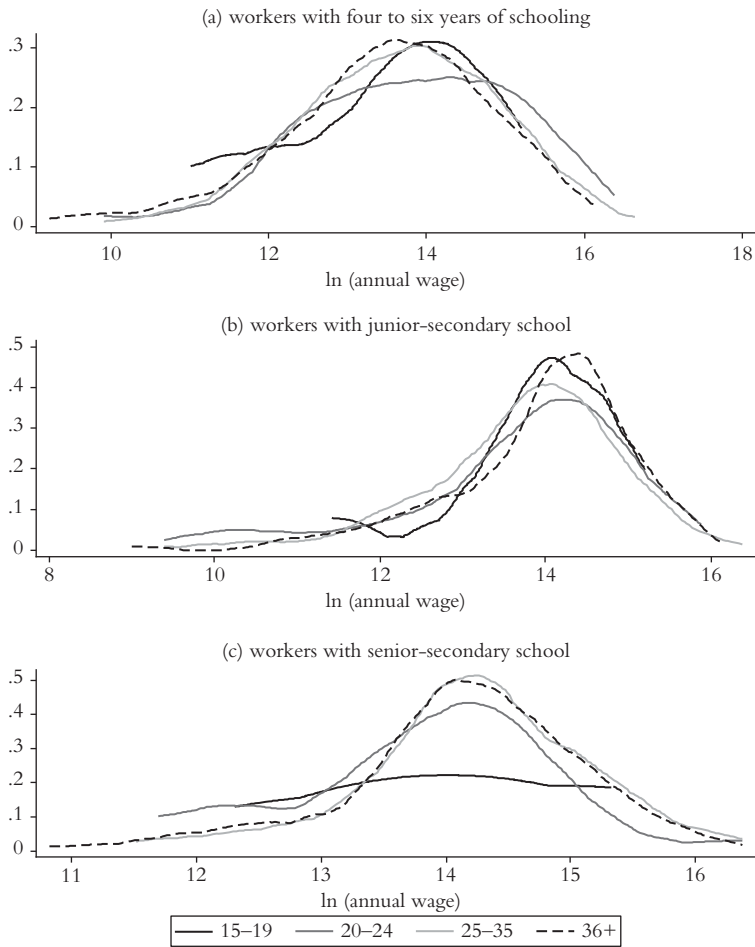
Benchmarking Sierra Leone to the Region

Compared with young people elsewhere in the region, young people in Sierra Leone are doing relatively well in the labor market. Although young people in Sierra Leone have difficulty finding formal sector or even wage jobs, employment for women and rural workers is stagnant, and wages in urban and rural areas are low, other labor markets in the region show even more troubling trends (table 3.4). While its labor force participation rates are relatively low for the region (6th of 14 countries), Sierra Leone has the third-highest rate of “education only” (after Malawi and Kenya). The relatively high levels of school attendance can be partially explained by the catching-up effect of young people who lost out on education opportunities during the conflict and by high levels of repetition. Young people combine work and school more in Sierra Leone than do they do in several countries in the region; doing so is preferable to dropping out of school.

Inactivity rates among young people in Sierra Leone are on the low side: about 19 percent of people 15–35 neither work nor study. This figure is far lower than in Ethiopia (58 percent) or Mozambique (45 percent).

Labor force participants in Sierra Leone are more likely to be working than unemployed.¹² Unemployment rates for the region as a whole averaged 14.8 percent, while they were less than 3 percent in Sierra Leone (rates in Burundi, The Gambia, Malawi, and Uganda were below 2 percent).¹³

Figure 3.18 Earnings, by Age and Education Levels in Urban Areas



Source: Authors' calculation based on the 2004 Sierra Leone Integrated Household Survey.

Conclusions

The transition for young men from school to work occurs between the ages of 20 and 24. They leave school in their mid- to late teens and either move directly to unpaid labor or spend time inactive in the labor market or unemployed. Those who are jobless may spend long periods in that state, but they are a minority of the population. Men move from unpaid labor to the self-employment sector by 25-35; a

Table 3.4. Time Use Patterns among People 15–24 in Selected Countries in Sub-Saharan Africa (percent of age group)

<i>Country</i>	<i>Only school</i>	<i>Work and school</i>	<i>Only work</i>	<i>Unemployed</i>	<i>Inactive</i>	<i>Working or unemployed</i>
Burkina Faso	11	1	78	4.2	5.9	83.2
Burundi	26	0	70	0.8	3.4	70.8
Cameroon	32	0	43	12.6	9.9	55.6
Côte d'Ivoire	26	0	47	9.6	17.6	56.6
Ethiopia	18	0	20	4	58.5	24.0
Gambia, The	28	1.1	37	1.5	31.7	39.6
Kenya	42	0	21	10.5	26.8	31.5
Madagascar	23	2.3	62	8.9	3.1	73.2
Malawi	42	0.4	21	1.4	34.5	22.8
Mozambique	18	0.6	22	14.8	44.8	37.4
Sierra Leone	41	1.4	36	2.4	18.8	40.1
Uganda	34	10	48	0.7	7.4	58.7
Zambia	30	0.6	39	11.4	19.8	51.0

Source: World Bank 2008b.

small share graduate into wage employment. Those with connections may be lucky enough to obtain formal sector jobs, but they are a small minority.

Women and rural workers follow the same transition path as men, but they begin at an earlier age and only rarely make the final transition to formal employment. By age 9–14, rural residents are already abandoning school; most women leave school by age 15–19. Unpaid labor is the main sector of entry for these workers, with few inactive in the labor market (especially in rural areas) and even fewer unemployed. These workers leave the unpaid sector over time, primarily to become self-employed. Very few graduate into wage or formal sector employment.

These transition paths are linked to social norms, local labor markets, and poverty. Women leave school early to start families and contribute to a new household's survival rather than invest in their own future. Self-employment is easier to combine with household duties, and there is strong gender discrimination in formal wage jobs. Poverty and the abundance of land in rural areas makes continued employment costly to a young person's family, and learning-by-doing on farms may be a more valuable skill for young people than formal education. This leads to early school abandonment and early unpaid labor on family farms. The scarcity of paid labor in rural areas explains the low graduation rates into formal or wage jobs.

Labor market inactivity rates are high among young people in Sierra Leone, especially for men and urban residents. Urban and rural adolescents have similar rates of inactivity in the labor market (13 percent). By 20–24 one in three urban

youth compared to one in six rural youth is inactive. While labor market inactivity rates for young people in rural areas are similar to adult rates, urban youth and young adults have higher rates than urban adults. Almost one out of every four young or adult women is inactive in the labor market. Young males' inactivity rates are similar but significantly higher than for male adults, with only 1 out of 10 male adults inactive in the labor market.

Truly inactive young men are not a serious problem in Sierra Leone: only 5–10 percent of young men who are inactive in the labor market have no intention of finding work. They report that there are no jobs available, so it is not even worth looking for work. They also complain that jobs are awarded based on connections rather than skill. One-quarter of all young men who are inactive in the labor market report dedicating their time to home duties, but only 9 percent of adult men say the same. This may be linked more to rural activities, where market and domestic work often overlap.

The unemployment rate of less than 5 percent for all young people in Sierra Leone hides significant difference by gender and urban-rural location. Young people in urban areas are 25 times more likely to be unemployed than their rural counterparts. The unemployment rates in urban areas reach 17 percent for adolescents. Young men are almost twice as likely as young women to be unemployed.

The low unemployment rates understate the extent of unemployment, because they fail to capture discouraged workers, high rates of inactivity in the labor market, and the quality of work. The levels of unpaid labor are very high in Sierra Leone, especially in rural areas where subsistence farming is the norm. One in five young people would like to work more hours, and the rate is slightly higher among men.

Like adults, young people are concentrated in agricultural activities, in the informal sector, and among the self-employed. Agricultural activities represent 70 percent of employment, with similar levels for young people and adults. The service sector is underpopulated by young people, while the retail industry employs them heavily. Formal sector employment increases with age but is very low across the life cycle, at 9 percent for the working-age population. Self-employment represents more than half of all employment. The self-employed report the lack of other opportunities in the labor market as the main reason for becoming self-employed.

Young people tend to have less promising employment opportunities than adults. Less than half receive payment for their labor, compared with two-thirds of adults, even though they are better educated than adults. They also have fewer opportunities for salaried employment and significantly fewer opportunities for formal employment than adults (public sector employment opportunities are mainly for people over 35). The desire to change jobs is highest among 25- to 35-year-olds.

People who grew up during the conflict perform as well in the labor market as those who did not, and they reach employment levels that are similar to those for adults. People who were 25–35 in 2004 (the year of the survey)—and thus were teenagers during the conflict—are more integrated into labor markets than youth 20–24. They have similar levels of labor force participation, full-time employment,

and self-employment as adults. Male and urban young adults have lower labor force participation rates and higher inactivity in the labor market rates than adults from the same population group. Despite their limited access to wage and formal employment opportunities, young people who were teenagers during the conflict seem to be moving through the labor market in the same way as those who were not as directly affected by the conflict.

Notes

1. These statistics differ slightly from those presented in chapter 2, because different data sources were used. Chapter 2 uses the 2004 Census data, which capture the entire population of Sierra Leone; this chapter uses the 2004 Household Survey, which is a sample of the population. While the sample was designed to be nationally representative, it is likely not to have surveyed the most excluded or difficult-to-reach families. The numbers may be slightly biased, but the trends are the same as those generated by the census data.
2. The term *inactive in the labor market* is used rather than the term *inactive*, because many people who are not working or in school are active in other endeavors.
3. The truly inactive in the labor market are composed of two subgroups: discouraged workers and seasonal workers. Discouraged workers are defined as people who would like to work but do not think that there are any jobs for them so they do not even bother searching for a job. Seasonal workers have no intention of working in the offseason.
4. The unemployment rate is the share of the labor force that is searching for a job and not working (number searching/(number searching + number employed)). The share of the jobless who are unemployed is the share of the jobless that are searching for a job (number searching/number jobless). Although the unemployment rate is the commonly used indicator of trouble in the labor market, recent research shows that unemployment and inactivity are similar states for young people (that is, young people move easily between unemployment and inactivity). This is partly a result of the vague distinction between unemployment and inactivity (an individual is considered to be unemployed if he or she looked for a job for at least an hour the previous week and inactive if he or she did not). Joblessness, rather than unemployment, seems to be a more meaningful concept for young people.
5. A large percentage of young people cite “other” reasons for being jobless and not looking for work, especially for 20- to 24-year-olds, at more than 60 percent. The available information does not provide more details on what these reasons are. These people are not truly inactive in the labor market, because the survey allows for a “there are no jobs” response to “why are you not looking for a job?”
6. While only 1 percent of those with no education are unemployed, 4 percent of those with 1-9 years of education are in this situation, and more than 15 percent of those with 10-12 years of education are unsuccessfully searching for jobs. People with tertiary education have unemployment rates below 1 percent (author’s calculations based on the 2004 Sierra Leone Integrated Household Survey).

7. The share of women who completely dedicate themselves to household work is very similar in urban and rural areas.
8. These figures were not disaggregated by age because of the small sample size in some of the work activities.
9. The R^2 of a regression of log annual wages on education is 0.08, meaning that education explains only 8 percent of the variation in wages between different workers in the labor market. The other 92 percent of the variation in wages is caused by factors not related to education.
10. The sample size for grades 1–3, senior-secondary school, and higher education were too small to produce meaningful graphs.
11. Labor market distortions can be a major impediment to the creation of jobs, and they tend to disproportionately affect young people (Quinitni and Martin 2006). Across the world, unemployment rates among the young are often double or triple those of men 25–54 (World Bank 2006d). The causes of this are often postulated to be related to the relative size of the pool of incoming young people, the difficulty new labor market entrants have in signaling their qualifications for a particular job, and the burden of labor legislation that makes it costly to “try out” young workers and to fire them if they do not work out. The first two rationales—demographics and signals that new entrants can provide in a poor school system—could explain difficulties in labor market entry. The role of labor legislation is less clear. Given the low level of enforcement of labor laws and the empirical evidence that minimum wages laws are not followed, it is likely that the third rationale does not apply in Sierra Leone.
12. The low level of unemployment may reflect higher rates of unpaid labor in Sierra Leone relative to the rest of the region.
13. These data do not allow for cross-country comparisons of the type and quality of work, such as the levels of unpaid labor and formal employment opportunities, both of which are low in Sierra Leone.

Labor Market Demand

4

Many programs designed to promote the employment and skill development of young people suffer from a mismatch between the skills these programs develop and the demands of the labor market. The result is limited success in easing the transition to the labor market and saturation in a few skill-specific markets. This chapter attempts to better understand the demand side of the labor market.

Because no information was available on firm owners in Sierra Leone at the time this study was written, a survey was designed and conducted to collect information on labor demand. This chapter presents the results of the survey, as well as perceptions of young people and adults as expressed through the consultation process undertaken for this report.

The survey found the following:

- Limited job opportunities for young people are linked more to the overall lack of economic opportunities for business operation than to specificities associated with their age.
- Farmers face labor market constraints, including the cost and shortage of labor.
- Farm and business owners are more educated than the overall population.
- Employers have more negative perceptions of people 18–24 than they do of adults.
- Employers are biased against female employees.
- Employers perceive the current skill level of their employees as low.
- Both formal and informal employees would benefit from training.
- The lack of resources and availability of training are the main constraints keeping employers from providing training.

The Employers Survey

The World Bank and Statistics Sierra Leone conducted a survey of enterprise owners to better understand the investment climate, hiring decisions, and employer needs of a representative group of firms and farms (appendix B.1 for a description of the survey). The survey was carried out in five districts: Western Urban, Western Rural, Bo, Bombali/Makeni, and Kailahun.

The survey, called the Sierra Leone Employers Survey (SLES), included two complementary questionnaires: one for formal and informal businesses in urban areas (defined as settlements with at least 2,000 inhabitants) and one for farms in rural areas.¹ To the extent possible, the analysis in this chapter differentiates firm types in the following way:

- *Formal and informal business in urban areas:* Unregistered businesses are considered informal.² This is the same definition of formal and informal firms used by Statistics Sierra Leone and the Informality Survey implemented by the Foreign Investment Advisory Service (FIAS 2006).
- *Small, medium-size, and large business in urban areas:* Small businesses have fewer than 10 employees, medium-size businesses have 10–49 employees, and large businesses have 50 employees or more.
- *Small, medium-size, and large farms:* Small farms have fewer than 5 employees, medium-size farms have 5–10 employees, and large farms have more than 10 employees.

All large businesses and farms and all medium-size firms were included in the sample frame (table 4.1). This reflects the structure of businesses in Sierra Leone, which has very few large enterprises and farms compared with other countries.

The Business Environment

Limited job opportunities for young people are linked to the overall lack of economic opportunities for business operation and development rather than to

Table 4.1 Businesses and Farms Included in the Survey Sample

<i>Size/nature of enterprise</i>	<i>Businesses</i>	<i>Farms</i>
Small	502	163
Medium	136	143
Large	30	41
Informal	248	n.a.
Formal	419	n.a.
Total	668	347

Source: 2006 Sierra Leone Employers Survey.

n.a. Not applicable.

specificities associated with their age. Employers identified major constraints to the daily operation and potential growth of their business outside of the labor market, especially in urban areas.

For daily operations the top three constraints employers face are domestic competition, weak demand for products, and inadequate access to electricity (table 4.2). Access to financing is especially limiting for small (formal and informal) businesses, while crime, theft, and disorder are considered the top constraints by owners of small informal businesses.

Domestic competition and limited demand for products could be partially explained by the low purchasing power of most of the population. The level of equipment compared with domestic competitors does not seem to be a constraint: about 85 percent of employers perceive their equipment as the same as or better than that of their competitors, with small and informal businesses reporting lower levels.³ While inadequate access to water is not considered a top constraint by employers at medium-size and small firms, employers from large firms perceive it as a top constraint. Surprisingly, infrastructure is not rated a major problem, regardless of size or formal status of business.

For growth and expansion, inadequate access to financing is the top constraint for small and medium-size firms, followed by inadequate access to electricity. Limited access to financing is a key reason why small informal businesses believe

Table 4.2 Top Constraints to Daily Operations and Growth, by Type of Firm

Constraint	Firm size			Sector	
	Large	Medium	Small	Formal	Informal
<i>Most important constraints to daily operations</i>					
Domestic competition	1	2	1	1	1
Inadequate access to electricity	2	1	3	2	3
Weak demand for product		3	2	3	2
Inadequate access to water	3				
<i>Most important constraints to growth</i>					
Inadequate access to financing		1	1		1
Inadequate access to electricity	3	2	2	1	2
Weak demand for product			3	2	
Domestic competition	2			3	
Cost of fuel	1				
Inadequate access to advanced technology		3			
Rent					3

Source: 2006 Sierra Leone Employers Survey.

Note: Table shows employers' ranking of top three constraints (appendix table B3.1 for more detailed results).

they cannot expand. Employers at larger firms also consider the cost of financing as one of the main constraints for business expansion, although it is more of a problem for smaller firms. In addition to weak demand for their product and domestic competition, the costs of doing business (including rent and fuel) are top constraints. The cost of fuel, often used for generators, is the top constraint for large businesses. Because of low and irregular access to electricity in Sierra Leone, most businesses rely on generators: about half of small businesses and 84 percent of medium-size and large firms own generators. The vast majority of business owners rent the building they use (63 percent of large and medium-size businesses and 83 percent of small businesses). The high cost of renting, especially for operators of smaller business, combined with limited access to financing, could restrict owners, particularly of small firms, from expanding their businesses, even if demand for their products were strong.

Labor shortages are not a top constraint for employers. Only larger firms rank the lack of skilled labor as a top constraint for daily operation and potential growth of their business. As discussed in chapter 2, the education level is very low in Sierra Leone. Larger firms tend to hire more skilled labor. They are constrained as a result of the low supply. Across firm sizes, owners do not perceive the lack of availability of unskilled labor as a constraint. This finding is unsurprising, considering the abundant supply of low-skilled labor and the limited availability of paid employment (chapter 3). Although not a top constraint, about a quarter of employers at large businesses rate labor and food costs for workers a major problem; employers at medium-size and small firms seldom perceive these as constraints. Restrictive labor regulations are not perceived as a constraint by employers.

For farm owners the main constraints to daily operations are pests, inadequate access to financing, and inadequate access to equipment (table 4.3). Across farm sizes, pests are the top constraint to daily operations, followed by inadequate access to financing. While not among the top constraints, the cost of financing is perceived by 40 percent of farm owners as a major problem (the figure increases with the size of the farm). Regardless of size, inadequate access to both basic tools and equipment and advanced technology are top constraints for daily operation. About one-third of farmers perceive the level of their equipment as worse than their competitors. As with business owners, infrastructure is not a top constraint for farmers. However, about one-third of farm owners perceive poor access to roads and feeder roads as a major constraint, and 40 percent perceive the quality of existing roads as problematic. Land ownership is not an issue for farm owners.

Farm owners face labor market constraints, including the cost and shortage of labor. Unlike urban businesspeople, farmers, especially owners of small farms, perceive the cost of labor as one of the top constraints to daily operations. The additional cost of providing food to workers, which the vast majority of agricultural employers do, is another major constraint. Although shortages of skilled or unskilled labor are not among the top five constraints, about 20 percent of farmers perceive the lack of both skilled and unskilled labor as a major problem. (The lack of labor supply in rural areas, especially during peak seasons, is discussed below.)

Table 4.3 Top Constraints to Daily Operations and Growth, by Size of Farm

<i>Constraint</i>	<i>All</i>	<i>Large</i>	<i>Medium</i>	<i>Small</i>
<i>Constraint to daily operation</i>				
Pests	1	1	1	1
Inadequate access to financing	2	2	3	2
Cost of food for workers	3	3	2	3
<i>Constraint to growth</i>				
Inadequate access to financing	1	1	1	1
Cost of labor		2		3
Inadequate access to basic tools and equipment	2	3	2	
Inadequate access to seeds	3		3	2

Source: 2006 Sierra Leone Employers Survey.

Note: Table shows farm owners' ranking of top three constraints (appendix table B3.2 for more detailed results).

Inadequate access to financing, seeds, and basic tools and equipment are the main constraints for growth and expansion for farmers. Regardless of farm size, inadequate access to financing is the top constraint for farmers for expanding their farm. Employers of medium-size and large farms perceive inadequate access to basic tools and equipment as a top constraint; small farmers perceive inadequate access to seeds and fertilizers as important constraints. The cost of labor is a constraint to potential growth and particularly to the daily operation of farms. Owners of larger farms cite family pressure as a major problem. This may reflect the high levels of unpaid work in rural areas (discussed in chapter 3) and the resulting pressure of hiring family members as paid employees on large farms producing cash crops. About half of farm owners rate access to storage facilities as a major problem, and more than one-third perceive access to support services as problematic.

The lack of access to financing, one of the top constraints for all employers, is reflected in the very low use of formal credit. Personal savings and inheritance of a family business are the main sources of start-up capital for businesses and farms. Only about 4 percent of farmers and 6 percent of business owners used a formal loan in 2005–06, with higher percentages for larger and formal businesses (table 4.4). Informal loans were much more popular, with 12 percent of businesses using informal loans in 2005/06 and 31 percent of farmers. The main sources of these loans are friends, relatives, and, in rural areas, *osusus*, a type of collective savings program. The top reasons cited for using informal loan mechanisms were easier procedures, lower interest rates, and lack of other sources of finance.

Recent studies have highlighted the low level of financial services in Sierra Leone (World Bank 2006b; IFAD 2006). Most of the many small and medium-size

Table 4.4 Sources of Start-Up Capital and Use of Loans, by Size of Business or Farm (percent)

Source/use of start-up capital	Size/status of business					Size of farm			
	Large	Medium	Small	Formal	Informal	All	Large	Medium	Small
<i>Source of start-up capital</i>									
Personal savings	57	80	82	76	88	81	83	82	80
Inherited family business	33	16	13	19	7	12	10	10	14
Informal loan	3	3	4	3	5	6	2	8	6
Formal loan	7	1	1	2	0	1	5	1	1
<i>Use of loans</i>									
Used formal loan since									
2005	13	10	5	8	5	4	0	4	5
Used informal loan since									
2005	3	7	13	10	14	31	24	36	28

Source: 2006 Sierra Leone Employers Survey.

enterprises in the country have very limited access to formal credit, and the banking system outside of Freetown is extremely limited (World Bank 2006b). The semiformal financial sector is made up largely of about 30 microfinance institutions (IFAD 2006). The informal sector comprises an unknown number of rotating savings associations (*osusus*), used mostly by traders and salary earners; daily deposit collection systems on markets (also called *osusus*), used by small traders; and money lenders. According to a study by the United Nations Capital Development Fund (UNCDF, less than 2 percent of potential demand was satisfied by the financial sector in 2003 (IFAD 2006). In 2005, community banks and microfinance institutions satisfy about 11 percent of the most conservatively estimated potential demand (about 6 percent under a higher-demand scenario).

Despite the many constraints employers face, they are generally optimistic about the future of their enterprises. The vast majority of employers expect both their business profits and their personal income to rise over the next two years. The smaller the business, the more optimistic the owner is about the future, with 95 percent of small business owners and 87 percent of large business owners expecting their profits to increase over the coming two years.

Profile of Business and Farm Owners

Business owners tend to be male adults with above-average levels of education (chapter 2). Thirty percent of business owners (and just 8.4 percent of the population

as a whole) completed senior-secondary high school; about 20 percent (and just 1.7 percent of the population as a whole) completed higher education (2004 Sierra Leone Integrated Household Survey). The education level of the business owner increases with firm size, with 56 percent of owners of large businesses and 44 percent of owners of medium-size business holding university degrees. As expected, education levels are higher among owners of formal businesses. While the self-employed have slightly less education than entrepreneurs, their education levels are still significantly higher than those of the overall population. Most owners are male, increasingly so with business size and formal status. Entrepreneurs 20–35 represent only one-quarter of business owners, with fewer young owners of larger firms than smaller firms.

Only 9 percent of farm owners are under 35 (table 4.5). Focus group discussions reveal that lack of access to land and credit are major constraints to young people in rural areas, which may partially explain the low proportion of young farm owners (World Bank and ENCISS 2007). While the level of education of farm owners is higher than that of the average rural population, the differences are smaller than for businesses. Only 20 percent of farm owners have more than junior-secondary school education, and the majority have no or only Koranic education. About 13 percent of farms are owned by women, with the level similar

Table 4.5 Profile of Business and Farm Owners
(percent of category)

<i>Characteristic</i>	<i>Type of business</i>						<i>Type of farm</i>			
			<i>Small</i>	<i>Self-</i>			<i>All</i>	<i>Large</i>	<i>Medium</i>	<i>Small</i>
	<i>Large</i>	<i>Medium</i>	<i>entrepreneurs</i>	<i>employed</i>	<i>Formal</i>	<i>Informal</i>				
Younger										
than 35	11	11	27	34	25	27	9	5	11	8
Male	89	78	82	79	83	76	87	88	84	89
<i>Educational level</i>										
None	4	5	8	17	6	12	43	40	59	39
Koranic	0	4	19	20	13	17	15	13	16	14
Primary	0	7	6	8	5	8	12	8	14	12
Junior-										
secondary	4	7	11	13	8	14	12	10	11	14
Senior-										
secondary	20	16	35	29	31	28	10	15	4	14
Vocational	16	9	10	8	13	9	4	5	2	4
Teacher										
training	0	2	0	0	0	1	4	8	3	4
University	40	35	10	3	18	10	0.3	3	0	0
Postgraduate	16	9	1.6	0	5	1				

Source: 2006 Sierra Leone Employers Survey.

Note: Numbers are rounded.

Table 4.6 Primary Reasons for Starting One's Own Enterprise (percent of category)

Reason	Type of business					Type of farm			
	Large	Medium	Small	Formal	Informal	All	Large	Medium	Small
Best possible job	36	35	33	31	36	14	25	11	14
Expect to increase earnings over previous activity	27	10	10	11	10	17	15	14	20
No other job available	23	13	30	25	30	31	15	34	33
Continue a family business	5	13	10	12	9	24	22	29	20

Source: 2006 Sierra Leone Employers Survey.

Note: Numbers are rounded.

across farm sizes. The stronger social capital of male adults relative to younger men and the fact that access to land passes along the male line in rural Sierra Leone may partly explain the landscape of farm ownership.

Lack of other opportunities in the labor market is the main reason why employers start their own business or farm: more than 60 percent of business owners and 44 percent of farm owners report that the main reason for starting their own enterprise was the lack of other job opportunities or the fact that self-employment represented the best opportunity available (table 4.6). About 15 percent of business owners of both enterprises and farms were unemployed before starting their business. In rural areas continuation of a family business is another primary reason for owning a farm. The expectation of a higher income is a driving force for owners of large firms and small farms. Sixty-five percent of farm and firm owners indicated that their income is higher than they expected when starting their business.

Employers' Labor Demand

The following section analyses the profile of workers hired by employers as well as employers' perceptions of potential employees, employers by age and gender, and their preferred hiring mechanisms. Finally, this sections analyses labor shortages in rural areas.

Profile of the Labor Force in Businesses and Farms

Employers hire mostly male employees. About 80 percent of all employees in the businesses surveyed are male, and the ratio of male employees to female

employees increases with business size. The majority of farm laborers are also male, although the ratio of male to female employees is lower than in the business sector (table 4.7).

The focus group discussions confirm that women face greater constraints to employment than men, mainly because of their role as caregivers for their children and families and their lower literacy rates. Young women also face sexual harassment from employers (World Bank and ENCISS 2007). Females, especially young females, are less likely to have paid employment than males (as discussed in chapter 3).

Firm owners tend to hire skilled production workers, while farmers generally hire unskilled workers. Among large firms, more than 69 percent of employees are skilled production workers. Informal businesses have more unskilled labor than formal businesses do. Farms rely more than firms on unskilled labor, and smaller farms use more unskilled labor than larger farms. The share of professionals is very low at firms (and almost zero on farms).⁴

Among smaller firms, young people are less likely to be employees in formal businesses or in firms with adult owners.⁵ Older and formal sector employers tend to hire older employees more frequently than younger or informal employers, controlling for the education level and gender of employer, sector, and region. While older firm owners and larger firms may value experience—and hence prefer older

**Table 4.7 Profile of Employees of Businesses and Farms
(percent of category)**

<i>Characteristic</i>	<i>Type of business</i>					<i>Type of farm</i>			
	<i>Large</i>	<i>Medium</i>	<i>Small</i>	<i>Formal</i>	<i>Informal</i>	<i>All</i>	<i>Large</i>	<i>Medium</i>	<i>Small</i>
Male	85	78	79	82	80	63	62	61	69
<i>Type of employee</i>									
Management									
worker	6	10	12	8	9	4	5	4	5
Professional	5	13	5	8	6	0	0	1	0
Skilled									
production									
worker	61	37	47	52	41	44	54	41	35
Unskilled									
production									
worker	28	39	35	32	44	51	40	55	60
Full-time									
employee	97	93	85	94	91	70	72	77	54
Part-time									
employees	2	5	11	4	5	17	15	13	29
Temporary									
employee	2	2	4	2	4	13	13	10	17
Seasonal worker	63	40	30	35	31	86	95	83	85

Source: 2006 Sierra Leone Employers Survey.

workers—more than other firms, focus group discussions also reveal that young people believe they have limited access to paid jobs as a result of fewer connections and employment-relevant social capital relative to elders (especially male owners). The education level of the firm owner does not affect the age of employees hired. Businesses in Kailahun have younger employees than business owners in Freetown (appendix table B2.1 for the regression specification and estimates).

Employer Perceptions of Young Workers

Employers have more negative perceptions of 18- to 24-year-olds than they do of adults. Employers perceive men and women 18–24 as being less reliable, less trustworthy, less hard working, less cooperative, and less skilled than adults of the same gender. While in general female employers have similar perceptions as male employers, male employers are more likely to perceive that men 18–24 are less reliable than male adults (86 percent compared with 75 percent); male employers also perceive women 18–24 as being less trustworthy than do female employers. Perceptions of these characteristics for men and women 25–35 are comparable to or more positive than they are for adults of the same gender.

The focus group discussions reveal that adults find young people lacking the appropriate work ethic; they perceive young men in particular as lazy and unreliable. Especially for work opportunities in the formal sector, adults note that many young people have inappropriate work attitudes (failure to show up on time, inability or unwillingness to follow directions). In some focus group discussions, young women were perceived as being more prone to tardiness because of their domestic obligations as mothers. In urban areas adults also mentioned the problem of alcoholism among young people. For their part, young people believe they are very willing to work, especially given opportunities (World Bank and ENCISS 2007).

Physically challenged young people experience discrimination and are often accused by employers of causing trouble, limiting their employment opportunities. The most frequent reason reported for not hiring a blind person is that the employer had never worked with the blind. Another obstacle is the fact that work places are not designed to be accessible to the physically challenged (World Bank and ENCISS 2007).

Focus group discussions confirm that adults are perceived as more skilled than young people and men as more skilled than women, especially in urban areas. Focus group participants noted that young men often have higher literacy rates, because many families prefer to educate their sons over their daughters. Young women are sometimes forced into early marriage or give birth at an early age, which prevents them from pursuing or continuing their education. Women are, however, perceived as having greater skill in vegetable gardening and retail trading than men.

In the informal sector, young men have opportunities for skills training (including in occupations such as carpentry, masonry, welding, and motor mechanics) that are not available to women. In some rural communities, young people are preferred for manual labor because they are perceived to be stronger and more energetic.

Employers are biased against females, and the bias increases with the age of the employee. About a quarter of employers perceive adult men as being more reliable, trustworthy, and cooperative than female adult employees. More than 30 percent of employers perceive male adults as better skilled and 47 percent as harder working than women. The trends are similar but slightly lower for men and women 25–35. Perceptions of men and women 18–24 are mixed, with 21 percent of employers perceiving men as more skilled than women and 36 percent perceiving men as harder working than women. In contrast, female workers are considered slightly more reliable, trustworthy, and cooperative.

Full-Time, Part-Time, and Seasonal Labor

Farms have fewer full-time workers than firms and rely more on seasonal labor. About one-third of employees on farms are either part-time or temporary workers, while only 10 percent of workers in firms are not full-time employees, reflecting the higher fluctuation of labor demand in rural areas. Most farmers hire seasonal labor. While firms rely less on seasonal labor than farms, about one-third of firms hire seasonal workers, with more than 60 percent of larger enterprises using seasonal labor (see table 4.7). December is the main peak season for businesses, while seasonality for farms depends on the type of crops produced.

Larger firms and businesses in Bo were the most dynamic in 2005. Larger firms were 74 percent more likely and medium-size firms 41 percent more likely than small firms to have hired new employees over the past year, controlling for other factors, including age, sex, education level of the owner, formal or informal type of business, sector, and region. Smaller firms may rely more on unpaid family workers when additional workers are needed. The service, health, and education sector were more dynamic than the trade sector. Controlling for sector, business size, region, and formal versus informal status, the level of education, age, and gender of the owner do not increase the likelihood of hiring new employees. Compared with Freetown, businesses in Bo were 11 percent more likely to have expanded their full-time labor force over the past year (appendix table B2.2 for the regression specification and estimates).

Hiring Methods

Employers rely heavily on connections for hiring new employees, a practice that works against young people, who have weaker social connections than adults. Because friends and family are the main avenues for finding new employees, particularly agricultural workers and unskilled labor, young people are at a disadvantage. Employers also rely on other employers and employees to find new workers. This reliance on connections is less pronounced for larger businesses, which use more formal channels, such as public placement offices and public announcements, especially for skilled laborers. Walk-ins are also a prominent way of finding new employees for all types of employers (table 4.8). Focus group

Table 4.8 Avenues for Hiring New Employees
(percent of category)

Category	Type of business					Type of farm		
	Large	Medium	Small	Formal	Informal	Large	Medium	Small
<i>Skilled employees</i>								
Family	20	35	55	47	55	68	74	73
Friends	40	39	54	48	56	71	85	79
Public placement office	33	24	5	12	5	7	1	12
Public announcement	33	40	11	21	11	10	2	2
Other employers	13	22	16	18	15	34	20	4
Other employees	17	24	15	17	17	30	30	31
Walk-ins	47	27	16	20	18	37	38	41
<i>Unskilled employees</i>								
Family	13	43	62	53	63	81	86	86
Friends	37	54	57	53	62	88	92	90
Public placement office	30	18	3	9	3	4	0	1
Public announcement	23	22	6	12	7	7	1	3
Other employers	13	22	13	15	14	24	23	24
Other employees	30	28	16	20	18	30	34	44
Walk-ins	50	32	22	26	25	51	35	55

Source: 2006 Sierra Leone Employers Survey.

Note: Columns do not sum to 100 because employers may cite more than one response.

discussions reveal that young people perceive that only people who are well connected (older people and relatives of contractors or government and NGO officials) can obtain paid employment, that connections are more important than merit (World Bank and ENCISS 2007). They complain that bribes are needed to gain formal employment. When young people respond to job announcements for formal employment opportunities, they sense that a candidate has usually already been chosen.

Labor Shortages in Rural Areas

Agricultural producers' labor demand exceeds supply. More than 10 percent of farmers cannot find the workers needed to cultivate their farms. Most farmers hire additional workers during peak seasons, but about 9 percent cannot find the workers they need. This constraint is higher for small and medium-size farms than for larger farms (table 4.9).

Table 4.9 Demand for Labor by Agricultural Producers during Peak Seasons (percent of category)

<i>Ability to find seasonal labor</i>	<i>Farm size</i>			<i>All</i>
	<i>Large</i>	<i>Medium</i>	<i>Small</i>	
Able to find workers needed for planting and land preparation	95	87	92	91
Able to find workers needed for general cultivation	90	86	90	88
Able to find workers needed for harvesting	98	90	92	91

Source: 2006 Sierra Leone Employers Survey.

Young men are often preferred by agricultural employers, but there is a shortage of young men in rural areas, as discussed in chapter 2. Rural labor bottlenecks are attributed to urban migration, and it is likely that the current scarcity of labor for agriculture will increase in the future (World Bank 2005d). Young people who return to rural areas often lack the basic skills for agricultural development, because they did not grow up learning the skills from their families.

The cost of labor is a major constraint for farmers. The cost of full-time employees, both skilled and unskilled, is a major reason why small and medium-size farms do not employ more workers. Almost half of agricultural employers might hire more labor if the minimum required wage were lower (table 4.10).

Low Skill Levels and the Dearth of Training

Employers perceive the skill level of their employees as low. The skill shortage is most serious for agricultural employers, larger employers, and formal employers. Thirty percent of business employers perceive the current skill level of their skilled production workers as a problem, compared with 10 percent of small business employers, 24 percent of medium-size business employers, and 44 percent of large agricultural producers. Business employers (but not agricultural employers) perceive a greater skills deficit for skilled employees (table 4.11).

The lack of skills is higher for adults than for young people. Whereas agricultural producers perceive the skill level of adults and young people as similar, firm owners find the skill levels of adult employees, especially unskilled workers, lower than that of young people (table 4.11). Employers report that higher levels of education and more work experience among young people might lead them to hire more young people, but they also report that if adults were better trained, they would be more interested in hiring more of them. For example, 45 percent of medium-size businesses report that they would hire more young people if they

**Table 4.10 Constraints to Hiring Agricultural Labor
(percent of category)**

<i>Constraint</i>	<i>Farm size</i>			<i>All</i>
	<i>Large</i>	<i>Medium</i>	<i>Small</i>	
Cost of labor is a constraint to daily operation of farm	8	7	13	10
Cost of food for workers is a constraint to daily operation of farm ^a	15	15	13	14
Cost of labor is a constraint to not hiring more full-time skilled labor	17	75	76	67
Cost of labor is a constraint to not hiring more full-time unskilled labor	8	61	80	60
Lower minimum wage required might lead to hiring more workers 18–24	51	44	49	47
Lower minimum wage required might lead to hiring more workers older than 24	51	37	50	45

Source: 2006 Sierra Leone Employers Survey.

a. Seventy-one percent of owners of small farms, 89 percent of owners of medium-size farms, and 85 percent of owners of large farms provide food to their workers.

were better educated and 46 percent would hire more young people if they had better working experience, but 71 percent would hire workers older than age 24 if they were better trained.

The very low levels of education in Sierra Leone may partly explain the high levels of the perceived skill deficit. The lack of basic education and skills may be rendering potential workers untrainable, creating a disincentive for employers to hire low-skilled labor.

Most employers, especially at smaller businesses, provide no formal training to their employees. While skill levels of employees for all types of employers are perceived as low, only a minority of employers provides formal training, and those that do are almost exclusively larger and formal businesses or farms (table 4.12). Owners of large firms are 21 percent more likely and owners of medium-size firms 8 percent more likely to provide training than small firms, after controlling for education and age of business owner, formal or informal type of business, sector, and region. Business owners in Bo are 6 percent more likely to provide training than owners in Freetown, controlling for other firm and employer characteristics (appendix table B2.3 for the regression specification and estimates).

For employers that provided training, the main benefits were perceived as increased productivity and improved quality of products or services. Only a minority of employers perceived an increase in income for the business as a result of training.

Few farm owners provide formal training to their employees. Medium-size and small farms almost never provide training. None of the younger farm owners

Table 4.11 Skill Levels of Current Employees
(percent of category)

Factors	Type of business					Type of farm		
	Large	Medium	Small	Formal	Informal	Large	Medium	Small
<i>Would hire more workers if</i>								
People 18–24								
were better educated	47	45	26	35	21	10	25	33
People 18–24 had better working experience	60	46	32	37	33	37	62	68
People older than 24 were better trained	74	71	49	57	50	42	69	62
<i>Problem with skill level of current workers</i>								
Skilled production workers	30	24	10	15	11	44	21	20
Unskilled production workers	27	21	6	11	7	42	21	32
<i>Problem with skill level of workers under 24</i>								
Skilled production workers	28	16	9	11	11	44	23	18
Unskilled production workers	15	13	6	8	8	46	27	36

Source: 2006 Sierra Leone Employers Survey.

(10 percent of all farm owners) provided training to their workers. Larger farms are 35 percent and medium-size farms 9 percent more likely to provide training than smaller farms, controlling for other factors. Farmers with higher education are 22 percent more likely to provide training than farmers with no education. These employers tend to have larger farms that produce cash crops, which require higher skill levels than subsistence farming (appendix table B2.5 for the regression specification and estimates).

The types of training from which employers would benefit are diverse. Employers from larger and formal businesses perceive the need for various types of training more than smaller businesses do. Marketing and management training are in high demand for all types of businesses, with 41 percent of large, 27 percent of medium-size, and 32 percent of small businesses owners perceiving the

Table 4.12 Training Needs and Benefits of Training, as Perceived by Employers (percent)

<i>Training needs/benefits</i>	<i>Type of business</i>					<i>Type of farm</i>		
	<i>Large</i>	<i>Medium</i>	<i>Small</i>	<i>Formal</i>	<i>Informal</i>	<i>Large</i>	<i>Medium</i>	<i>Small</i>
<i>Training needs of employees</i>								
Production technology (food processing for farms)	35	29	12	19	12	82	86	78
Marketing	41	27	32	30	34	56	68	58
Information technology	48	26	11	15	13	16	21	24
Management	52	37	21	25	25	58	36	41
Basic counting and arithmetic	35	16	16	18	15	47	42	43
Literacy	28	18	23	22	22	68	73	63
Safety	43	28	15	21	15	37	42	39
Accounting	31	34	19	23	19	37	27	22
Human resources	25	21	5	11	4	31	28	25
Communication skills	28	20	13	15	13	29	28	29
Exporting	10	8	8	9	6	18	23	28
Business development	18	25	24	25	22	61	49	47
Basic veterinary skills	n.a.	n.a.	n.a.	n.a.	n.a.	28	34	33
<i>Benefits for business</i>								
Higher income	33	29	67	34	55	20	30	100
Higher productivity	92	71	83	88	73	80	80	100
Improved quality of products and services	58	89	92	82	82	90	70	100

Source: 2006 Sierra Leone Employers Survey.

n.a. Not applicable.

need for marketing training (table 4.12). Especially at larger firms, production technology, information technology, basic accounting, and safety training are prioritized. More than 80 percent of farm owners cite the need for training in food-processing technology, followed by literacy, business development, and management training.

Lack of resources is the main constraint to providing formal training. Almost half of all businesses and two-thirds of agricultural producers did not provide formal training to their employees because of financial constraints (table 4.13).

For agricultural producers, limited capacity to identify relevant training is a major constraint, with 58 percent not being able to identify the type of training that would be beneficial to them. The availability of competent trainers also seems limited. More than 40 percent of agricultural producers report that they cannot identify competent trainers or do not have access to external training institutions.

Businesses employers perceive on-the-job experience as the best means of improving the skills of employees, while agricultural producers would rely more on formal training. For both skilled and unskilled workers, business employers perceive on-the-job experience as the best method to improve the skill level of their employees. For unskilled workers, apprenticeships are another favored means, possibly because of low or no costs for the employer. Among training programs, urban firms identify government training courses as the most favored means, especially for informal sector firms. Improving skills through on-the-job experience is perceived as one of the least favored methods by agricultural producers. These producers, especially large producers, prefer training provided by NGOs, followed by government training, for both skilled and unskilled employees. Extension workers are a popular way to improve skills. Few employers perceive improvement of the education system as a means to improve the skill level of their employees.

Willingness to pay for training increases with business size and the age of the employer. Employers at large firms are 38 percent more likely to be willing to pay for training, controlling for education and age of employer, size of firm, formal or informal, sector, and region. Employers under 35 are 8 percent less likely than older employers to pay for training. Employers in Bo are 33 percent more likely and employers in Kailahun 44 percent more likely to pay for training than employers in Freetown. The limited availability of training in Kailahun compared with other regions may explain the increased willingness of employers to pay for it. The level of education of the owner does not affect the willingness to pay for training (appendix table B2.4 for the regression specification and estimates).

Willingness to pay for training increases with farm size. Large farms are 25 percent more likely and medium-size farms 15 percent more likely than small farms to pay for training, controlling for age, gender and education level of employer, and region. The education level of the employer does not affect the willingness to pay. Employers in Kailahun are 26 percent more willing to pay for training compared with other regions (appendix table B2.6 for the regression specification and estimates).

Table 4.13 Employers' Explanations of Why They Do Not Offer Training and How Employee Skills Could Best Be Improved
(percent of category)

<i>Reason for not offering training/ best means of improving skills</i>	<i>Type of business</i>					<i>Type of farm</i>		
	<i>Large</i>	<i>Medium</i>	<i>Small</i>	<i>Formal</i>	<i>Informal</i>	<i>Large</i>	<i>Medium</i>	<i>Small</i>
<i>Reason for not offering training</i>								
No need for additional training of skilled workers	50	35	19	25	20	3	10	14
Cannot afford formal internal or external training	44	34	51	42	58	65	71	65
No need for training of unskilled worker	25	34	22	27	20	0	11	11
No time available for training	13	20	29	25	29	7	14	25
Staff may leave for other job if they are trained	13	29	13	19	10	3	12	15
Cannot identify competent trainers for internal training	13	13	12	13	12	28	50	42
No external training institutions	6	12	10	10	11	47	47	36
Do not know what kind of training would be helpful	0	5	18	13	18	39	64	56
<i>Best means of improving skills</i>								
<i>Skilled workers (including skilled extension workers)</i>								
Government training	7	15	24	18	26	27	40	40

(continued)

Table 4.13 (Continued)

<i>Reason for not offering training/ best means of improving skills</i>	<i>Type of business</i>					<i>Type of farm</i>		
	<i>Large</i>	<i>Medium</i>	<i>Small</i>	<i>Formal</i>	<i>Informal</i>	<i>Large</i>	<i>Medium</i>	<i>Small</i>
Private sector								
training	21	25	22	25	20	0	7	15
NGO training	14	14	15	12	20	51	34	24
Apprenticeships	3	9	9	9	9	3	2	3
On-the-job experience	38	28	19	23	18	8	13	14
Improved education system	10	7	4	5	5	5	0	0
Extension workers	7	2	8	9	3	5	5	3
<i>Unskilled workers (including unskilled extension workers)</i>								
Government								
training	0	6	5	5	4	12	27	27
Private sector								
training	7	11	6	9	5	10	4	8
NGO training								
courses	3	5	12	7	15	39	23	12
Apprenticeships	24	23	22	23	21	7	17	27
On-the-job experience	41	45	41	39	49	7	12	15
Improved education system	7	4	5	5	3	2	1	1
Extension workers	17	7	9	12	4	17	17	11

Source: 2006 Sierra Leone Employers Survey.

Note: More than one answer is possible in survey responses.

Conclusions

Limited labor market opportunities for young people are linked more to the overall challenging economic situation in Sierra Leone than to specificities associated with their age. Economic growth is hampered by, among other things, limited private sector development, weak local purchasing power, and inadequate infrastructure. Improved economic growth is a priority for increasing employment opportunities for both young people and adults. Employers identify domestic competition, weak demand for products, and inadequate access to electricity and

financing as major constraints for business development. They do not perceive labor regulations as a constraint.

Farm owners face labor market constraints, including the cost and availability of labor. Unlike urban firms, the cost of labor is perceived as one of the top constraints faced by agricultural producers, especially small producers. More than 10 percent of farmers cannot find the workers they need for the general cultivation of their farms or the additional workers they need during peak seasons. Young men are often preferred as hired labor by agricultural employers, but there is a shortage of young men in rural areas as a result of urban migration.

Not all young people are cut out to be successful entrepreneurs or self-employed. The education levels of current entrepreneurs and the self-employed are significantly higher than for the overall population. The level of education of a business owner increases with the size of the business. Patterns for farm owners are similar, although the differences in skill levels are significantly lower.

Employers have more negative perceptions of people 18–24 than they do of adults. They perceive men and women 18–24 as being less reliable, less trustworthy, less hard working, less cooperative, and less skilled than adults of the same gender.

Employers view skill strengthening of employees as central to increasing productivity and product quality. About one-third of farmers and one-sixth of business employers perceive the skill level of employees as problematic. The skill shortage is more serious at larger firms and farms and at formal enterprises. Marketing and management training are in high demand by all type of businesses. Especially at larger firms, production technology, information technology, basic accounting, and safety training are priorities. Among agricultural producers, four out of five farmers prioritize food-processing technology, followed by literacy, marketing, and basic veterinary skills. Lack of resources is the main reason why employers do not provide formal training. Willingness to pay for training increases with the size of the business or farm. Farmers need support to identify the relevant training for their employees as well as who could provide the required training.

Notes

1. The two surveys were as similar as possible. Some questions were added to the rural survey to reflect issues specific to agricultural production.
2. Businesses can be registered with the Administrator and Registrar General's Office, the National Social Security and Insurance Fund (NASSIT), the National Revenue Authority (NRA), the Ministry of Trade, the Ministry of Labor, the Licensing Authority, or other authorities (such as the Local Council and the Pharmacy Board).
3. In contrast, 28 percent of all farmers perceive their equipment as worse than their competitors (12 percent among owners of large farms, 28 percent among owners of medium-size firms, and 29 percent among owners of small farms).
4. *Professionals* are defined as people who require a university degree or equivalent technical degree; *skilled workers* are defined as those with some level of secondary education

who can perform tasks “the average person on the street cannot perform.” *Unskilled workers* are defined as people “performing jobs that anyone taken off from the street could learn within a day.” They include service workers, such as cleaners and guards (2006 Sierra Leone Employers Survey).

5. For each business, a maximum of 10 employees was interviewed. The regression is limited to small firms that included information on all employees. For large and medium-size firms, a subset of employers was interviewed.

International Experience with Youth Programs and Lessons for Sierra Leone

5

One of the most important challenges for Sierra Leone is integrating a generation of young people into the economy, and through this, promoting continuous peaceful development. Continuous recovery of the economy, an improved investment climate, and increased development of the private sector are essential to improving employment opportunities for young people and adults in Sierra Leone. Policies and programs to facilitate the transition to work are also necessary. When young people in Sierra Leone are asked for solutions to un- and underemployment, skills training and access to financing for self-employment are among the interventions invariably proposed. Unfortunately, the gap between the programs and policies that are needed and those that are in place remains wide. Where skills training exists, it is often hampered by the lack of appropriate equipment, outdated curricula and instructional material, and a general lack of responsiveness to the needs of the marketplace (National Research Council 2005). For its part, financing for new business start-ups—a critical need, according to survey respondents—is in short supply.

This chapter reviews the experiences of youth programming from countries across the world, with special attention to those with large cohorts of out-of-school and unemployed young people. The review draws from an inventory of 289 youth programs worldwide assembled by the World Bank (Betcherman and others 2007). It also looks at the experience of youth programs in Sierra Leone.

Forces Shaping the Employment of Young People

The policy and institutional forces shaping the employment of young people worldwide begin with the flow into early schooling and continue into the world of work.¹ (These transitions, and others, are highlighted in chapters 2 and 3.) Early schooling is shaped by demographic, social, and economic forces influencing the availability and quality of schooling. Rapid population expansion against a background of slow

economic growth can limit educational opportunities and reduce the quality of education. The ability to take advantage of educational opportunities is in turn a function of a student's preparation and motivation for schooling, as determined by experiences at home and in the community. Poor nutrition, health care, and opportunities for childhood development—all potential consequences of poverty—can combine to diminish learning outcomes from education and readiness for entry to the world of work.

In the passage from education to the labor market, outcomes can be affected by early work experience, labor policies, and labor market programs that enhance labor supply and demand. The nature of early work experiences influences the transition from school to work, particularly in building skills and creating pathways for career advancement. Apprenticeship has long been a means for transferring skills on the job and opening up employment opportunities. Models of formal apprenticeship in high-income countries under the direction of employers and labor organizations are joined in many developing countries by traditional apprenticeships with master craftspeople in the informal economy (Johanson and Adams 2004). Newer models integrating early work experience in the school curriculum are emerging in the countries of the Organisation for Economic Co-operation and Development (OECD), as are efforts to extend apprenticeships beyond traditional skilled and craft occupations (Adams 2007). Many of these opportunities were unavailable in Sierra Leone during the conflict.

Labor market policies establish national norms of behavior for employers and workers. These policies extend to wage and nonwage benefits, hiring and firing provisions, health and safety measures, antidiscrimination provisions, rules for labor organization and collective bargaining, among other issues. Policies intended to protect workers by setting minimum wages, providing job security, and promising high levels of nonwage benefits may protect some workers, but they often do so at the expense of others, whose productivity is not high enough to pay for these benefits.² Policies intended to benefit workers at large may have the opposite effect on young people. Restrictions on hiring and firing of workers, for example, can discourage the hiring of untested new entrants to the labor force.

Two types of labor market program exist: active and passive. On the supply side, active programs offer job counseling and search assistance, targeted remedial education, and nonformal training; on the demand side, they create jobs through public works, targeted wage subsidies, and support for self-employment. Passive programs provide income protection for people who lose their jobs.

The services and level of benefits of both sets of programs vary across countries.³ Among active programs, remedial education and nonformal training offer second-chance options for young would-be workers who are unsuccessful in obtaining skills for the workplace through formal schooling. Labor market programs also help those who were successful in building this foundation to obtain additional training and skills to advance their employment. Labor market programs and youth-friendly labor policies join early work experience and formal education and training to shape the transition of young people to work.

Where armed conflict exists or existed in the recent past, the development path for young people will likely reflect the fact that early childhood development and schooling were disrupted. Young people may approach the normal age of employment without the skills needed, because education and training were unavailable. Children may be trapped in conflict as soldiers or forced with their families to flee their communities and any social services they might have provided. Alongside the lack of readiness for employment, the climate for investment and job creation is disrupted by conflict. Few jobs are available, and many people are left without adequate means of income support, forced to depend on the informal economy and income transfers. Restoring opportunities for employment in a postconflict setting poses a challenge for policy makers, as does preparing young people to become productive citizens and providers for their families.

Lessons from the Youth Employment Inventory

The Youth Employment Inventory (YEI) is a World Bank inventory of 289 programs and interventions from 84 countries designed to integrate young people into the labor market.⁴ The inventory offers a comprehensive sample of interventions that have been evaluated as well as descriptions of and basic information on programs that have not. The inventory is not confined to success stories; on the principle that there is a great deal to be learned from mistakes and failures, unsuccessful stories are also included.

The inventory holds potential lessons for Sierra Leone. It pays special attention to the employment problems of disadvantaged young people, rather than those who are simply unemployed.⁵ Documented programs include interventions to increase the demand for labor as well as to improve the employability profile of young people so that they can take advantage of opportunities when demand for labor increases (Betcherman and others 2007). Based on these premises and the programs' primary purpose, the inventory identified the following categories of interventions applying to Sub-Saharan Africa:

- Opening pathways to jobs
- Improving chances for young entrepreneurs
- Improving the skills profile for employment
- Making training systems work better
- Improving labor market regulations in ways that benefit young people
- Comprehensive interventions, including education equivalency programs, training, counseling, job search assistance, and other services.

Most programs covered by the inventory were implemented in high- and middle-income countries; only a small share come from low-income regions. The composition of active labor market measures varies by income level. OECD countries tend to have a diverse portfolio of programs, with multiple-service and training programs as the most popular; middle-income countries are highly oriented toward

training interventions. In low-income countries, more attention is given to making training systems work better and improving chances for young entrepreneurs. This pattern is most relevant to Sierra Leone. The inventory also documents programs in postconflict countries and low-income countries under stress (LICUS).⁶ Two-thirds of interventions in these countries involve vocational training, apprenticeship systems, and training-related programs.

The inventory reveals the dearth of impact evaluations of employment programs (Dar and Tzannatos 1999; Betcherman and others 2004). Drawing conclusions based on rigorous evaluations of the impact of programs for young people is difficult, because only one-quarter of documented interventions included impact evaluations that used treatment and control groups to measure the net gains of the programs on employability, earnings, or both. Even where evaluations were conducted, few (10 percent of the whole inventory) calculated costs and provide estimates of cost-effectiveness. The evaluation gap is prominent in South Asia, East Asia and the Pacific, the Middle East and North Africa, and Sub-Saharan Africa.

Among programs that were rigorously evaluated with treatment and control groups, the impacts in OECD countries were disappointing; in the much smaller number of developing countries and transition economies with rigorous evaluations, the program impacts were more promising.⁷ Constraining the sample to programs with net impact evaluation—73 out of 289 interventions—60 percent of “evaluated” programs had a positive impact in the labor market, but only 15 percent were cost-effective. This finding has to be interpreted with caution given the small number of programs evaluated in developing countries and transition economies. It nevertheless suggests that the challenges posed in developing countries can be met with effective programs. Lessons learned are limited to programs with net impact evaluations, unless otherwise mentioned (table 5.1).

Opening Pathways to Jobs

Programs that open pathways to employment are often important in settings in which job growth in the formal economy is limited. Low-cost job search assistance and counseling—both popular in high-income countries—may not be as effective in developing countries, and wage subsidies are not likely to have an impact in settings in which few people earn wages.

Creating jobs through public works offers an alternative pathway to employment in Sierra Leone, where investments in infrastructure will continue to be important in the near future. Public work programs provide good opportunities for young people, especially those with low skills, to acquire initial work experience. The inventory suggests that targeting is important to minimize displacement effects for other labor market groups and to control costs. Programs providing skills training alongside temporary income support are potentially more effective at increasing employability beyond the temporary work opportunities provided through public work programs.

The Agence d’Exécution des Travaux d’Intérêt Public contre le Sous-Emploi (AGETIP) programs in Sub-Saharan Africa have stimulated small business

Table 5.1 Impacts and Outcomes of Various Types of Employment Programs for Young People

Type of program	Impacts and outcomes	
	Developed countries	Developing countries
<i>Opening pathways to jobs</i>		
<i>Wage subsidies</i>		
<ul style="list-style-type: none">• In developed countries, wage subsidies are most effective when they target poor people with low levels of education rather than unemployed people in general.• It is key to target firms and sectors with the potential to create human capital accumulation among young people.• Targeting is important to minimize displacement effects and control costs.	<ul style="list-style-type: none">• Mixed outcomes for young people, increasing employment rates, job duration, and earnings in some cases	<ul style="list-style-type: none">• Impact in developing countries in which job creation is very weak remains to be tested.• Have improved employment outcomes in transition economies, where young women and participants with low levels of education tend to benefit most.
<i>Public work programs</i>		
<ul style="list-style-type: none">• Provide opportunities to acquire initial work experience, especially for low-skilled and rural young people.• More successful when providing skills training at the same time as temporary work.• Successful programs such as AGETIP (see below) combined technical support to microenterprises, including marketing, accounting, financial management, and access to credit.• Targeting is important to minimize displacement effects and control costs.• Governance may be an issue. Public works projects require transparency and oversight to ensure that projects target the poor, inexperienced young people are trained, and only worthy projects are funded.	<ul style="list-style-type: none">• Mixed results	<ul style="list-style-type: none">• Mixed results. Positive outcomes indicate higher employment probability, but cost-effectiveness remains to be tested.• Not clear if programs lead to improved chances of participants for future employment opportunities.
<i>Improving chances for young entrepreneurs</i>		
<ul style="list-style-type: none">• Popular option in low-income countries in which job growth in formal economy is low.	<ul style="list-style-type: none">• No evaluation evidence in OECD countries	<ul style="list-style-type: none">• Evidence for developing countries

(continued)

Table 5.1 (Continued)

Type of program	Impacts and outcomes	
	Developed countries	Developing countries
<ul style="list-style-type: none"> • Programs should address constraints specific to young people, such as lack of networks, experience, and collateral. • Not all young people are suited for self-employment. Careful targeting and screening is key for success, low dropout rates, and cost-effectiveness. • Effective programs often use screening mechanisms, such as preparation of a business plan, to identify motivated and creditworthy participants. • Other key determinants of success include access to credit, business-related training, and high-frequency counseling visits. • NGOs play an important role in the delivery of these programs and tend to be more effective than government. • Lack of success/failure indicators (that is, information systems and long-term evaluation evidence) may lead to budget cuts, hindering programs' sustainability. 		<p>is still very limited but promising. No evidence on long-term effects.</p> <ul style="list-style-type: none"> • Failure rates can be high if programs are not well designed. • Limited evidence from transition economies shows positive effects on employment and cost-effectiveness.
<i>Improving the skills profile for employment</i>		
<ul style="list-style-type: none"> • Successful training systems include public-private alliances in the design and provision of services, creating cost-sharing structures, and allowing consistency between courses and skills demanded by the market. • Training providers usually need to be strengthened. • Involvement of the private sector promotes on-the-job training. • Promising programs include sanction schemes to reduce the probability of dropping out, such as reimbursement of the cost of training by students who drop out. • The private sector and NGOs tend to be more effective than the government in program delivery. 	<ul style="list-style-type: none"> • Cross-country evaluations in OECD countries suggest non-significant labor market impacts, but cost-benefit analyses show net losses. 	<ul style="list-style-type: none"> • Limited but promising evidence of positive impact, especially in transition economies. • Cost-benefit analyses show mixed results.

(continued)

Table 5.1 (Continued)

<i>Type of program</i>	<i>Impacts and outcomes</i>	
	<i>Developed countries</i>	<i>Developing countries</i>
<i>Formal apprenticeship programs</i>	<ul style="list-style-type: none"> • Successful 	<ul style="list-style-type: none"> • Unproven. May not be relevant for developing countries, where the share of employment in the modern wage sector is low
<i>Traditional apprenticeship programs</i>	<ul style="list-style-type: none"> • Programs cater to individuals who lack the educational requirements for formal training. • Benefits of this approach include practical orientation, self-regulation, and self-financing. • Risks include favoring young men, perpetuating traditional technologies, and failing to establish standards and ensure quality. • Successful programs include improving literacy and basic education of apprentices, opening access to new technologies, improving pedagogical and technical skills of master craftspeople, and certifying skills. 	<ul style="list-style-type: none"> • Not carefully evaluated but promising and possibly cost-effective
<i>Comprehensive interventions</i>	<ul style="list-style-type: none"> • Demand-driven approach, private sector participation, competition among training providers, and quality and relevance of training are key to ensure success and sustainability. • High costs may defer net gains and hinder sustainability. • Strengthening institutional coordination and the ability to manage multiservice programs may play an important role in reducing operating costs. 	<ul style="list-style-type: none"> • Evidence from OECD countries suggests mixed results. • Comprehensive programs report positive outcomes on employment and earnings. • High cost of programs may be deterrent in resource-constrained environments.

Sources: Betcherman and others 2007; Puerto 2007; World Bank 2006c.

Box 5.1 Creating Jobs and Building Infrastructure in Senegal

AGETIP-Senegal works with a roster of about 300 consulting engineers and 2,000 small contractors, many of which were not contractors in 1988, when the program began. The agency created some 450,000 temporary jobs. By 2003 program-funded contractors had rehabilitated 325 kilometers of urban roads, paved more than 200 kilometers of roads, cleaned 565 kilometers of drainage canals, installed 500 kilometers of water pipes, fixed 220 kilometers of public lightings, installed 300 standpipes, and built more than 170 commercial buildings, 5,300 classrooms, and 400 health posts.

Source: Wade 2004.

development and job growth for both young people and adults. The program combines public works with jobs and training for young people who are unemployed. Construction firms receiving contracts agree to use relatively labor-intensive practices to employ local inexperienced young people, who receive training funded by AGETIP. Program participants are hired on a temporary basis, but the training and work experience are important assets in finding more permanent employment (World Bank 2006c). Begun in Senegal and replicated in some 15 mostly French-speaking countries in the region, AGETIP was able to package public works into small contracts that could be bid on and delivered by small contractors (box 5.1). It was able to create new businesses and jobs while delivering needed public works in a competitive manner. Contributing to its success was its technical support to microenterprises, including marketing, accounting, financial management, and the access it provided to credit. Programs of this nature require transparency and close oversight to avoid corruption and ensure that projects are targeted to the poor and that inexperienced young people are trained (World Bank 2006c). Sierra Leone will be investing in public infrastructure as it recovers. Adopting the AGETIP approach could help create jobs and spur small business development.

Improving Chances for Young Entrepreneurs

Improving chances for young entrepreneurs is a popular option in low-income countries, where job growth in the formal economy tends to be slow. The evidence indicates, however, that not everyone is suited to self-employment and that failure rates are often high. As discussed in chapter 4, entrepreneurs and the self-employed have considerably higher skill levels than the population as a whole. In addition to a minimum skill level, self-employment also requires business savvy, a skill that is difficult to acquire. Careful targeting and screening for these programs

will be important to success and cost-effectiveness. Promising programs often use screening measures, such as the preparation of a business plan, as a tool to identify motivated and creditworthy participants. Program design should include business-related training, technical assistance, frequent counseling visits, and access to credit.⁸ Program delivery should be handled by NGOs, which tend to be more effective than government. Training programs for young entrepreneurs should follow a clear set of objectives to achieve the greatest impact (box 5.2).

Box 5.2 Setting Goals for Training Future Entrepreneurs

Training for self-employment in microenterprises requires major changes for most training providers, particularly with regard to the following areas:

- *Labor market linkages.* Trades selected for training need to be based on analysis of the local labor market. They will probably differ across geographic areas. Trainers need to be selected for their special competencies.
- *Training content.* Practical business skills need to be taught and training for examinations and official certificates deemphasized. Short modular courses can be introduced. Technical training needs to go beyond the standard trades to avoid market saturation.
- *Training delivery.* Training has to be short, entry requirements flexible, and training hours and venues convenient for trainees. The focus should be on taking training programs out to the target audiences instead of providing training at fixed centers.
- *Training materials.* Most training materials still need to be developed. They should be designed so that poorly educated trainees can follow them.
- *Certification.* Certification should be based on demonstrable competency.
- *Training followup.* Early attention should be given to complementary services needed to succeed as a self-employed person (for example, credit, marketing, and business counseling) (Haan 2001).
- *Income-generating activities.* Technical skills may not be in demand, but income-generating activities cannot be promoted effectively without addressing a “technical” side to transfer practical knowledge about production techniques, raw materials, tools and equipment, and product design. This requires activities such as:
 - *Precredit technical orientation.* Advise prospective borrowers on promising economic activities, relevant technologies, the types of tools and equipment to buy, and other practical issues.
 - *Demonstrations.* Give short demonstrations to introduce nontraditional production techniques and product designs.

- *Skills transfer.* Offer short training sessions on skills transfer and the technical aspects of income-generating activities.
- *Business counseling.* Pay frequent visits to borrowers who have started up new businesses to help them deal with minor administrative and technical problems.

Source: Johanson and Adams 2004.

Improving the Skills Profile for Employment

Formal training programs, apprenticeships, and second-chance opportunities are often used to equip the unemployed, particularly young people, with the skills demanded by the market. Success rates vary, often as a function of a program's ability to identify the skills the market demands.

TRAINING PROGRAMS. Training programs have not proved very successful in promoting employment of young people.⁹ Target groups range from disadvantaged young people to the long-term un- and underemployed, to job seekers in urban and rural areas. An overview of several cross-country evaluations of active labor market programs in the OECD shows negative or only modestly positive (and often statistically insignificant) treatment effects for training (Kluve 2006). In the United States, two meta-analyses of youth employment programs implemented since 1962 find only very modest gains for young workers (Gay and Borus 1980; Greenberg, Michalopoulos, and Robins 2003). In developing countries, a major problem with training programs is that they often fail to meet market needs, resulting in saturation of the labor market with popular skills among training providers, such as carpentry, soap making, or tailoring.

Training programs can be successful if they involve the private sector in providing practical work experience and identify the kind of skills required by the market. Some training programs are provided directly by the government; others include private sector participation, fostering competition among training institutions. Demand-driven models have been implemented to create training courses that are consistent with the skills required by the market. Engaging the private sector in training is an effective way to mitigate the risk of high-cost training that is disconnected from market demand.

Training programs are among the most costly of interventions for young people. For this reason, connecting training with jobs is important to cost-effective success. (For an example of a successful program increasing the employability of disadvantaged young people through training and participation of the private sector, see the description of the Entra 21 Program in appendix C).

ON-THE-JOB TRAINING AND APPRENTICESHIPS. Not all skills are developed in the classroom. On-the-job training and traditional apprenticeships can be cost-effective

alternatives, especially for lower-skilled occupations. Private enterprises are an important source of training throughout Sub-Saharan Africa (Johanson and Adams 2004). On-the-job training is one of the most effective approaches for skill strengthening. It also avoids the common pitfall of providing training for skills for which demand is weak or nonexistent.

Increasing the productivity of existing formal and informal businesses through worker training can lead to additional employment creation. As discussed in chapter 4, about one-third of farmers and one-sixth of employers perceive the current skill level of their employees as problematic and would benefit from training.

Throughout West Africa, traditional apprenticeships are a popular source of non-classroom-based skills development. In fact, it is not unusual to find more apprentices than wage employees in informal sector firms (Haan and Serrier 2002). In Ghana, 80–90 percent of all basic skills training comes from traditional apprenticeships.

The main strengths of traditional apprenticeship are its practical orientation, self-regulation, and self-financing. These apprenticeships cater to individuals who lack the educational requirements for formal training (the circumstance of many young people in Sierra Leone), reach important target groups (rural populations and the urban poor), and are generally cost-effective. There are some disadvantages as well: traditional apprenticeship is biased in favor of young men, screens out applicants from the poorest households, perpetuates traditional technologies, and lacks standards and quality assurance (Johanson and Adams 2004). In many environments, traditional apprenticeship has served the informal sector well, but it is too narrowly focused to cope with the increasing challenges of technological change, skills upgrading, and expanding markets (Ziderman 2003).

There are ways to strengthen this important source of skills development in Sierra Leone. Steps include improving literacy and basic education to promote trainability and adaptability of apprentices and master craftspeople. Literacy and nonformal education programs can promote trainability, as can facilitated access to new technologies for master craftspeople and efforts to improve their pedagogical and technical skills. A promising approach to promoting competition between private and public suppliers of traditional skills training is vouchers (box 5.3). The vouchers used in Kenya's Jua Kali program helped master craftspeople access new technologies and improved their pedagogical skills, improving the training they offered apprentices. Such programs should be administered through the private sector and implemented on a small scale in order to remain manageable (for a detailed description of the program, see appendix C). Quality issues can be addressed by linking traditional apprenticeships with formal standards established within a quality assurance framework and by certifying skills attained as a benchmark for quality and portability (Johanson and Adams 2004).

SECOND-CHANCE OPPORTUNITIES. Nonformal education programs that bring school dropouts up to an academic level equivalent to that missed in formal education could be especially important in a postconflict country, where young people missed educational opportunities. The evidence in the YEI for these programs,

most of it from high-income countries, is mixed. There are few evaluations of equivalency programs by themselves. Those that are available suggest a positive effect of later access to further education and training opportunities for the disadvantaged. When equivalency programs are combined with other services as part of

Box 5.3 Improving Traditional Apprenticeship Training in Kenya through Competition

The Kenyan NGO Strengthening Informal Training and Enterprise (SITE) ran the Jua Kali project from 1996 to 1998 to improve traditional apprenticeship training. The objectives were to upgrade the technical and managerial skills of master craftspeople, enable them to diversify their production, strengthen their capacity to provide quality training to apprentices, and improve the capacity of selected vocational training institutes to provide ongoing training to master craftspeople. Vouchers are issued to unemployed young people, who select their own training provider based on their needs and objectives.

The main lessons from this intervention included the following:

1. Master craftspeople are not immediately interested in receiving skills training and need to be “hooked.” Training has to be put in the broader context of business improvement and the transfer of marketable skills into tangible gains. Training has to be delivered in a flexible manner, taking into account the opportunity cost of the labor and the time of participants.
2. Master craftspeople seek training not mainly to increase fees for traditional apprenticeships but to increase income from productive aspects of their businesses.
3. Training interventions proved a useful entry point for upgrading the technology of small and medium-size enterprises.
4. Linkages with vocational training institutes proved disappointing—they did not become sustainable providers of training to Jua Kali.
5. Independent trainers could be promoted as training providers to the informal sector. This is probably a more sustainable approach than working through vocational training institutes, which, as now structured, appear to have little potential for promoting employment in the informal sector.
6. Collaboration with informal sector associations is of prime importance.
7. Upgrading informal sector enterprises is possible through well-targeted skills development.

Source: Haan 2001.

comprehensive programs, there is ample evidence that these combined services can yield positive cost-benefit ratios. Evidence of this is found in the United States and Latin America, albeit at costs that far exceed the capacity of most low-income countries. Described as second-chance programs, these comprehensive programs work, but their high cost highlights the importance of getting the first chance for education right.

To limit the fiscal burden of second-chance initiatives, programs must be well targeted, designed to increase skills, and geared to the needs of the labor market. Young people in need of a second chance are usually vulnerable in multiple ways and have diverse needs. Some countries try to get such people back in school or provide alternative mechanisms for skills development. Others attempt to reintegrate them into the workforce. For young people who are out of school, equivalence, literacy, and job training programs should be designed to provide the skills needed for work. The use of practical curricula that include both technical and life skills, flexible schedules, and less formal instruction methods is likely to attract them and provide them with the skills most needed in the labor market (Garcia and Fares 2006).

Comprehensive Interventions

Programs with comprehensive interventions, including education equivalency, training, counseling, job search assistance, and other services, are among the more successful, albeit expensive, approaches for improving the employability of disadvantaged young people. Multiservice programs are common in Latin America and the United States. The Jóvenes programs, implemented in Latin America, have been widely cited as successful (Betcherman and others 2007) (appendix C).¹⁰ The program's demand-driven model targets economically disadvantaged young people, fosters private sector participation in training provision and internships, and promotes competition among training providers.

Comprehensive programs have also shown success in Sub-Saharan Africa (box 5.4). Although successful in improving job placement and earnings, the programs became too expensive for some countries and were replaced by smaller, more focused interventions.

Lessons from Sierra Leone

Sierra Leone has made a remarkable recovery after a decade of conflict, but it still faces major challenges to peaceful development. The country has witnessed an unprecedented surge in student enrollment, as well as major efforts to rehabilitate and reconstruct schools that were destroyed, damaged, or abandoned.¹¹ In addition to expansion of general education, enrollment in technical and vocational education and training (TVET) has expanded rapidly, with more than 31,000 students enrolled in these programs.

Box 5.4 Uganda's Program for the Promotion of Children and Youth

The Program for the Promotion of Children and Youth (PCY) is a Ugandan-German intervention to support children and young people in difficult circumstances. The program, implemented in Uganda between 2003 and 2006, adopted a comprehensive approach to un- or underemployed disadvantaged rural residents. Comprehensive services encompassed promotion of social networking; information and counseling; entrepreneurship and self-employment activities; and life skills, reproductive health, and HIV/AIDS prevention. PCY also provided interventions in conflict areas and displaced persons camps.

An initial impact evaluation in 2003/04 showed that incomes of participants were about 26 percent higher than those of other community members. Furthermore, the main sources of program participants' income was salaries (23 percent) and group activities involving young people (38.5 percent). In contrast, nonparticipants were still engaged mainly in subsistence farming (76 percent). Preliminary results of the ongoing impact evaluation suggest that PCY has a positive cost-benefit ratio.

PCY also strengthened the institutional capacity of government workers (labor officers, community development workers, and public sector workers) and other stakeholders regarding policy toward young people in general. It also improved tools and methods of social networking (such as youth associations and NGOs).

Sources: Betcherman and others 2006; project documents.

The Role Played by TVET

Sierra Leone's education pyramid narrows sharply, with net enrollment rates of just 13 percent at the junior-secondary level and 7 percent at the senior-secondary level. (Gross enrollment rates, which include over-age enrollees, are twice these levels.) The pipeline is expanding rapidly, however, as primary net enrollment rates have reached 75 percent, and demand for secondary education is expected to increase. When this happens, questions will be asked about the appropriate balance of resources between general education and much more expensive TVET.

In 2006 about 200 formal and nonformal TVET institutions existed in Sierra Leone, 30 percent of them created after 2000. The private sector plays an important role in TVET provision, accounting for 24 percent of the total number of providers. Communities, faith-based organizations, and NGOs account for another 35 percent. The government owns only 4 percent of TVET institutions and assists the remainder (37 percent) with financing. These government-assisted institutions function like private institutions for the most part, determining their own salary

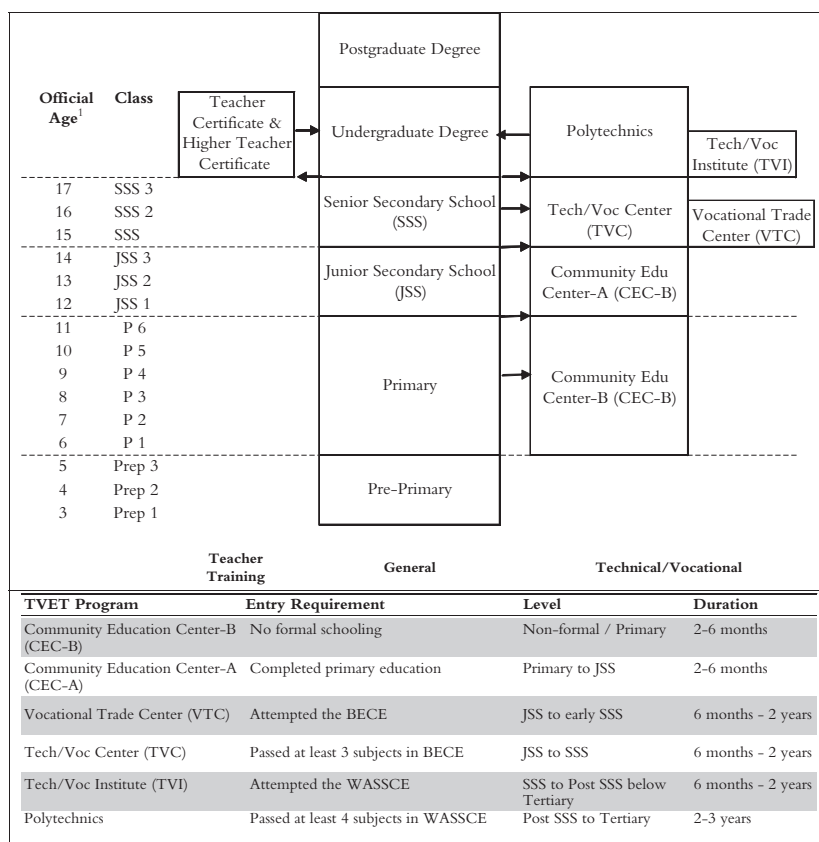
scales for staff. They hire and dismiss instructors with little reference to government criteria and design their own curricula. To a large extent, they fix their own student fees. These institutions account for 51 percent of trainees enrolled. In contrast, privately owned TVET institutions, while large in number, are generally small in size, enrolling only 16 percent of trainees.

Within the TVET system, 44 percent of trainees were enrolled in community education centers (CECs) in 2003/04, including both CEC-B and CEC-A programs (figure 5.1). Vocational trade centers accounted for 7 percent of those enrolled in TVET, while technical vocational centers and technical vocational institutes enrolled 16 and 22 percent, respectively. The remaining trainees were enrolled in schools that combined different levels of TVET (9 percent) or schools whose identity was not known (3 percent). The Western Urban and Bo districts had the largest number of institutions and students. Overall, women made up more than 60 percent of enrollments in 2003/04, although gender stereotyping by subject is still prevalent in TVET, with men accounting for more than 95 percent of students in technology options, including auto repair, welding, and electronics.

Evidence points to the poor quality of learning conditions and learning outcomes, as well as an outdated curricula with little relevance to the labor market. A 2005 survey drew attention to the weakened state of infrastructure, the lack of properly trained instructors, inadequate equipment, and the failure of institutions to respond to market demand (GTZ, MEST, and SSL 2005). Access to higher-level skills is uneven. Across 14 districts, only institutions in the western region and the Bonthe and Kenema districts offered programs at the national diploma level. Technology programs do not exist in some districts above the CEC level. The TVET system is largely supply-oriented and has not responded quickly to the job market, tending to react to rather than anticipate needs. In addition, Sierra Leone has not been able to develop an economic niche and has therefore not been able to plan for future skill requirements (World Bank 2007a).

More than 90 percent of Sierra Leone's training institutions do not possess the minimum laboratories, workshops, or library facilities to run their programs (World Bank 2007a). As a result, courses requiring inexpensive equipment (such as courses in business or tie-dyeing) are common. The equipment for technology options such as automechanics, welding, and electronics is not readily available. The qualification levels of teachers and administrative staff are low, with only about half possessing trade certificates, the minimum qualification. Many need further training but do not possess the minimum requirements for entry into teacher training institutions; those who meet the requirements can find more lucrative opportunities upon completion of training. Student learning outcomes are poor, with low pass rates on examinations conducted by the National Commission for Technical, Vocational and other Academic Awards (World Bank 2007a).

Government spending on education has risen sharply since 2000, along with overall government spending. Spending on education has represented about 16–17 percent of total public spending and 4.2–4.9 percent of GDP since 2000, which is favorable in comparison with other countries emerging from internal conflicts.

Figure 5.1 Structure of Sierra Leone's Education System

Source: World Bank 2007a.

Note: The Basic Education Certificate Examination (BESC) taken at completion of junior-secondary education plays a key role in the choice of pathways available for young people in obtaining skills. The West Africa Senior School Certificate Examination (WASSCE), taken at the end of senior-secondary education, determines which pathways to tertiary education are open.

However, the increased spending has not translated into increased spending on TVET. Overall spending on secondary education fell from 25 percent of total education spending in 2000 to 20 percent in 2002, before rising to 22 percent in 2004. The allocation to TVET decreased substantially, from 9 percent in 2000 to 4 percent in 2004, equivalent to a nearly 25 percent drop in real terms over four years. Private household expenditures on education have matched those of government spending, as reflected in the 2003/04 Sierra Leone Integrated Household Survey (SLIHS). Exclusive of spending on TVET, the contribution of households

to secondary education was larger than that of the government, accounting for 60 percent of total spending at this level (World Bank 2007a).

The per student cost of TVET is high in Sierra Leone (as elsewhere), at about twice the cost of senior-secondary education and nearly seven times the cost of primary education (World Bank 2007a).¹² The case for further investment, public or private, must be determined by weighing these costs against the economic and social benefits.

Ensuring access to primary education for all is, of course, a high priority and a stepping stone to further education and training opportunities. Good training requires young people who have the requisite general education for acquiring skills for the workplace. Knowledge of basic math, sciences, and communication skills is essential to acquiring job-specific skills and encouraging employers to invest in workers. Finding the right balance between investing in those now starting school and those preparing for entry to the workforce and searching for employment is especially important at this time in Sierra Leone. Doing so requires a diversified system of private and public financing for education and training.

The problems associated with access, quality, relevance, efficiency, and financing found in Sierra Leone's TVET system are not unusual in the region. Faced with a diverse provider community for TVET, countries have established governance frameworks to integrate the system and improve efficiency and links to the market.¹³ These authorities—sometimes embedded in ministries, sometimes set up as autonomous bodies—bring employers, workers, civil society, and government together in making decisions and allocating public spending for TVET. Different models have powers ranging from providing advice to making decisions, with responsibilities covering different activities supporting a market-led training system. Each country designs its governance framework to fit its circumstances and actors' needs. Sierra Leone would have to do the same.

To improve the relevance and efficiency of training, countries are moving away from centralized TVET systems and bringing decisions on instructor hiring and firing, curriculum and course offerings, choice of pedagogy, and management of locally generated resources closer to the market. Instead of ministry officials making decisions, managers of training institutions are taking responsibility, with the expectation they will be held accountable for performance. Decentralized management has become an important tool for reform and improving market outcomes. At the same time, it requires building the capacity of local managers of training institutions to make decisions that they have not been called on before to make. They must become adept at reading local market demand and organizing resources to meet this demand. With the small public ownership of TVET institutions in Sierra Leone, this is not a critical reform, but it could be the basis for realigning existing public institutions and their performance.

Perhaps the most important issue other than financing is ensuring the quality of TVET training. Quality can vary widely across training systems, and efforts to integrate public and private provision require reforms introducing quality assurance frameworks. In high-income countries and some developing countries,

national qualification frameworks have been created that grant credit for past learning from a variety of different modes of delivery accepted in the marketplace and in education systems as a measure of learning and performance. Whether the skill is acquired informally in the workplace or in a school setting, the learning can be measured and credit given, placing all forms of training on a level playing field. National qualification frameworks require considerable capacity to develop and manage and may not be suitable for a low-income country with limited implementation capacity.

A different but related TVET reform involves engaging employers in setting occupational standards to guide curriculum development. Reforms that bring employers into this process can improve the relevance and quality of the training offered. Testing and certification of trainees can then determine if the standard has been met. Building a standards-based training system focuses attention not just on what goes into skills development but what comes out: the impact of the training on employment, earnings, and further education and training. Other indicators of quality include setting minimum standards for training institutions, usually in licensing procedures but also in setting higher minimums, as done in accreditation procedures. These procedures may be established by government or by industry members themselves. Public subsidies are often limited to accredited training institutions.

Building a quality assurance framework for TVET is essential and should be a priority reform for Sierra Leone, with its large nongovernment provider base. By setting standards and providing a framework for evaluation of the training offered by public and private institutions alike, the government can assess the effectiveness of actions to improve training outcomes at the institutional level. Attention to preservice instructor training and in-service training are important steps toward quality. In 2006 the Ministry of Education, Science and Technology set up a committee on in-service training as a first step to establishing a body to coordinate in-service training in the country (World Bank 2007a). Curriculum reform should follow, including production of instructional materials that connect what is taught with employer-based standards, with a focus on entrepreneurial skills for the highly informal economy of Sierra Leone. Innovations involving modular, competency-based curricula can also play an important role in promoting lifelong learning, enabling workers to renew their skills as changes occur over the lifecycle (Johanson and Adams 2004). Equipping managers of training institutions with tools to manage more effectively in a market economy can in turn lead to better use of resources for quality.

How Sierra Leone finances TVET and the incentives it creates for improving relevance, quality, and efficiency are also important. Public expenditure for TVET, at 4 percent of education expenditures, is low by low-income country norms; 10 percent would be a more appropriate target. It may be some time before this target can be achieved, however, as Sierra Leone's economy recovers. Other sources of financing can be sought from contracted training services to employers, sale of goods and services by training organizations in communities, community contributions, and external donor assistance.

How resources are mobilized and spent is also critical. Performance-based budgeting, competitive procurement of training, and vouchers are some of the demand-side financing reforms that can change the incentives for performance of training institutions. Such reforms are particularly relevant for the 37 percent of institutions subsidized with public resources.

A policy framework for TVET, including legislation and ministerial decrees, is important to provide transparency to all stakeholders. As part of this framework, the roles of government and the private sector have to be defined. Confusion about roles can lead to the misuse of resources. Governments play a critical role in policy development, promoting access and equity, correcting capital and information market failures and distortions, and supporting public goods and institutions, such as program monitoring and evaluation, quality assurance, labor market information, consumer protection, and sector regulation. In East Asia, governments have adopted a more strategic role for public provision to develop the skills needed to achieve development objectives and promote innovation. The private sector can play a larger role in policy development and governance through public-private partnerships and the provision and financing of training for young people and adults.

Policies, Strategies, and Programs for Young People

Sierra Leone has made significant progress in developing policies and strategies to promote employment of people 15–35. A new policy was approved in 2003 that identifies job creation opportunities and skills training as a key strategic area for intervention. The Sierra Leone Poverty Reduction Strategy Paper (PRSP) identifies the need to create job opportunities for the large and growing number of young people as one of the country's main development challenges; it is crucial for maintaining peace and promotion of pro-poor growth in Sierra Leone. The PRSP II, currently under preparation by the government elected in 2007, will maintain the focus on the overriding challenge of extreme poverty, accentuated by high unemployment, especially among the young (World Bank 2008a).

In 2006 the government developed a National Action Plan for Youth, which aims to provide immediate employment opportunities for young people and to develop a medium- and long-term strategy for tackling their employment (UNOWA 2007). The objectives of the program are to:

- Increase employment and self-employment of young people in key sectors
- Enhance the skill level, confidence, and employability of young people, in order to enhance their capacity to contribute socially and economically
- Centralize the employment of young people in the overall national development framework.

After the 2007 presidential and parliamentary elections, the Ministry of Youth and Sports was transferred to the new Ministry of Education, Youth and Sports. The

president's vision for the employment and empowerment of young people includes the creation of a national youth commission (to provide focused policy direction and leadership to the many agencies and departments of the government dealing with young people) and nationwide labor centers (to invest in the country's work force and assist in job placement) (UN 2008).

Employment and training programs for young people increased substantially in Sierra Leone after the demobilization process. An overview of recently implemented programs shows that comprehensive programs, entrepreneurship schemes, skills training programs, and public work schemes are the most commonly adopted types of intervention (appendix C). This composition is consistent with the pattern of employment programs for young people across Sub-Saharan Africa during the past decade (as documented by the YEI 2006). Sierra Leone's multiple-service interventions approach focuses on life skills, job training, microcredit, and temporary employment opportunities (for example, public works). Additional support services include counseling and the provision of inputs (for example, seeds, wood, and animals) with which to develop income-generating activities. About two-thirds of donor programs in the country include self-employment modules, mainly in agriculture. The entrepreneurship schemes support the creation of small business and agricultural cooperatives through training in the design and implementation of business plans, business management, startup grants, and life skills.

Most job training programs offer nonformal education in productive trades such as carpentry, tailoring, and construction. These programs assist young people with low levels of education and lack of skills. They encourage participation by women by providing childcare allowances. A common element across many types of interventions is the provision of life skills, particularly relevant in the reintegration process of excombatants and their families in a productive civilian life. Special attention is given to HIV/AIDS awareness, conflict transformation, and drug prevention. Public works schemes have been limited to short-term employment creation, without accompanying skills development.

Employment programs for young people rely greatly on donors' participation for design, finance, and implementation. Partnerships with NGOs and government agencies facilitate the implementation and expansion of the programs across the country. Interventions target excombatants and other young people affected by war, as well as young people who are out of school or unemployed (recent interventions no longer specifically target excombatants).

Second-chance education programs to catch up for missed school opportunities during the civil war are being phased out. To respond to the high demand for second-chance education, programs such as the Complementary Rapid Education for Primary Schools (CREPS) were set up to provide educational opportunities for young people who had had a break in their schooling as a result of the conflict. CREPS covered primary education expenses for people 16 and older for a period of three years. At the end of the three years, participants took the National Primary School Examination (NPSE) to determine if they could continue on to

junior-secondary level education. In 2004 the CREPS program benefited about 110,000 students (World Bank 2007a). CREPS has started to be phased out, as the backlog of war-affected children is absorbed into formal education.

The coverage and scope of employment interventions for young people in Sierra Leone is growing. Adequate evaluations with which to assess their effectiveness are lacking, however. Most programs have only basic and descriptive information; very few have instruments to measure their performance. Thus it is almost impossible to make a judgment about the quality of interventions. Measuring the impact of employment programs for young people is crucial to determining cost-effectiveness, particularly in a resource-constrained environment.

The few evaluated programs show limited success in improving labor market outcomes. A first set of evaluations refers to projects implemented as part of the Disarmament, Demobilization, and Reintegration (DDR) Program. An *ex post* survey of the program suggests that at least 7 percent of the 79,000 demobilized Sierra Leonean fighters experienced severe problems in gaining acceptance from family and community, finding employment, and accepting the democratic process (Weinstein and Humphreys 2005). The Youth Reintegration Training and Education for Peace (YRTEP) Program provided 55,000 young people with counseling, life skills, and agricultural skills development. A follow-up survey finds disappointing results in job placement and the creation of productive activities, with the skills acquired fading rapidly in the absence of financial support to sponsor entrepreneurial initiatives (Hansen and others 2002). A study measuring the impact of reintegration programs for excombatants finds limited results in sustainable employment for participants (Simon 2003). It is important to remember that the main objective of these programs was to demobilize and reintegrate excombatants into society, not to provide training leading to sustainable livelihood. Reintegration objectives usually trumped those related to employment, rightfully so. As such, the overall effectiveness of the DDR interventions could be considered a success, as peace has prevailed in Sierra Leone since 2002.

A second set of evaluations looks at programs beyond the DDR. The Disadvantaged Children and Youth Program (DCYP), implemented in Freetown, Kenema, and Tongo Field, reports moderate effects on employment, providing long-term job opportunities for its beneficiaries on a minimal scale. A recent survey suggests that many of the basic education and vocational training programs implemented by donors and international agencies resulted in few direct and visible impacts on employment of young people (UNIDO 2007).

Current programming approaches display weaknesses that may undermine effectiveness. These issues are common in programs in many countries. Addressing these weaknesses is crucial to improve the cost-effectiveness and impact of programs. The most common weaknesses include the following:

- Programs are mainly supply driven.
- The quality of training is extremely variable.
- Project teams have limited implementation capabilities.

- Targeting of program participants is weak or nonexistent.
- Participation of the emerging private sector is minimal.
- Impact evaluations are weak or nonexistent.

A major problem for skills training and entrepreneurship programs is the missing link with labor market demand, as international experience shows. Most programs providing skills training do not evaluate the absorptive capacity of the market for the skills provided, in good measure because they do not work closely with the formal or informal private sector. Graduates of the Disadvantaged Children and Youth Program, for example, complain of not being able to use their acquired skills in the market because of market saturation and inability to compete because the technical skills they learned were not cutting edge. As a result, more than 25 percent sold the startup kits received after training. Focus group discussions confirmed that in many communities, young people cannot use their recently acquired skills as a result of limited demand (World Bank/ENCISS 2007).

Some of the main challenges and risks associated with youth employment programs include the potential for aid dependency, high dropout rates, the difficulty of accessing remote areas and other transportation issues, and the problem of elite capture. To mitigate aid dependency, the Skills Training and Employment Generation project implemented by the Christian Children's Fund required that communities cofinance project costs. This proved successful in reducing the reliance on outside financial support, and it greatly enhanced community ownership of the intervention (another identified risk). In order to mitigate dropout rates, the program staff in the Disadvantaged Children and Youth Program suggested that participants be exposed to the realities of the labor market before signing up for specific courses. Transportation issues resulted in substantial implementation delays in some cases and usually increased the operational costs.¹⁴ Communication problems were caused not only by the dearth of adequate infrastructure but also by personality conflicts and perhaps cultural differences. In the WorldVision YRTEP project, the result was less project monitoring and a slower response in project design to the changing facts on the ground. To address elite capture at the training centers, coalition resources ensured that the centers were run by boards of young people from different societal groups, with equal representation by men and women.

Some programs have incorporated lessons learned from previous programs. The Freetown Waste Management System program, for example, incorporates labor-intensive infrastructure projects with training and the promotion of small and medium-size enterprises to achieve sustainable livelihood opportunities for participants. Another potentially promising approach is the joint program for private sector and youth enterprise development program initiated by the United Nations Industrial Development Organization (UNIDO), the United Nations Development Programme (UNDP), the United Nations Development Fund for Women (UNIFEM), and the Food and Agricultural Organization (FAO), under which a public-private consultative mechanism would be established. The program, which is open to all interested agencies, is an example of harmonization and joint programming initiatives by UN agencies in Sierra Leone.

Sierra Leone reflects international experience in its array of employment programs for young people. Job creation is the top priority. Reliance on entrepreneurship is a potentially effective strategy, but further actions will be needed, including improving the targeting of beneficiaries and the linkages with labor market needs. It is doubtful that wage subsidies would go far, given the small size of the wage sector. With donor support, public works and public service employment could expand the instruments available for job creation, but programs must be designed to provide experience and skills that create more permanent employment options. The TVET system has been expanding, offering more choices for training and improving skill profiles, but all indicators point to the weaknesses of this system. Among current programs, there are few initiatives to improve the training system. Support from German Technical Cooperation (GTZ) has helped document the scope of the problem and the need for further reforms.

Conclusions

Finding employment for young people is critical to reintegrating them into the economy and promoting peaceful development. This chapter extracts lessons from the YEI and its 289 youth programs worldwide that might be applied to Sierra Leone; it also examines youth programs in Sierra Leone. Four factors are identified as influencing workforce development for youth: education, apprenticeship and work experience, labor market programs, and labor market policies. Young people in Sierra Leone largely missed the first two of these factors as a result of the conflict. Labor market programs have been left to fill the gap, to prepare this generation of young people for economic and social development.

The YEI highlights several interventions for targeted job creation. Of those evaluated, public works and public service employment hold promise for temporary employment. Contracting for public works using the AGETIP approach, which works through NGOs, merits careful consideration. Experience shows that attention to design is required to ensure that programs of this type provide young people with the skills they need to acquire permanent employment. Wage subsidies creating jobs in the private sector require the same attention to design, but in an economy with a small formal sector, potential job creation is limited.

Improving the chances of success of young entrepreneurs holds promise in Sierra Leone. But training for entrepreneurship is insufficient by itself; it requires a complement of other services covering business counseling, technical assistance, and access to credit. The YEI points to the advantage of NGOs in implementing these programs. Careful targeting and involvement of the private sector are also crucial. Comprehensive programs providing an array of services that can be tailored to the needs of disadvantaged young people have worked in other countries, but they are costly and require careful targeting to manage their cost.

Preparing young people with the skills required by the labor market is critical. While international experience with training programs is mixed, a key feature of successful programs has been a strong link between training and market demand.

Programs in Sierra Leone will need to establish these linkages. Simultaneously, strengthening training providers will be a key element in developing successful programs.

Not all training needs to be done in the classroom: traditional apprenticeships are working throughout West Africa. Improving traditional apprenticeships will be an important strategy for Sierra Leone as it tries to connect the skills needs of the market with employment for young people. Sierra Leone's TVET system suffers from low quality, low relevance, limited access, inefficiencies, and cutbacks in public financing. Improving this system will require attention to numerous reforms regarding governance, management, quality, and financing.

Notes

1. This section draws on Adams (2007).
2. For reviews of labor policies and their impact on employment, see Nickell and Layard (1999), Addison and Teixeira (2001), and World Bank (2005e).
3. For reviews of labor market programs, see Bowers, Sonnet, and Bardone (1999); Dar and Tzannatos (1999); Betcherman and others (2000); Martin and Grub (2001); Ryan (2001); and Betcherman, Olivas, and Dar (2004).
4. This section draws on Betcherman and others (2007) and Puerto (2007).
5. The inventory covers mainly programs for young people, with some emphasis on programs for workers of all ages that have a focus on the young; it is limited to postschooling interventions.
6. The LICUS initiative was undertaken by the World Bank in 2002, in order to improve development aid effectiveness in fragile states. Since then the Bank has identified 35 member countries and assessed potential tools and recommendations to help them get back on a path of sustained growth and poverty reduction. Nine LICUS and postconflict countries and territories are covered by the inventory: Bosnia and Herzegovina, Burundi, the Central African Republic, Côte d'Ivoire, Guinea, Kosovo, Nigeria, the West Bank and Gaza, and Zimbabwe.
7. These results are based on probit estimates of positive program outcomes on country level of development.
8. For descriptions of promising programs for young entrepreneurs, entrepreneurship programs in rural areas (albeit programs that have not been rigorously evaluated), and a promising microcredit scheme, see appendix C.
9. This finding relies largely on evaluations carried out in OECD countries that found negative or zero impacts on employability. Twenty-five net impact evaluations were analyzed on skills training programs and training-friendly interventions. Fifteen of these studies (43 percent) took place in OECD countries. Among these studies, nine (60 percent) reported negative or zero impacts on employability and earnings.
10. For a detailed description of the Jóvenes program, see appendix C.
11. This section is based on a special country status report of education in Sierra Leone prepared by the World Bank (2007a) and a survey of TVET institutions conducted in 2004 by Germany Technical Cooperation (GTZ) in collaboration with the Ministry of

Education, Science, and Technology and Statistics Sierra Leone (GTZ, MEST, and SSL 2005). Additional data were drawn from the National Commission for Technical, Vocational and other Academic Awards (NCTVA).

12. These estimates are similar to those found in other countries of Sub-Saharan Africa and globally (Johanson and Adams 2004).
13. National training authorities are found in Côte d'Ivoire, Mauritius, Mozambique, South Africa, Tanzania, and Zambia, as well as in Australia, Brazil, Jordan, Malaysia, the Philippines, and Singapore.
14. Transportation was a significant barrier to markets in the *Linkages for Livelihood Security and Economic Development Project* (LINKS) project conducted by USAID (see appendix C).

Main Findings and Recommendations

6

Creating job opportunities for the large and growing number of young people is a priority of the government. This study aims to inform the government and other stakeholders of the main issues and challenges that young people face in the labor market. This chapter summarizes the main findings of this report. It then proposes a strategy for improving sustainable employment for young people in Sierra Leone.

Main Findings and Conclusions

To improve the understanding of the constraints as well as the opportunities young people experience in the Sierra Leonean labor market, this study analyzes the characteristics of young people in Sierra Leone, the relationship between young people and the labor market, the skill needs of the labor market, and national and international skill development programs to enhance the employability of young people. The main findings in each of these areas are presented in this section.

Profile of Young People in Sierra Leone

Promoting employment opportunities for people 15–35 is identified in the Sierra Leone Poverty Reduction Strategy Paper (SLPRSP) as one of the country’s main development challenges and as crucial for maintaining peace and promoting pro-poor growth.

The definition of young people in Sierra Leone (15–35) is broad, comprising adolescents (15–19), youth (20–24), and young adults (25–35), each at different stages in the transition from child to adulthood. The inclusion of young adults partly reflects the effect of the conflict and the role today’s young adults played

during it. Almost 34 percent of Sierra Leoneans fall between 15 and 35, and almost 80 percent are under 35.

During adolescence, more than half of the population is still in school, most start their sexual life, and almost half of females become mothers. Youth represents the “transition age.” Most people leave school during this time and start their full-time work lives; inactivity and unemployment rates are highest among this group. Young adults are similar to adults. Only as young adults do most men transition into family life and become independent household heads. In contrast, almost half of young females are mothers by the age of 19, and marriage follows similar patterns as motherhood. For young male adults, becoming financially independent is associated with the timing of the transition to marriage and parenthood.

The social patterns in postconflict Sierra Leone are changing, but intergenerational tensions remain. The conflict in Sierra Leone was fought primarily by marginalized uneducated rural young people who lacked access to livelihood opportunities. The control of elders over land—and especially the labor of young people—while the economic system was collapsing resulted in the social, political, and economic marginalization of young people. Lack of opportunities resulted in the collapse of expectations and the spread of hopelessness. While the postwar period has seen increased participation of young people at the national and local political level and an increase in self-organized social activism, institutional values have changed little, and elders from strong lineages have stakes in reviving the old system to hold onto their power over young people and their labor.

While there are roughly equal numbers of males and females who are children, adolescents, and adults in Sierra Leone, only 45 percent of the 20–35 age group is male. This gender imbalance is primarily a rural phenomenon. Among 20- to 35-year-olds in rural areas, only 42 percent are male. This is partly a result of the higher levels of migration to urban areas by young men, especially to the Freetown area. Two-thirds of Sierra Leone’s population lives in rural areas, but 53 percent of people 20–24 and 58 percent of people 25–29 are urbanized.

Young People and Labor Markets

Limited labor market opportunities for young people are more closely linked to the overall challenging economic situation in Sierra Leone than to the specificities associated with their age. Economic growth is hampered by limited private sector development, weak local purchasing power, and insufficient infrastructure and access to electricity, among other factors. Improved economic growth is a priority for increased employment opportunities for both young people and mature adults.¹

Farm owners face labor market constraints, including the shortage and cost of labor. More than 10 percent of farmers cannot find the workers they need for general cultivation of their farms or the extra workers they need during peak seasons. Unlike urban enterprise owners, farmers, especially small farmers, perceive the cost of labor as one of the top constraints faced by agricultural producers. Other top constraints include pests and inadequate access to financing and equipment.

Agricultural employers often prefer young men as hired labor, but there is a shortage of young men in rural areas as a result of urban migration.

In addition to overall economic conditions, the study finds that young people in Sierra Leone face the following constraints to and opportunities for employment:

- The overall skill level of young people is low. Average education levels are very low, with 35 percent of 15- to 24-year olds and 63 percent of 25- to 35-year-olds never having attended school. Among both age groups, only 20 percent finished primary school, and only 2 percent of 25- to 35-year-olds have more than a secondary-school education. While access to education has increased significantly since the end of the conflict, enrollment levels remain low, the quality of education is poor, and repetition rates are very high. The inadequate supply of young people (and adults) with more than secondary education requires recruitment of expatriate labor to fill technical positions in the growing private sector and could potentially limit the growth of businesses with demands for highly skilled labor.
- Inactivity rates in the labor market are high, especially in urban areas. Many young people are not in school, not working, and not looking for employment. Urban and rural adolescents have similar rates of inactivity in the labor market (13 percent). By the age of 20–24, however, one in three urban residents compared with one in six rural residents is inactive in the labor market. While inactivity rates for rural youth (20–24) are similar to those for mature adults, those for urban youth (20–24) and young adults (25–35) are higher than those of urban adults. Labor market inactivity rates for male and female youth are similar. However, while inactivity rates for female youth are similar to those of adults, those for male youth are almost twice as high as those for male adults.
- Truly inactive young men are not a serious problem. Only 5–10 percent of young men who are inactive in the labor market have no intention of finding work. They report that there are no jobs available, so it is not even worth looking, and complain that jobs are awarded through connections, rather than skills. This perception is confirmed by analysis showing that adults have higher employment levels than young people even if they have the same level of education. One-quarter of all young men who are inactive in the labor market report spending their time on home duties, but only 9 percent of adult men say the same.
- Unemployment levels are highest among young urban men. The overall unemployment level as measured by the traditional International Labor Organization definition for Sierra Leone is low, at 3.2 percent. As in other countries in the region, unemployment is mainly an urban phenomenon, with urban 15- to 24-year-olds about 20 times as likely to be unemployed as their rural counterparts. Productive activities are more structured and less abundant in urban areas than in rural areas, where unpaid subsistence activities are common for both young people and mature adults. The higher unemployment levels of young men versus young women are linked to men's higher education levels.

- Unemployment levels fail to capture discouraged inactive workers, the underemployed, and people with very low-paying, poor-quality jobs. This holds true for both young people and adults, but levels tend to be higher among young people. For example, nearly 10 percent of youth 20–24 who are inactive in the labor market are discouraged workers, compared with 3 percent for adults, reflecting a higher level of hopelessness among youth. As in other Sub-Saharan African countries, many people are too poor to be unemployed and must take up work regardless of its quality or level of remuneration. The levels of unpaid labor are very high in Sierra Leone, especially in rural areas, where subsistence farming is the norm. Unemployment rates also fail to capture underemployment. One in five youth 20–24 is working fewer hours than he or she would like, compared with one in six adults. While the level of full-time workers is similar for female youth and adults, male adolescents and youth are more likely than their adult counterparts to work part time.
- Like adults, young people are concentrated in agricultural activities, in the informal sector, and among the self-employed. Agricultural activities represent 70 percent of employment, with similar levels for young people and adults. The service sector is underpopulated by young people. In contrast, young people are heavily represented in the retail industry. Formal sector employment increases with age but is very low across the lifecycle (9 percent for the working-age population). Self-employment represents more than half of all employment in Sierra Leone. The self-employed report lack of other opportunities in the labor market as the main reason for becoming self-employed.
- Young people tend to have less promising employment opportunities than adults:
 - Less than half of young workers receive payment for their labor, compared with two-thirds of adults, even though they are better educated than adults.
 - Young people have fewer opportunities for salaried employment than mature adults.
 - Formal employment opportunities are significantly lower for young people.
 - Public sector employment opportunities are mainly for people over 35.
 - The desire to change jobs is highest among 25- to 35-year-olds.
 - Employers rely mostly on connections for hiring new employees, which works against young people, who have fewer connections and weaker work-relevant social capital.
- Young people face additional constraints for stable livelihood opportunities beyond the labor market. They have less access to land, especially for tree-crop farming. Only 9 percent of surveyed farms were owned by people under 35. Young people also have very limited access to microcredit.
- Young women have less access to secure paid employment opportunities than young men. They have significantly lower levels of paid employment, wage employment, and formal employment than their male counterparts and report substantially higher levels of unpaid family work. These differences can

be explained partly by women's role as caregivers for their children and families and their lower education levels. Employers tend to prefer young men over young women and perceive young women as less skilled, less hard working, and less reliable than young men. Young women feel they are often discriminated against in the labor market.

- Not everyone is cut out to be an entrepreneur or self-employed. The education levels of current entrepreneurs and the self-employed are significantly higher than average. The level of education of business owners increases with the size of the business. Patterns for farm owners are similar, although the differences in skill levels are significantly lower.
- People who were 25–35 in 2004 (that is, teenagers during the conflict) are better integrated into labor markets than people 20–24. They have similar levels of labor force participation, full-time employment, and self-employment as adults. Male and urban young adults have lower labor force participation rates and higher inactivity rates than mature adults from the same population group, however.

Agriculture, infrastructure, tourism, retail trade, and mining offer potential for increasing employment among young people:

- The agriculture and agrobusiness sector has the potential to absorb a large number of unskilled workers. It will be the main driver of economic growth and poverty reduction in the short term. Potential areas of growth are food crop production for the domestic market and, in the medium to longer term, promotion of export products, such as cocoa and gari. Other potential employment areas are livestock and artisanal fishery. Demand for agricultural labor, especially young men, exceeds supply. More than 10 percent of farmers cannot find the workers they need for the general cultivation of their farms or the additional workers needed during peak seasons, and it is likely that the current scarcity of labor for agriculture will increase in the near future.
- The infrastructure sector holds great potential for absorbing young workers, given the high levels of investment in infrastructure planned for the future and the low-skill nature of the work.
- Development of tourism would help respond to the need for stable employment for some unemployed young people in the Freetown area.
- Provision of higher-level skills to young people in mining areas could increase their potential involvement in the emerging small-scale mechanized mining sector. Support to increase the share of revenue going to low-skilled labor in the artisanal mining sector would benefit young men. While the artisanal mining sector is expected to decline in the near future, many young men participate at the bottom of the supply chain and would benefit from revenue-sharing interventions.
- The retail industry employs a large share of young people, both as self-employed small-scale merchants and as employees. Young women are heavily involved in retail sales of agricultural products.

Employers view skill strengthening of employees as central to increasing productivity and product quality. About one-third of farmers and one-sixth of business employers perceive the skill level of employees as problematic. The skill shortage is particularly severe for employers of larger businesses and farms and for formal versus informal employers. Marketing and management training are in high demand for all type of businesses. Especially at larger firms, production technology, information technology, basic accounting, and safety training are prioritized. Four out of five farmers prioritize food-processing technology, followed by literacy, marketing, and basic veterinary skills.

Lack of resources is the main reason why employers do not provide formal training. Willingness to pay for training increases with the size of the business or farm. Farmers need support to identify the relevant training and trainers for their employees.

Lessons from International Experience

Several lessons from other countries' experience are important for Sierra Leone:

- An improved TVET system is a potential mechanism for increasing the skill levels of the young people of tomorrow. As primary net enrollment rates increase, demand for secondary education is expected to increase. A balance will have to be found between funding general education and TVET, especially given the much higher unit cost of TVET. There is a growing demand for places in training institutions, but the quality and skill relevance to market needs remain low. A reformed, efficient TVET system has the potential to partially respond to the demand for higher-skilled workers in the labor market.
- Strengthening traditional apprenticeships is a promising, cost-effective alternative for increasing the skill levels of young people with low skills, with the additional benefit of introducing master craftspeople to new technologies to increase productivity.
- Public works programs targeting low-skilled young people can be effective if they are combined with skill development and attention is paid to prevent corruption.
- Training programs for young entrepreneurs and the self-employed tend to have high failure rates, mainly because of weak links to market demand and poor targeting. However, if well designed and monitored, these programs can be successful in a low-income country with a small wage sector.
- Comprehensive programs, including education equivalency programs, training, and mentoring, are effective in addressing the needs of disadvantaged young people and those who missed out on education during the conflict. Although costly, these programs have been effective in many countries and can address the diversity of needs in a postconflict setting. Careful targeting of participants is crucial.
- Skills training programs are among the most costly interventions for young people, and failure rates can be high. However, given the low level of and high demand

for skills in Sierra Leone, skills training programs will be required. Engaging the private sector in training delivery and design is an effective tool for mitigating the risk of high-cost training that is disconnected from market demand.

- Reverse migration programs from urban to rural areas do not work and are costly. Young people already in urban areas have a strong resolve to remain there. Creating sustainable livelihood opportunities for young people in rural areas may encourage voluntary migration from urban areas, without the need for specific programs.

Recommendations: A Strategy for Strengthening Employment among Young People

Sierra Leone has made significant efforts to promote the development of its young people. It has a policy on young people that establishes job creation and skills training for them as key strategic areas; it also has a National Action Plan for young people. The government is in the process of developing a National Youth Commission—to provide focused policy direction and leadership to the many agencies and departments dealing with issues affecting young people—and nationwide labor centers to invest in the country's work force and assist in job placement (UN 2008). With the support of the international community, the government is implementing various schemes to enhance opportunities, particularly job opportunities, for young people.

A review of policies and programs reveals a number of weaknesses that need to be addressed if they are to succeed:

- The implementation capacity of the government and many NGOs and private sector providers of programs needs strengthening.
- Programs are often poorly designed, mainly supply driven, and short term, with no followup.
- Most programs focus on short-term employment creation instead of sustainable employment.
- Programs focus disproportionately on training, with weak program development and limited links to labor market demand.
- Programs have invested heavily in entrepreneurship, with limited success.
- Sierra Leone has invested significantly in TVET programs, without the hoped-for impact. Traditional apprenticeships may offer more promising as well as cost-effective opportunities.
- The concept of young people in Sierra Leone is too broad. The government needs to adopt a definition that makes more sense from a programming and policy perspective.

Given the challenging economic and human development situation in Sierra Leone, a dual approach is needed to address employment among young people. In the short term, cost-effective programs to support sustainable employment are required. In the longer term, investments and policy changes that can contribute

to economic growth are needed. To address the factors underlying the disequilibrium in the labor market, such efforts must be combined with education and training for more productive jobs in the growth sectors of the economy. Policies and programs also need to address constraints young people face outside of the labor market, including by improving access to land.

While employment of young people can be improved through the interventions proposed below, limited work opportunities will remain a reality for both young people and mature adults in the near future, given the poor economic and human development situation in Sierra Leone. A sustained recovery of the economy, improved investment climate, and increased development of the private sector are prerequisites for improved labor market opportunities; even the best-designed and implemented policies and programs are likely to fail in a stagnant economy.

Policy and programming areas to improve sustainable livelihood opportunities for young people in Sierra Leone can be classified into four categories:

- Priority short-term interventions that build on international experiences of cost-effective programs with positive impact or current opportunities in Sierra Leone (these interventions potentially have the greatest impact on the sustainable employment opportunities of young people and would require relatively limited resources);
- Programs and policy interventions that need to be implemented in the short term that have higher risk of failure and may entail high costs but are nevertheless needed in the context of Sierra Leone (these types of intervention need to be implemented on a pilot basis and carefully monitored and evaluated before being scaled up);
- Long-term interventions to improve employment opportunities of the young people of the future; and
- Medium- to long-term interventions to get the environment right to benefit the young people of today and tomorrow.

Priority Short-Term, Low-Risk Interventions

The proposed priority short-term, low-risk interventions for enhancing labor market opportunities for young people include strengthening the skills of formal and informal private sector employers and their employees; implementing specific interventions in agriculture; developing work experience of young people through public work schemes; and strengthening the skills profile of out-of-school young people.

APPROACH 1: ENHANCE LABOR MARKET OPPORTUNITIES BY STRENGTHENING THE SKILLS OF PRIVATE SECTOR EMPLOYERS AND THEIR EMPLOYEES (FORMAL AND INFORMAL). Providing support to businesses to achieve higher productivity and

growth can create employment and opportunities for young people (as well as adults). On-the-job training is one of the most effective approaches for strengthening skills. Providing support to employers and employees avoids the common pitfall of not linking labor market demand to training programs. Lack of resources is one of the main factors constraining employers from providing formal training, as is access to training outside of the Freetown and Bo area.

Interventions include the following:

- Increase the quality and availability of private training providers in management, export, production technology, marketing, information technology, accounting, human resource management, communication skills, basic literacy, and business development in both the formal and informal sectors.
- Pilot voucher programs to strengthen the skill level of business owners in the formal private sector, with a focus on management and export training.
- Pilot voucher programs to strengthen the skill level of formal sector professionals, with a focus on production technology, marketing, information technology, and accounting.
- Develop programs to provide technical assistance to defunct large and medium-size businesses for rehabilitation plans and access to financing.
- Pilot voucher programs to strengthen skill levels of small entrepreneurs and the self-employed in order to increase their production levels and their marketing and business development skills. Programs should help small entrepreneurs and the self-employed identify training for business growth.
- Pilot cash transfer programs conditional on attendance at nonformal education programs to increase the literacy levels of unskilled workers in the formal and informal sectors.

The programs should be demand-driven and developed in close collaboration with the private sector and donors. The government and donors should provide financial incentives to support smaller informal businesses in particular. Programs should ensure access for young formal and especially informal entrepreneurs and the self-employed.

APPROACH 2: ENHANCE LABOR MARKET OPPORTUNITIES FOR YOUNG PEOPLE IN AGRICULTURE. The agricultural and agrobusiness sector has the potential to absorb a large number of unskilled young people and to be the main driver of economic growth and poverty reduction in the short term. One set of programs supports employers by raising the skill level of farmers and their employees, with a focus on demand-driven training. This report identifies labor market bottlenecks in rural areas, but programs to repatriate young people from urban to rural areas in other countries have been costly and unsuccessful. This approach therefore includes alternative actions to address labor market bottlenecks.

Interventions for strengthening the skills of farm owners and their employees include the following:

- Increase the quality and availability of private training providers in food processing, marketing, management, business development, basic accounting, and veterinary skills for small- and large-scale farmers and their employees.
- Pilot voucher programs and matching grant schemes to facilitate access to such training programs by small- and large-scale farmers and their employees. Programs should help farmers identify training that will help their business grow.
- Develop programs to provide technical assistance to defunct large-scale farms for rehabilitation plans and access to financing.
- Pilot cash transfer programs conditional on attendance at nonformal education programs to increase literacy levels of farmers and their workers.

Interventions to address labor market bottlenecks in rural areas include the following:

- Support basic agricultural skill development for urban young people willing to undertake agricultural activities.
- Pilot privately run programs to transport young urban job seekers to rural areas on a daily basis.
- Support activities of groups of young people already organized in rural areas, such as youth labor teams (or “gangs,” as they are called in Sierra Leone).

These programs should be demand-driven, ensure access by young farmers, and be developed in close collaboration with the private sector and donors. The government and donors should provide financial incentives to support farmers, especially smaller farmers.

APPROACH 3: ENHANCE LABOR MARKET OPPORTUNITIES FOR YOUNG PEOPLE BY PROVIDING THEM WITH WORK EXPERIENCE THROUGH PUBLIC WORK SCHEMES. Given Sierra Leone’s infrastructure needs, the government will continue to invest significantly in public works in the near future. This provides an opportunity for low-skilled workers in both urban and rural areas to acquire initial work experience and temporary incomes while constructing needed infrastructure and providing necessary public services. There is also a huge backlog of maintenance, as scarce resources for road maintenance have been spent on emergency works. Developing innovative mechanisms for road maintenance and other public services, such as waste management by small and medium-size enterprises, holds the potential to absorb both unskilled and skilled young people. Contracting with NGOs for public works using the AGETIP approach (box 5.1) merits careful consideration given its success in other countries.

Interventions include the following:

- Provide short-term employment opportunities to young people through public work programs.

- Develop a mechanism to ensure participation of higher-skilled young people in ongoing and planned infrastructure projects with a link to skill enhancement programs for self-employment and entrepreneurship.
- Increase programs to develop small and medium-size enterprises that can respond to public works needs, such as road building, road maintenance, and waste management.

The government and donors should provide short-term employment opportunities while developing mechanisms to link public work schemes to basic training programs and small business development from donors, NGOs, and the private sector. To the extent possible, programs should be implemented at the decentralized level. Basic training would be provided by the private sector, NGOs, and donors. Attention needs to be paid to preventing corruption in these types of programs.

APPROACH 4: IMPROVE THE SKILLS PROFILE OF YOUNG PEOPLE WHO ARE OUT OF SCHOOL. The low average skill levels of young people—caused partly by missed education during the conflict—constrain their opportunities for sustainable employment opportunities. Strengthening traditional apprenticeship systems would improve skill levels while at the same time improving technology levels of master craftspeople. Second-chance education programs—currently being scaled down—should be continued, and they should be linked more directly with other job training, apprenticeship, and entrepreneurial skill development programs. These equivalency programs should be combined with other services, such as training, counseling, and life-skill development, as part of comprehensive programs.

Interventions include the following:

- Provide training to master craftspeople to upgrade their technical and managerial skills, including skills in marketing, production diversification, upgraded technology, and capacity to provide quality training.
- Develop formal standards within a quality assurance framework and certify skills attained as a benchmark for quality and portability, while at the same time developing time limits for an apprentice to become a craftsman.
- Pilot conditional cash transfer programs providing outcome-oriented incentives to master craftspeople to ensure that apprentices pursue literacy training and reach a certifiable level of skills within an agreed-upon time.
- Pilot saving schemes that help apprentices start their own businesses upon graduating from both literacy and nonformal education and training programs.
- Scale up formal and informal second-chance equivalence programs with clear links to the above-mentioned programs. To ensure cost-effectiveness, use the existing infrastructure of the education system at alternative hours (evenings, weekends) as much as possible, in order to allow young people to combine working and improving their education level.

The government should develop formal standards for training. The private sector, NGOs, and donors should implement these interventions.

Interventions with Higher Risks of Failure and Potential High Costs that Need to Be Implemented in the Short Term

Certain short-term programs and policy interventions that can enhance labor market opportunities for young people have higher risks of failure and higher costs, but are nevertheless necessary given the Sierra Leonean context. Such interventions include increasing access to financing for private sector employers and farmers and supporting self-employment and entrepreneurship for young people.

APPROACH 1: HELP PRIVATE SECTOR EMPLOYERS (FORMAL AND INFORMAL BUSINESSES AS WELL AS FARMERS) INCREASE ACCESS TO FINANCING. Lack of access to credit is one of the main constraints to expanding businesses in Sierra Leone, where the microcredit system is only just emerging. If not well designed and monitored, microcredit programs tend to have relatively high failure rates. The approach proposed here includes improving access to credit and increasing financial literacy skills.

Interventions include the following:

- Develop credit schemes in both urban and rural areas to help employers sustain and expand employment through business growth.
- Develop mechanisms to ensure participation in emerging credit schemes by young people while at the same time ensuring their financial reliability.
- Pilot microcredit schemes, such as Grameen banks or other revolving group schemes.
- Develop financial literacy and skills, including saving schemes.
- Increase access to distance learning on the basic principles and practices of microcredit.

The programs should be demand driven and target promising young entrepreneurs. Policy makers should consider allowing NGOs to implement the programs, as they tend to be more effective than government in doing so.

APPROACH 2: IMPROVE THE CHANCES FOR SUCCESSFUL SELF-EMPLOYMENT AND ENTREPRENEURSHIP FOR YOUNG PEOPLE. The ability of self-employment and entrepreneurship programs to create sustainable employment is uncertain. However, given that self-employment and small-scale entrepreneurship represent the vast majority of employment in Sierra Leone, well-designed programs supporting these sectors could create significant employment opportunities for young people. Successful self-employed and entrepreneurial young people tend to have higher skill levels than the average population. Careful targeting and screening is therefore crucial to success and cost-effectiveness.

Interventions include the following:

- Support training providers in order to improve labor market links, training content, training delivery, and follow up.
- Develop programs to support new entrants into the informal sector in identifying viable business opportunities; developing sustainable business development plans; increasing access to microcredit; mentoring; and providing business follow up.
- Develop programs to support university graduates entering the formal sector, with a focus on mentoring from the private sector, providing on-the-job training, developing their managerial skills, and helping them understand national and international markets.

These types of programs should focus on sectors with potential for growth, such as agroprocessing, retail trade, the emerging small-scale industrial mining sector, and small-scale tourism. They should be implemented by the private sector, national and international NGOs, and donors.

Long-Term Interventions Serving the Young People of Tomorrow

Increasing access to quality primary and secondary education, including TVET, and developing specialized labor for sectors in need of high-skilled workers is critical to improving employment opportunities for the young people of the future. Two approaches should be considered.

APPROACH 1: INCREASE ACCESS TO AND THE QUALITY OF PRIMARY AND SECONDARY EDUCATION. The recently published *Education in Sierra Leone* study (World Bank 2007a) develops detailed strategies for increasing access to and the quality of primary and secondary education. Doing so represents the number one priority in Sierra Leone for helping the young people of tomorrow. Worldwide experience has shown that keeping children in school is a cost-effective approach to developing skills that is more efficient than addressing low skill levels through second-chance education and skill development programs. One mechanism for keeping children in school is conditional cash transfers.

The rapid increase in primary and secondary enrollment rates resulted in a significant increase in demand for TVET. Given its current low quality and high unit cost, TVET is in dire need of reform.

Interventions for TVET include the following:

- Increase public spending to align allocation with government policies of prioritizing TVET, as stated in the PRSP.
- Develop a governance framework, such as a national training authority, bringing government and employers together in decision making and allocating public spending for TVET, to improve links to the market and efficiency.

- Develop a quality assurance framework to guide institutional efforts to improve quality, including developing occupational standards for skill development together with employers, strengthening preservice and in-service instructor training, reforming curricula, setting minimum standards and accreditation procedures, and developing monitoring mechanisms.
- Develop incentives for improved performance of training institutions, such as performance-based budgeting, competitive procurement, and voucher systems.
- Decentralize the management of TVET to improve its relevance and efficiency.

The government should develop formal standards and provide oversight and limited financing. The private sector, donors, and NGOs should continue to provide most of the training and financing.

APPROACH 2: DEVELOP SPECIALIZED LABOR FOR SECTORS IN NEED OF HIGH-SKILLED LABOR. The lack of high-skilled labor limits opportunities for local ownership in developing sectors such as large- and medium-scale mining, tourism, and agroindustries. Many highly specialized skills are not being taught at universities in Sierra Leone.

Interventions to develop specialized labor for growing sectors in need of high-skilled labor include the following:

- In the medium term, develop a specialized technology center (for mining, for example) directed and funded by the private sector, with some public support for training and dissemination of best practices. Expertise could be built through strong collaboration with a mining institute in, for example, South Africa. Students could receive on-the-job training in both Sierra Leone and South Africa. Other potential high-skilled specialties are in the information technology sector and agroindustries.
- In the longer term, develop a partnership among the mining industry a university in, for example, South Africa and the University of Sierra Leone to develop a mining program at universities in Sierra Leone in order to decrease dependency on high-skilled foreign labor in the industrial mining sector. The partnership could include a satellite campus in South Africa as well as visiting professors and internships for students abroad and inside Sierra Leone. This approach also applies to other industries.
- Develop exchange programs for the brightest students using a mechanism that involves their return to Sierra Leone. The fellowship programs offered should be in high-skilled sectors and meet the demands of the emerging private sector. Programs in Brazil, Chile, and Colombia could provide useful lessons for Sierra Leone.

Getting the Environment Right to Benefit the Young People of Today and Tomorrow

Addressing constraints outside of the labor market, as well as rethinking the concept of young people in Sierra Leone, would improve the environment benefiting young people of today and tomorrow. The following two approaches should be considered:

APPROACH 1: ADDRESS CONSTRAINTS OUTSIDE THE LABOR MARKET. Increasing employment opportunities for young people will require addressing constraints they face outside the labor market, including the limited capacity of the government to develop and implement sustainable employment programs for them and their limited access to land. The traditional landholding system in rural areas, combined with their lower levels of social capital, limits young people's access to land for sustainable employment beyond subsistence farming.

Interventions to improve the capacity of the government to implement and coordinate sustainable employment policies and programs for young people include the following:

- Provide technical assistance to the National Youth Commission to coordinate ongoing and planned sustainable employment programs, including a mechanism to involve all relevant ministries and provide technical assistance to key ministries such as the Ministry of Labor.
- Provide technical assistance to national NGOs to improve the quality of skills training and the development of sustainable employment opportunities under the government's Youth Employment Scheme.

Interventions to increase young people's access to rural land include the following:

- Analyze land ownership and land distribution systems in rural areas and develop mechanisms to increase access to land by young people.
- Increase the distribution of government-owned land to carefully selected young people, linking such distribution to efforts to improve their skills in agricultural activities.

APPROACH 2: NARROW THE DEFINITION OF YOUNG PEOPLE. Sierra Leone's definition of young people includes adolescents (15–19), youth (20–24), and young adults (25–35). These groups are in different stages in the transitions from childhood to adulthood and require different policy and programs. Young adults behave much like mature adults and face similar constraints and opportunities (with some exceptions related to their lower level of social capital, which reduces their access to land, credit, and paid labor opportunities). In the short term, paying special attention to this group in light of their role in and the impact of the conflict on their developing years is justified. In the longer term, while the government should address the

additional constraints young adults face, narrowing the definition of young people might lead to more focused and efficient programming. In the meantime, programs should differentiate across the three groups.

Moving to Action: Developing an Efficient Investment Strategy to Promote Sustainable Employment for Young People

The following guiding principles should be followed to ensure that a combination of the proposed interventions leads to an efficient investment strategy for the sustainable employment of young people:

- Set priorities in a resource-constrained environment.
- Reallocate resources from ineffective programs toward proven successful approaches.
- Ensure proper targeting in all programs.
- Monitor and evaluate programs.
- Ensure coordination among all relevant actors.

Prioritize Policies and Programs

Given the resource constraints in Sierra Leone, the government will have to prioritize the policies and programs it adopts for addressing sustainable employment opportunities for the young people of today and tomorrow. The first set of actions proposed are programs that are most cost-effective and have been proven to work in other settings. In the long term, increasing the quality of and access to education should be a top priority. As for getting the environment right to benefit the young people of today and tomorrow, improving the capacity of the government to coordinate sustainable employment policies and programs as well as increasing young people's access to land in rural areas should be top priorities.

Reallocate Resources away from Ineffective Programs toward the Recommended Priority Actions

Sierra Leone is already spending substantial resources on employment programs for young people. Traditional vocational training and training programs without clear links to the labor market have been shown to be ineffective (chapter 5). Many ongoing programs in Sierra Leone (and other developing countries) provide short-term solutions, are economically unsound, and have neither clear exit strategies nor possibilities of sustainable employment for young people. In the short run, resources can be allocated away from such programs toward those that will have greater impacts for creating sustainable employment opportunities for young people.

Ensure Proper Targeting of Beneficiaries in All Programs

Sustainable employment programs require much greater attention to targeting. In order to allocate scarce resources effectively, policy makers and practitioners need to know whom they are targeting. Research shows that the most cost-effective strategies for sustainable employment address the specific needs of a particular constellation of young people (World Bank 2008b). Especially given the broad definition of young people in Sierra Leone, which includes people at different stages of their lives, with different priorities and needs, careful targeting is crucial. Programs should also differentiate clearly between skilled and unskilled young people, urban and rural residents, and men and women. Attention should also be paid to young people who are truly inactive, disabled, or living on the street. Programs should develop strong screening mechanisms to ensure that beneficiaries are the appropriate target group of every program.

Monitor Programs and Evaluate a Small Set of Promising Programs

Knowledge of the impact and cost-effectiveness of sustainable employment interventions for young people is very limited in Sierra Leone, as in other developing countries. To increase the knowledge base, the government, in coordination with donors and NGOs, should ensure that programs include results-based monitoring indicators and that key pilot programs are formally evaluated.

Coordinate Relevant Actors and Draw on Their Comparative Advantages

Developing and implementing a successful employment strategy for young people involves a wide set of actors. It is essential to understand the comparative advantage of each (World Bank 2008b). While the Ministry of Education, Youth and Sports can play a coordinating role, other key ministries, such as the ministries of labor, agriculture, and food security (agriculture is the most promising sector to provide jobs in the short term); public works, housing, and technical maintenance (public sector work schemes provide another promising approach for short-term employment of young people); and trade and industry (given the relevance of the private sector) should be involved.

The emerging private sector is a source for employment, on-the-job training, and mentors, as well as financial and human resources for providing promising young people with opportunities and skills (World Bank 2008b). NGOs and donors are an important source of services for employment. The government should focus on coordinating a strategy for sustainable employment opportunities and providing limited financial incentives, while relying on NGOs, donors, and the private sector for financial resources and service delivery. Strengthening relationships with the private sector and NGOs will increase the resources available for

service provision, employment opportunities, and the monitoring and evaluation of impact (World Bank 2008b).

Both the government and the donor community have demonstrated that the sustainable employment of young people is a priority for them. This report shows that a successful strategy for improving sustainable employment for Sierra Leone's young people involves a wide range of program and policy interventions as well as actors. Developing and implementing an effective strategy will be a challenging endeavor for both the government and the donor community. It is hoped that this report assists policy makers in finding the right answers.

Note

1. Employers identify domestic competition, weak demand for products, and lack of access to electricity and financing as major constraints for business development.

Appendix A

The Transition from School to Work

Appendix A.1 Youth Employment Statistics

Table A1.1 Time Use, by Demographic Group
(percent)

<i>Characteristic</i>	<i>9–14</i>	<i>15–19</i>	<i>20–24</i>	<i>25–35</i>	<i>36–65</i>	<i>15–65</i>
<i>Male</i>						
Employed	9.2	21.8	39.1	73.7	86.8	62.5
Unemployed	1.3	1.0	4.4	5.2	1.9	2.9
Work and school	1.8	2.3	1.4	0.1	0.2	0.8
School	78.1	64.1	31.2	4.8	0.2	19.3
Out of the labor force	9.5	10.9	23.9	16.2	10.9	11.0
Labor force participation	12.4	25.0	44.9	79.0	88.9	66.1
<i>Female</i>						
Employed	13.5	34.0	58.0	77.6	75.7	65.5
Unemployed	0.3	2.1	2.9	1.5	0.6	1.5
Work and school	2.1	1.2	0.5	0.1	0	0.3
School	73.4	45.0	15.5	1.2	0.04	11.0
Out of the labor force	10.8	17.7	23.2	19.5	23.7	21.7
Labor force participation	15.9	37.3	61.3	79.3	76.3	67.3
<i>Urban</i>						
Employed	3.7	13.9	32.6	65.3	77.5	52.3
Unemployed	1.4	3.2	6.2	6.3	2.7	4.5
Work and school	1.4	1.1	0.4	0.3	0.03	0.4
School	87.6	68.3	30.5	3.5	0.08	20.8
Out of the labor force	5.9	13.6	30.3	24.7	19.7	22.0
Labor force participation	6.4	18.1	39.2	71.8	80.2	57.2

(continued)

Table A1.1 (Continued)

<i>Characteristic</i>	<i>9–14</i>	<i>15–19</i>	<i>20–24</i>	<i>25–35</i>	<i>36–65</i>	<i>15–65</i>
<i>Rural</i>						
Employed	16.0	39.3	68.7	83.6	83.3	72.6
Unemployed	0.5	0.3	0.7	0.7	0.4	0.5
Work and school	2.3	2.2	1.4	0.02	0.1	0.6
School	68.5	43.2	13.6	2.1	0.1	10.5
Out of the labor force	12.7	15.0	15.7	13.6	16.1	15.8
Labor force participation	18.8	41.8	70.7	84.3	83.8	73.7
<i>Total</i>						
Employed	11.3	28.01	49.4	76.1	81.1	64.1
Unemployed	0.9	1.5	3.6	3.0	1.3	2.2
Work and school	1.9	1.7	0.9	0.1	0.1	0.5
School	75.9	54.4	22.6	2.7	0.1	14.8
Out of the labor force	10.1	14.4	23.5	18.2	17.4	18.4
Labor force participation	14.0	31.3	53.9	79.2	82.5	66.8

Source: Authors' calculation based on the 2004 Sierra Leone Integrated Household Survey.

Table A1.2 Number of Months Unemployed Workers Spend Searching for Work, by Age

<i>Age</i>	<i>Less than 3 months</i>	<i>3–6 months</i>	<i>6–12 months</i>	<i>12–24 months</i>	<i>More than 24 months</i>
15–19	0	1	20.6	20.2	46.9
20–24	0	2.4	5.3	25	61.7
25–35	6.6	1	10.4	18.1	64
35–65	0	0	0	3.1	96.9
Total	2.65	2	7.5	16.1	69.3

Source: Authors' calculation based on the 2004 Sierra Leone Integrated Household Survey.

Table A1.3 Share of the Labor Force Working Full Time, by Demographic Group (percent)

<i>Group</i>	<i>9–14</i>	<i>15–19</i>	<i>20–24</i>	<i>25–35</i>	<i>36–65</i>	<i>15–65</i>
Male	61.6	76.3	83.9	87.1	86.7	76.4
Female	58.9	74	70.3	72.9	72.6	61.8
Urban	53.5	77.4	76.2	81.5	82	72.3
Rural	61	74.2	74.7	76.7	78.9	65.8
Total	60.1	74.2	75.2	70.6	80	68

Source: Authors' calculation based on the 2004 Sierra Leone Integrated Household Survey.

Table A1.4 Share of Working Labor Force That Would Like to Work More Hours, by Demographic Group (percent)

Group	9–14	15–19	20–24	25–35	36–65	15–65
Male	9.2	17.7	21.8	23.1	18.9	20.3
Female	8.2	19.2	17.3	16.2	12.6	15.3
Urban	5.6	17.4	21.7	18.5	16.0	17.6
Rural	9.0	19.0	17.5	19.1	15.9	17.5
Total	8.6	18.6	18.9	18.9	15.9	17.5

Source: Authors' calculation based on the 2004 Sierra Leone Integrated Household Survey.

Table A1.5 Type of Employment, by Demographic Group (percent)

Group	9–14	15–19	20–24	25–35	36–65	15–65
<i>Paid employee</i>						
Male	1.6	14.1	13.4	20.6	16.4	8.2
Female	2.0	1.3	6.7	6.0	5.3	1.6
Urban	4.8	16.0	23.7	32.1	25.7	12.2
Rural	1.1	0.9	1.9	40.1	2.7	1.0
Total	1.8	5.9	9.2	13.6	10.2	4.1
<i>Self-employed</i>						
Male	37.0	37.0	56.8	55.8	53.0	37.0
Female	27.7	40.9	44.3	51.3	44.9	35.0
Urban	40.7	51.3	51.7	52.1	51.2	47.7
Rural	28.9	33.6	47.6	54.5	47.2	32.2
Total	31.2	39.5	49.0	53.6	48.5	35.7
<i>Unpaid</i>						
Male	61.4	48.9	29.9	23.6	30.7	54.8
Female	70.3	57.8	48.1	42.7	49.8	63.4
Urban	54.5	32.7	24.7	15.8	23.1	40.1
Rural	70.1	65.5	50.5	41.4	50.2	67.8
Total	66.9	54.6	41.8	32.8	41.3	60.2

Source: Authors' calculation based on the 2004 Sierra Leone Integrated Household Survey.

Table A1.6 Share of Labor Force Population in Formal Employment, by Demographic Group (percent)

Group	9–14	15–19	20–24	25–35	36–65	15–65
Male	0.6	1.2	6.2	10.6	19.5	14.2
Female	0.0	0.8	1.0	5.9	5.5	4.7
Urban	2.3	4.1	8.1	20.2	30.9	22.9
Rural	0.0	0.2	0.2	1.2	3.5	2.0
Total	0.3	1.0	2.9	7.7	12.7	8.8

Source: Authors' calculation based on the 2004 Sierra Leone Integrated Household Survey.

Table A1.7 Sector of Employment, by Demographic Group (percent)

<i>Sector</i>	<i>Male</i>						<i>Female</i>					
	<i>9–14</i>	<i>15–19</i>	<i>20–24</i>	<i>25–35</i>	<i>36–65</i>	<i>15–65</i>	<i>9–14</i>	<i>15–19</i>	<i>20–24</i>	<i>25–35</i>	<i>36–65</i>	<i>15–65</i>
Agriculture	94.9	84.3	68.5	63.9	63.6	65.8	88.4	82.5	71.8	72.2	73.9	73.8
Forestry	0	0	0	0.7	0.3	0.3	0.4	0	0.3	0	0	0.1
Fishing	0	0	0.3	0.4	0.5	0.4	0	0	0.2	0	0.1	0.1
Mining	1.4	2.7	4.3	3.6	2.5	3.0	0	0	0.3	0.2	0	0.1
Manufacturing	1.7	3.0	3.3	4.9	2.9	3.5	0	0.1	0.6	1.6	0.9	1.0
Construction	0	0.9	5.5	3.6	3.1	3.3	0	0	0	0	0	0
Wholesale and retail	1.5	5.6	9.7	10.4	6.3	7.8	11.3	14.1	23.2	18.9	18.1	18.7
Services	0.6	3.6	8.4	12.5	20.9	15.9	0	3.2	3.8	7.3	6.9	6.3
<i>Sector</i>	<i>Urban</i>						<i>Rural</i>					
	<i>9–14</i>	<i>15–19</i>	<i>20–24</i>	<i>25–35</i>	<i>36–65</i>	<i>15–65</i>	<i>9–14</i>	<i>15–19</i>	<i>20–24</i>	<i>25–35</i>	<i>36–65</i>	<i>15–65</i>
Agriculture	44.6	36.9	28.6	25.9	24.9	26.4	91.3	83.2	70.6	69.0	68.6	70.3
Forestry	0	0	0.3	0.1	0	0.1	0.2	0	0.2	0.3	0.2	0.2
Fishing	0	0	0.4	0	0.5	0.3	0	0	0.2	0.2	0.3	0.2
Mining	0	2.8	1.5	3.1	2.7	2.7	0.6	1.0	1.7	1.5	1.3	1.4
Manufacturing	0	5.6	2.8	7.1	4.5	5.3	0.8	1.2	1.6	2.8	1.9	2.1
Construction	0	1.7	5.9	3.3	4.2	3.9	0	0.3	2.0	1.4	1.6	1.4
Wholesale and retail	53.2	39.9	45.1	36.4	29.3	34.3	6.8	10.9	18.3	15.7	12.0	13.9
Services	2.2	13.2	15.4	24.2	34.0	27.1	0.3	3.4	5.4	9.3	14.1	10.5

Source: Authors' calculation based on the 2004 Sierra Leone Integrated Household Survey.

Appendix A.2 Regression Estimates of Labor Force Status

Table A2.1 Probability of Being Unemployed

<i>Characteristic</i>	<i>(1)</i>	<i>(2)</i>	<i>(3)</i>
Adolescent (15–19)	–0.0031	–0.00074	–0.0029
Youth (20–24)	0.0073**	0.015***	0.0058**
Young adult (25–34)	0.0047**	0.0078***	0.0041
1–3 years primary education	0.0061**		0.0043
4–6 years primary education	0.0082		0.0047
Some junior-secondary education	0.14***		0.0068**
Some senior-secondary education	0.04***		0.024***
Higher education	–0.0002		–0.0033
Male	0.0035	0.0073***	
Urban			0.012***
Sample size	12,165	12,165	12,165
Adjusted R ²	0.0568	0.0183	0.0709

Source: Authors' calculation based on the 2004 Sierra Leone Integrated Household Survey.

Note: Table reports marginal effects of probit regression in which the dependent variable takes a value of 1 if respondent is unemployed and a value of 0 if respondent is not.

*** Significant at the 1 percent level; ** significant at the 5 percent level; * significant at the 10 percent level.

Table A2.2 Probability of Being in the Labor Force

<i>Characteristic</i>	<i>(1)</i>	<i>(2)</i>
Migrated back to village of birth		-0.018
Migrant		-0.022
Young migrant (15–24) (returned to village of birth and other migrants)		0.102***
Young adult migrant (25–34) (returned to village of birth and other migrants)		0.059***
Adolescent (15–19)		-0.33***
Youth (20–24)		-0.124***
Young adult (25–34)		0.041***
1–3 years primary education	0.033***	-0.28***
4–6 years primary education	0.03***	-0.26***
Some junior-secondary education	0.10***	-0.29***
Some senior-secondary education	0.33***	-0.29***
Higher education	0.73***	-0.19***
Male		0.058***
Urban	0.037***	0.012
Rural female		0.011***
Northern region		0.015
Southern region		-0.057***
Eastern region		-0.013
Working household head		0.17***
Household head	0.19***	0.21***
Sample size	8,829	12,165
Adjusted R^2	0.4995	0.2161

Source: Authors' calculation based on the 2004 Sierra Leone Integrated Household Survey.

Note: Table reports marginal effects of probit regression in which the dependent variable takes a value of 1 if the respondent is employed or unemployed and a value of 0 if he or she is out of the labor force.

*** Significant at the 1 percent level.

Table A2.3 Probability of Holding a Formal Sector Job

<i>Variable</i>	<i>(1)</i>	<i>(2)</i>	<i>(3)</i>	<i>(4)</i>	<i>(5)</i>
Adolescent (15–19)	–0.06***	–0.052***	–0.014***	–0.016***	–0.0066*
Youth (20–24)	–0.044***	–0.037***	–0.013***	–0.015***	–0.0072***
Young adult (25–34)	–0.022***	–0.013***	–0.012***	–0.015***	–0.0067***
1–3 years primary education			0.062***	0.069***	0.034***
4–6 years primary education			0.06***	0.071***	0.03***
Some junior-secondary education			0.5***	0.21***	0.1***
Some senior-secondary education			0.19***	0.21***	0.32***
Higher education			0.081***	0.84***	0.69***
Male		0.062***	0.014***		0.0069***
Urban					0.03***
Migrated back to village of birth					–0.0079***
Migrant					0.0057**
Working household head					–0.0049
Household head					0.0087***
Sample size	8,829	8,829	8,829	8,829	8,829
Adjusted R ²	0.0302	0.0704	0.467	0.4607	0.5125

Source: Authors' calculation based on the 2004 Sierra Leone Integrated Household Survey.

Note: Table reports marginal effects of probit regression in which the dependent variable takes a value of 1 if the respondent works in a job that pays labor benefits and a value if 0 if the respondent works in a job that does not pay benefits.

*** Significant at the 1 percent level; ** significant at the 5 percent level; * significant at the 10 percent level.

Table A2.4 Probability of Holding a Paying Job

<i>Variable</i>	(1)	(2)
Adolescent (15–19)	–0.28***	–0.25***
Youth (20–24)	–0.18***	–0.17***
Young adult (25–34)	–0.07***	–0.08***
1–3 years primary education		0.086**
4–6 years primary education		0.13***
Some junior-secondary education		0.22***
Some senior-secondary education		0.36***
Higher education		0.38***
Sample size	8,829	8,701
Adjusted R^2	0.0228	0.3765

Source: Authors' calculation based on the 2004 Sierra Leone Integrated Household Survey.

Note: Table reports marginal effects of probit regression in which the dependent variable takes a value of 1 if the respondent earns a wage, salary, or profits and a value of 0 if he or she is unpaid.

*** Significant at the 1 percent level; ** significant at the 5 percent level; * significant at the 10 percent level.

Table A2.5 Probability of Holding a Wage-Paying Job

<i>Variable</i>	(1)	(2)
Adolescent (15–19)	–0.65***	–0.023***
Youth (20–24)	–0.41***	–0.017***
Young adult (25–34)	–0.022***	–0.019***
1–3 years primary education		0.08***
4–6 years primary education		0.11***
Some junior-secondary education		0.21***
Some senior-secondary education		0.53***
Higher education		0.82***
Sample size	8,829	8,701
Adjusted R^2	0.0214	0.3765

Source: Authors' calculation based on the 2004 Sierra Leone Integrated Household Survey.

Note: Table reports marginal effects of probit regression in which the dependent variable takes a value of 1 if the respondent earns a wage or salary and a value of 0 if he or she earns profits (that is, is self-employed).

*** Significant at the 1 percent level; ** significant at the 5 percent level; * significant at the 10 percent level.

Table A2.6 Probability of Being Employed in the Agricultural Sector

<i>Variable</i>	<i>(1)</i>
Adolescent (15–19)	–0.028
Youth (20–24)	–0.065***
Young adult (25–34)	–0.029***
1–3 years primary education	–0.069**
4–6 years primary education	–0.14***
Some junior-secondary education	–0.31***
Some senior-secondary education	–0.47***
Higher education	–0.68***
Male	0.015
Urban	–0.5***
Migrated back to village of birth	0.13***
Migrant	–0.15***
Working household head	0.18***
Household head	–0.072***
Sample size	8,995
Adjusted R^2	0.4094

Source: Authors' calculation based on the 2004 Sierra Leone Integrated Household Survey.

Note: Table reports marginal effects of probit regression in which the dependent variable takes a value of 1 if the respondent works in agriculture and 0 if he or she works in any other sector.

*** Significant at the 1 percent level; ** significant at the 5 percent level; * significant at the 10 percent level.

**Table A2.7 Probability of Being Employed
in the Service Sector**

<i>Item</i>	<i>Probability</i>
Adolescent (15–19)	–0.0081
Youth (20–24)	–0.011**
Young adult (25–34)	–0.0097***
1–3 years primary education	0.046***
4–6 years primary education	0.037***
Some junior-secondary education	0.11***
Some senior-secondary education	0.3***
Higher education	0.66***
Male	0.011**
Urban	0.062***
Migrated back to village of birth	–0.021***
Migrant	0.012***
Working household head	0.002
Household head	0.016***
Sample size	8,829
Adjusted R^2	0.4119

Source: Authors' calculation based on the 2004 Sierra Leone Integrated Household Survey.

Note: Table reports marginal effects of probit regression in which the dependent variable takes a value of 1 if the respondent works in the service industry and a value of 0 if he or she works in any other sector.

*** Significant at the 1 percent level; ** significant at the 5 percent level;

* significant at the 10 percent level.

Table A2.8 Probability of Being Employed in the Trade Sector

<i>Item</i>	<i>Probability</i>
Adolescent (15–19)	0.021
Youth (20–24)	0.041***
Young adult (25–34)	0.021***
1–3 years primary education	0.0017
4–6 years primary education	0.044***
Some junior-secondary education	0.057***
Some senior-secondary education	0.0034
Higher education	–0.061***
Male	–0.098***
Urban	0.26***
Migrated back to village of birth	–0.043***
Migrant	0.03***
Working household head	–0.077***
Household head	0.029***
Sample size	8,829
Adjusted R^2	0.2606

Source: Authors' calculation based on the 2004 Sierra Leone Integrated Household Survey.

Note: Table reports marginal effects of probit regression in which the dependent variable takes a value of 1 if the respondent works in the trade sector and a value of 0 if he or she works in any other sector.

*** Significant at the 1 percent level; ** significant at the 5 percent level; * significant at the 10 percent level.

Appendix B

Labor Market Demand

Appendix B.1 Methodology of the Employers Survey

The main objectives of the Sierra Leone Employers Survey (SLES) were to identify skill needs in the labor market and determine if young people are particularly disadvantaged in the labor market. The survey included two complementary questionnaires: one for formal and informal businesses in urban areas, and one for farms in rural areas. The survey included 10 sections: registration; general information about the business/farm; financing; business environment; information on employees; hiring and payment policies; employers' perception of workers; training; income, sales, and expenditures; and information on the owner, manager, and employees.

Geographic Coverage

National coverage of the SLES was not possible because of budget constraints. The survey was carried out in five districts: Western Urban, Western Rural, Bo, Bombali/Makeni, and Kailahun. The five districts were chosen according to several criteria. They were chosen to reflect as much as possible differences related to location within Sierra Leone and to include one district from each of the four regions (eastern, southern, northern, and western). With the exception of the eastern region, for each region the district with the most businesses was chosen based on the Census of Business Establishments carried out by Statistics Sierra Leone in 2005.¹ For the eastern region, although the Kenema district has the most businesses, businesses there face issues similar to those faced by businesses in Bombali/Makeni (consultations with Statistics Sierra Leone). Kailahun was therefore chosen in order to include a poorer district (Kailahun is the third-poorest district in the country and the poorest district in the eastern region, according to the

Sierra Leone Integrated Household Survey 2003/2004). The areas chosen also reflect different crops. Kailahun is especially important for rice, coffee, and cacao, while Bo has more palm oil and groundnuts (Sierra Leone Integrated Household Survey 2003/2004).

Sample Frames

For businesses in urban areas, the 2005 Census of Business Establishments was used as the sample frame. The census contains all of the businesses in Sierra Leone with fixed addresses. Out of 10,840 records, 7,076 are in the five regional districts chosen, among which 35 percent are registered with a government authority and as such are considered formal.

The sample frame for farms was a computer file developed by merging two files extracted from the Sierra Leone 2004 Population and Housing Census. The first was an individual-level file with the 136,400 uniquely identified heads of households in the five districts under study who reported farm-related activities as their main economic activity.² The second was a household-level file with 320,352 uniquely identified households, with information on the number of acres under different kinds of crops (rice, cassava, potato, groundnut, maize, coffee, cacao, oil palm, citrus, and vegetables).³ The resulting sample frame included 125,013 farms.⁴

Stratification

Nonfarm businesses were stratified into four groups: large businesses (50 employees or more), medium-size businesses (10–49 employees), small formal businesses (fewer than 10 employees), and small informal businesses (fewer than 10 employees). Farms were stratified into four size groups depending on the total crop area: large farms (500 acres or more), medium-size farms (100–499 acres), small farms (20–99 acres), and very small farms (less than 20 acres).

Population Size, Sample Size, and Sampling Strategy

For businesses a systematic equal-probability sample was taken within each stratum. The sample frames were sorted by district and industrial sector in order to implicitly stratify the sample according to these criteria within each explicit stratum.⁵ Given the small numbers of large and medium-size businesses, all of these firms were surveyed. While two-thirds of small businesses in Sierra Leone are informal, half of the small firms in the sample are formal and the other half are informal. The oversampling of formal firms was done to ensure a large enough sample size for the intended analytics. The less than representative sample of informal small firms does not present a problem, because the firms are sufficiently heterogeneous that the sample provides adequate information about small informal firms.

Weighting

Of the 847 surveys in the business sample, 668 were correctly completed. The adjusted sampling weights were used to calculate totals (table B1.1). Unfortunately, the sampling frame from the 2004 Census later appeared to have reported unreliable data about acreage. The total for farms was calculated without using weights.

Table B1.1 Population and Sample Size, Sampling Fraction, and Sampling Weight

<i>Type of business</i>	<i>Population size</i>	<i>Sample size</i>	<i>Sampling fraction</i>	<i>Sampling weights</i>	<i>Number of completed surveys</i>	<i>Adjusted sampling weight</i>
Large	35	35	1	1	24	1.458333333
Medium	193	193	1	1	158	1.221518987
Small (formal)	2,424	309	0.12747	7.844	244	9.93442623
Small (informal)	3,913	310	0.079223	12.622	242	16.16942149
Total	6,566	847	n.a.	n.a.	668	n.a.

Source: Authors.
n.a. Not applicable.

Appendix B.2 Regression Estimates

Formal and Informal Businesses

Table B2.1 Employer Preferences for Hiring Older Workers

<i>Employer or enterprise characteristic</i>	<i>Coefficient estimate</i>
<i>Employer characteristic</i>	
Under 35	-2.387***
Male	-0.6368
Primary education	-1.661
Junior-secondary education	1.227
Senior-secondary education	-0.7921
Higher education	1.6705
<i>Enterprise characteristic</i>	
Formal	2.317***
Agriculture	0.869
Manufacturing	-1.652
Services	0.3771
Other sector	4.037***
Located in Bo	-2.495**
Located in Kailahun	-3.003*
Located in Makeni	0.6459
Constant	28.7817
Sample size	586
R^2	0.0913

Source: Authors' calculation based on the 2006 Sierra Leone Employers Survey.

Note: Estimates are based on ordinary least squares regression in which the dependent variable is the age of the employee.

*** Significant at the 1 percent level; ** significant at the 5 percent level; * significant at the 10 percent level.

Table B2.2 Probability of Hiring a New Employee in the Past Year

<i>Characteristic</i>	<i>Probability</i>
<i>Employer characteristic</i>	
Under 35	0.0311
No education	-0.0892***
Primary education	0.0059
Junior-secondary education	-0.995
Male	0.0736
<i>Enterprise characteristic</i>	
Large	0.7455***
Medium-size	0.4052***
Formal	-0.0368
Agriculture	-0.0679
Tourism	-0.0437
Manufacturing	0.0017
Services	0.1415**
Health	0.2918*
Education	0.3093*
Other sector	0.1796
Located in Bo	0.1102**
Located in Kailahun	0.2727
Located in Makeni	0.0123
Sample size	445
Adjusted R^2	0.2080

Source: Authors' calculation based on the 2006 Sierra Leone Employers Survey.

Note: Estimates are based on probit regression in which the dependent variable takes a value of 1 if interviewee hired a new employee in the past year and 0 if he or she did not. For education, the omitted value is senior-secondary and higher education. For location, the omitted value is Western urban and rural. For size of firm, the omitted value is small firms. For sector, the omitted value is trade.

*** Significant at the 1 percent level; ** significant at the 5 percent level; * significant at the 10 percent level.

**Table B2.3 Probability of Providing
Formal Training to Employees**

<i>Characteristic</i>	<i>Probability</i>
<i>Employer characteristic</i>	
Under 35	-0.0039
No education	0.0145
Primary education	0.0237
Junior-secondary education	-0.0162
Male	0.0205
<i>Enterprise characteristic</i>	
Large	0.2059**
Medium-size	0.0815*
Formal	-0.0094
Agriculture	-0.0106
Tourism	-0.0144
Manufacturing	-0.0014
Services	-0.0121
Education	-0.0051
Other sector	-0.0055
Located in Bo	0.0646**
Located in Kailahun	0.0330
Located in Makeni	0.0075
Sample size	426
Adjusted R^2	0.1480

Source: Authors' calculation based on the 2006 Sierra Leone Employers Survey.

Note: Estimates are based on probit regression in which the dependent variable takes a value of 1 if the firm provided formal training to employees and a value of 0 if it did not. For education, the omitted value is senior-secondary and higher education. For location, the omitted value is Western urban and rural. For size of firm, the omitted value is small firms. For sector, the omitted value is trade.

*** Significant at the 1 percent level; ** significant at the 5 percent level; * significant at the 10 percent level.

Table B2.4 Probability of Willingness to Pay for Training Employees

<i>Characteristic</i>	<i>Probability</i>
<i>Employer characteristic</i>	
Under 35	-0.0836**
No education	0.0416
Primary education	-0.0770
Junior-secondary education	0.0086
Male	0.0484
<i>Enterprise characteristic</i>	
Large	0.3759***
Medium-size	0.3938
Formal	-0.0380
Agriculture	-0.0873
Tourism	-0.0202
Manufacturing	-0.0372
Services	0.0757
Health	0.2919**
Education	0.2099*
Other sector	0.0380
Located in Bo	0.3329***
Located in Kailahun	0.4392***
Located in Makeni	0.1237
Sample size	439
Adjusted R^2	0.1671

Source: Authors' calculation based on the 2006 Sierra Leone Employers Survey.

Note: Estimates are based on probit regression in which the dependent variables takes a value of 1 if the firm paid to train an employee and 0 if it did not. For education, the omitted value is the senior-secondary and higher education. For location, the omitted value is Western urban and rural. For size of firm, the omitted value is small firms. For sector, the omitted value is trade

*** Significant at the 1 percent level; ** significant at the 5 percent level; * significant at the 10 percent level.

Table B2.5 Probability of Providing Formal Training to Farm Employees

<i>Characteristic</i>	<i>Probability</i>
<i>Education/gender of employer</i>	
Koranic	0.0053
Primary	0.0112
Junior-secondary	0.0545
Senior-secondary	-0.0050
Higher education	0.2254***
Male	0.0035
<i>Farm size/location</i>	
Large	0.3460***
Medium-size	0.0947***
Located in Bo	-0.0225
Located in Kailahun	0.0332
Located in Makeni	-0.0042
Sample size	0.3088
Adjusted R^2	296

Source: Authors' calculation based on the 2006 Sierra Leone Employers Survey.

Note: Estimates are based on probit regression in which the dependent variable takes a value of 1 if the farm owner provided formal training to employees and a value of 0 if he or she did not. For education, the omitted value is no education. For location, the omitted value is Western urban and rural. For size of farm, the omitted value is small farms.

*** Significant at the 1 percent level; ** significant at the 5 percent level; * significant at the 10 percent level.

Table B2.6 Probability of Willingness to Pay for Training Farm Employees

<i>Characteristic</i>	<i>Probability</i>
<i>Education/gender of employer</i>	
Koranic	-0.0842
Primary	-0.9890
Junior-secondary	0.0558
Senior-secondary	0.0423
Higher	0.0293
Male	0.0386
<i>Farm size/location</i>	
Large	0.2459***
Medium-size	0.1478***
Located in Bo	0.0260
Located in Kailahun	0.2561**
Located in Makeni	-0.0487
Sample size	340
Adjusted R^2	0.1599

Source: Authors' calculation based on the 2006 Sierra Leone Employers Survey.

Note: Estimates are based on probit regression in which the dependent variable takes a value of 1 if the farm owner paid to train an employee and 0 if he or she did not. For education, the omitted value is no education. For location, the omitted value is Western urban and rural. For size of farm, the omitted value is small farms.

*** Significant at the 1 percent level; ** significant at the 5 percent level; * significant at the 10 percent level.

Appendix B.3 Constraints to Daily Business Operation and Growth

Table B3.1 Constraints to Daily Business Operation and Growth, as Reported by Employers

Among top three constraints for [daily operation](#)/among top three constraints for [growth](#)/percent of employers evaluating as a major problem

<i>Constraint</i>	<i>Large</i>	<i>Medium</i>	<i>Small</i>	<i>Formal</i>	<i>Informal</i>
Domestic competition	1—2 33	2—5 33	1—5 43	1—3 43	1—4 37
Demand for product	4—5 17	3 17	2—3 27	3—2 28	2—6 20
Access to electricity	2—3 57	1—2 63	3—2 54	2—1 55	3—2 57
Access to financing	4 43	6—1 24	4—1 44	4—4 35	5—1 50
Crime, theft, and disorder	37	17	5 23	5 21	4 25
Macroeconomic instability	6 27	27	6—6 32	6—6 32	5 29
Rent	27	4 35	4 47	5 45	3 42
Access to basic tools and equipment	17	4 20	11	11	6 18
Cost of fuel	1 43	5—6 43	24	33	21
Access to water	3 17	16	9	12	9
Access to advanced technology	33	3 21	10	13	13
Availability of skilled labor	5 7	10	2	5	3
Cost of financing	5 33	17	16	18	15
Restrictive labor regulations	6 7	4	7	5	7
Cost of labor	27	10	6	7	7
Cost of food for workers	17	6	3	4	5
Quality of water supply	23	14	9	11	10
Family pressure	7	10	29	19	35
Land ownership	3	14	19	16	20
Corruption	23	12	12	13	11
Restrictive business regulations	23	5	13	13	10
Access to roads	7	3	3	2	6

Source: Authors' calculation based on the 2006 Sierra Leone Employers Survey.

Note: Employers were asked "what are the three main problems that you have for the daily operation of your business? What are the three main problems that you have for growth and expansion of your business? Please tell us if any of the following issues are a problem for the operation of your business. If an issue poses a problem, please tell us whether it is a minor, moderate, or major problem."

Table B3.2 Constraints to Daily Business Operation and Growth, as Reported by Farm Owners

Among top three constraints for daily operation/among top three constraints for growth / percent of employers evaluating as a major problem

<i>Constraint</i>	<i>Total</i>	<i>Large</i>	<i>Medium</i>	<i>Small</i>
Pests	1—4 74	1—4 85	1—5 77	1—6 69
Access to financing	2—1 85	2—1 90	3—1 85	2—1 84
Cost of food for workers	3 69	3 76	2 66	3—4 70
Cost of labor	4—5 60	4—2 63	5 56	4—3 64
Access to basic tools and equipment	5—2 73	5—3 66	4—2 69	6 78
Access to advanced technology	6—6 55	6 42	6—4 62	5 53
Access to seeds	—3 64	78	—3 59	—2 65
Access to fertilizers	68	73	—6 61	—5 72
Family pressure	24	—5 20	21	28
Domestic competition	8	—5 5	6	11
Availability of unskilled labor	17	17	11	21
Availability of skilled labor	19	20	18	20
Access to storage facilities	50	54	46	52
Quality of roads	41	49	41	40
Cost of financing	41	63	37	40
Macroeconomic instability	39	49	36	40
Access to support services	37	51	37	31
Access to other domestic market	32	22	33	34
Crime, theft, and disorder	32	22	30	37
Access to feeder roads	29	27	21	36
Access to roads	27	29	22	31
Access to local market	22	34	15	25
Quality of water	21	34	20	19
Access to communication	19	24	11	25
Access to electricity	16	7	11	23
Corruption	14	27	15	10
Access to water	12	20	11	10
Land ownership	6	2	3	9

Source: Authors' calculation based on the 2006 Sierra Leone Employers Survey.

Note: Farm owners were asked: "What are the three main problems that you have for the daily operation of your business? What are the three main problems that you have for growth and expansion of your business? Please tell us if any of the following issues are a problem for the operation of your business. If an issue poses a problem, please tell us whether it is a minor, moderate or major problem."

Notes

1. The Census of Business Establishments, carried out in September 2005 by Statistics Sierra Leone, defined an establishment as an economic unit engaged in one or predominantly one kind of economic activity at a single physical location. This definition excludes all mobile roadside/street traders with no fixed location.
2. The main activity of 94 percent of the household heads in the file is crop farming. The remaining 6 percent are engaged in the livestock, poultry, forestry, or mining and quarrying sectors.
3. The original files obtained from the National Statistical Agency were somewhat larger (about 139,000 individual-level records and 330,000 household-level records). However, some of the records had to be dropped because they had duplicate identifiers (most of them were actually duplicate records).
4. Farms are, therefore, implicitly defined as “households with a farmer head.” The operational definition of the concept based on the matching of datasets is vulnerable to imperfections in the record identifiers (11,384 farmers from the individual-level file did not find a matching record in the household-level file). The assumption is made here that these imperfections are stochastically unrelated to the survey subject matter and, therefore, not a source of selection bias.
5. The industrial sectors identified in the sample frame are retail trade (2,881 employers); wholesale trade (355); other community, social, and personal service activities (313); health and social work (132); sales, maintenance, and repair of motor vehicles (106); transport, storage, and communication (105); hotels and restaurants (95); manufacturing (85); financial intermediation services (banks, insurance companies, and so forth) (45); construction (41); automotive fuel (31); education (31); electricity, gas, and water supply (24); crop farming (23); mining and quarrying (22); livestock (15); public administration, defense, social security, and so forth (14); real estate, renting, and business activities (13); forestry (6); nonclassified (5); poultry (5); and fishing (3).

Appendix C

International Experience with Youth Programs and Lessons for Sierra Leone

Selected International and National Youth Employment Programs

This appendix presents a selection of programs for youth skills development and employment that provide relevant experiences and lessons for Sierra Leone.¹ It also includes an overview of youth employment programs in Sierra Leone.

The Young Entrepreneurs' Qualification Program in Peru

The Programa de Calificación de Jóvenes Creadores de Microempresas is implemented by the Peruvian NGO Colectivo Integral de Desarrollo.² It started in 1999 to counteract the significant lack of entrepreneurial skills among young people. The objective of the program is to improve the earnings and quality of life of beneficiaries by providing assistance and training in the development of business plans and the creation of profitable businesses. The target population consists of economically disadvantaged people 15–25 in certain areas of Peru who have entrepreneurial skills or own a small or informal business that has been in operation less than a year.

PROGRAM DESCRIPTION. The main features of the program include the following:

- *Diffusion and registration process:* A massive advertising campaign was waged to publicize the program.
- *Training during the screening process* (or prebusiness creation services): All registered participants received training, which focused on the creation of business plans as well as individual counseling.
- *Selection of beneficiaries:* A jury—composed of successful entrepreneurs, university professors, and specialists—selected the projects or business plans that

promised the highest profits and appeared most feasible. The competition represented a difficult hurdle for many participants, very few of whom subsequently presented proposals.

- *Services after the selection process* (or postbusiness creation services): Services included training, counseling, and internships. In this stage training played a key role by preparing participants in building action plans in accordance with their business plan. Action plans helped participants and tutors identify and quantify the need for credit and establish the areas where assistance was most needed. Subsequent training encompassed courses in accounting, taxes, financial management, and sales strategies. Internships were carried out in private firms and lasted 170 hours. Loans were provided by an external financial institution.

PROGRAM IMPACT. Impact estimates based on experimental data four months after the end of the program suggest a 7.8 percentage point increase in the probability of having a business operating and an 8 percent increase in beneficiaries' average income. Estimates based on quasiexperimental data show an increase of almost 40 percentage points in the probability of operating the business for more than a year and a 40 percentage point increase in earnings. An important secondary effect was on job generation, with beneficiaries employing 17.3 percent more workers than the control group (interested but nonenrolled peers).

Although evaluations have not produced cost-benefit estimates, the program seems to yield positive net gains. Further evaluation and follow-up is needed to monitor the success of the program over a longer time period (at least two years). Regarding its replication in other localities, increasing the program's scale may hamper its effectiveness, which relies to a great extent on personalized service.

Entrepreneurship Programs with Focus on Rural Youth

A number of entrepreneurship programs focus on reaching rural young people. They focus on trying to improve skills in agriculture or natural resource-related areas.³

BOSNIA AND HERZEGOVINA: YOUTH PROMOTION PROJECT. The Swiss Cooperation Office designed a project to foster rural youth entrepreneurship in a post-conflict setting. The program aims at increasing the attractiveness of life in rural areas and decreasing pressure for migration. It offers training in specific agriculture fields; assists young people in selected agricultural sectors, especially the fruit and vegetable sector; and facilitates the establishment of small farms. GTZ has implemented the program since 2003, assisting rural inhabitants 19–25 in six villages in the Banja Luka and Tuzla regions of Bosnia Herzegovina.

THE PHILIPPINES: FARM YOUTH DEVELOPMENT PROGRAM. The Farm Youth Development Program (FYDP) is a government program aiming to counteract youth unemployment and skills shortages in rural areas. The program targets

Filipinos 15–24, offering training on integrated farming, entrepreneurial and cooperative management skills, and other activities, including international exchange programs and demonstration farms. A livelihood support program, provided through the Department of Agriculture's National Agriculture and Fishery Council, focuses on microenterprise and minienterprise projects with credit assistance. Between 1989 and 1992, 2,436 young people were trained and 156 microenterprises in 78 regions given financial support.

KENYA: PROJECT BAOBAB. Project Baobab is a nonprofit organization that has taught young people skills for economic independence through six partner secondary schools since 2000. It targets young low-income rural residents, mainly women, providing free business skills training (entrepreneurship and life-skills training) and small grants for business start-ups for some of those who are trained in secondary schools and vocational centers. The project's main components include the following:

- *Life skills:* Courses, introduced in the third year of secondary school, foster self-confidence and openness to express ideas before a group.
- *Entrepreneurial skills:* Courses, introduced in the fourth year of secondary school, provide training in job readiness, business planning, and development skills. Students create individual business plans that focus on enterprises such as secondhand clothes sales, bee or chicken raising, and tailoring.
- *Start-up loans:* Students submit business plans to a committee from the local business community. The most promising enterprises are recommended as candidates for start-up loans from Project Baobab. Each year in each partner school, three to four grants of \$100 each are awarded to students with outstanding business plans.

A gross impact evaluation shows that between 2000 and 2004 about half of the grantees were running businesses with marginal to good success. About 20 percent of the businesses were not operating (the business had failed or the individual had dropped out of school).

Microcredit Scheme for Young People in India

The Commonwealth Youth Credit Initiative (CYCI) in India is a small enterprise scheme for unemployed young people involving microcredit, training, and enterprise development.⁴ The scheme aims to create employment opportunities by providing low-cost, easily accessible credit to establish successful businesses and training in financial and enterprise management. The program also increases the knowledge of young people and youth-related organizations in the operation and management of credit programs.

Services are provided through low interest rates, low training costs, partnership with NGOs, and ongoing training and monitoring of enterprises. The focus is on

developing capacity for enterprise management, a prerequisite for self-employment. The program has three stages:

- *Stage I:* Precredit (community outreach support system and identification and selection of participants)
- *Stage II:* Capacity building (group formation, basic credit management, and entrepreneurship training)
- *Stage III:* Credit delivery and support (credit dispersion, credit management system, post-training support for growth and expansion, and relending).

The CYCI was designed by the Commonwealth Secretariat, an intergovernmental agency of the British Commonwealth. CYCI completed a three-year pilot cycle at Ahmedabad, Gujarat, India in 1999, conducted in collaboration with the International Centre for Entrepreneurship and Career Development (ICECD). The program became self-sustaining after three years, with operational self-sufficiency of 98 percent. After the three-year pilot program, 82 percent of participants were successfully operating microenterprises on a self-sustainable basis. Female participation exceeded 75 percent. More than 2,500 young people in India were trained and provided with small loans. Similar schemes have been implemented in other Commonwealth member states in Africa, South Asia, and the Caribbean.

In Africa the Secretariat has been consulting with the governments of Cameroon, Mozambique, Seychelles, and Sierra Leone to implement CYCI. Short-term training in enterprise development was provided in Ghana in January 2005 as the first phase of a national CYCI project there.

Successful Comprehensive Programs: The Jóvenes Programs

The Jóvenes programs are public initiatives developed in Latin America and the Caribbean beginning in the early 1990s.⁵ With the emphasis on demand, the model targets disadvantaged workers 16–29 with vocational training and numerous support services. The model was replicated in several countries across the region—first in Chile and subsequently in República Bolivariana de Venezuela, Argentina, Paraguay, Peru, Colombia, Panama, and the Dominican Republic. Few programs are currently operating; most have been adopted by national public training institutions or replaced by smaller interventions that inherited features from this model.

PROGRAM DESCRIPTION. The main features of the program include the following:

- *Recruitment:* Advertising campaigns in selected municipalities promoted the programs. Screening of potential participants took place in local offices, where, upon selection, participants were introduced to the program and its features.
- *Training:* Beneficiaries received technical skills training in an occupation (agriculture, industry, services, and construction). Courses aimed to develop work

habits and strengthen basic skills (reading, writing, and math; problem solving; logical reasoning; teamwork; interaction with peers and superiors; and understanding of instructions). The training lasted 150–250 hours on average. Some programs also offered job search assistance for 6–12 weeks.

- *Internship*: Participants acquired experience in a real work environment. Paid internships were uncommon. Most trainees did not receive wages from the sponsoring firms. Internships lasted two to three months on average.

Through a bidding process, the programs selected training providers based on experience and the quality of their proposals. Firms for the internships were chosen based on their experience; features (infrastructure, supplies, and so forth); and relevance of their activity to the training content.

PROGRAM COSTS AND BENEFITS. Estimates of the unit cost for the Jóvenes programs range from \$600 to \$2,000 per participant. Across programs there is evidence of increased employment probability and earnings of participants upon graduation compared with the control group. In Argentina, for instance, there was a 10 percent increase in the employment probability of adult women; in Chile the program increased the probability of employment by 21 percentage points, with particularly strong results for women and participants under 21. Earnings increased about 10 percentage points in Argentina and the Dominican Republic, with particularly favorable outcomes for young men, and about 26 percent in Chile, where the results were strongest among the youngest participants.

The Jóvenes programs are relatively cost-effective. Early evidence from Peru indicates that the positive earnings effect lasts at least seven years. A recent longitudinal version of propensity score matching shows a positive internal rate of return that is consistently above 4 percent. In the Dominican Republic investment on training was recuperated after two years.

Entra 21

Entra 21 was developed by the International Youth Foundation to prepare 16- to 29-year-olds in Latin America for today's information-based economy.⁶ The program has been widely implemented by local and central governments, NGOs, and local businesses to improve the employability of disadvantaged young people. The program began in 2002 with the goal of providing skills training in information and communication technology to 12,000 young workers over a three-year period and placing at least 40 percent of them in jobs.

Entra 21 programs are cofinanced by the Multilateral Investment Fund of the Inter-American Development Bank. Other important partners are Microsoft, the Lucent Technologies Foundation, Merrill Lynch, and USAID. Grants have been awarded in 18 countries (Argentina, Belize, Bolivia, Brazil, Chile, Colombia, the Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Panama, Paraguay, Peru, Uruguay, and República Bolivariana de Venezuela).

PROGRAM DESCRIPTION. Entra 21 supports young people through well-designed and coordinated lectures and internships. It offers life-skills training and continuous tutoring, central features of the intervention and key determinants of its success. There is also a financial scheme to provide incentives for people to register in the program. Programs last two years on average and target mainly un- or under-employed disadvantaged young people who have completed high school (or are in the process of doing so). Men and women are equally represented. Indigenous young people are targeted in Bolivia and Guatemala.

PROGRAM BENEFITS. Evaluations in Brazil, Bolivia, Colombia, the Dominican Republic, El Salvador, Panama, Paraguay, and Peru show positive gross impacts on the employability of participants. Estimated job placement rates range from 41 percent in Paraguay to 68 percent in Peru, with high satisfaction levels of both employers and beneficiaries. Placement rates have been lower for women, especially in Panama, where 64 percent of male participants but just 34 percent of female participants obtained jobs. In contrast, in São Paulo, Brazil, both genders obtained the same placement rate. Average monthly wages were at least as high as the minimum wage in Bolivia, Brazil, the Dominican Republic, Panama, Paraguay, and Peru. Most participants attained jobs in the formal sector that offered at least one or more benefits, such as paid vacations, a one-month bonus, and health insurance.

The Jua Kali Voucher Program in Kenya

One of the best known voucher training programs is Kenya's Jua Kali program, established in 1997 as a pilot program, under the auspices of the Micro and Small Enterprise Training and Technology Project.⁷ Vouchers are issued to unemployed young people, who select their own training provider based on their needs and objectives.

Vouchers for training have been used for some time in the United Kingdom and more recently in Germany and other countries. Such programs intend to empower recipients with the capacity to buy training on the open market, thereby promoting competition between private and public suppliers. The approach should improve the quality of training and reduce costs while ensuring a better match between the participant and the training course.

Under the Jua Kali pilot program, anyone eligible for training is given a voucher that can be used at the chosen training provider. Participants pay only 10 percent of the cost of the voucher, with the government subsidizing the remaining 90 percent. Master craftspeople were the major providers of training, responding to demand from clients.

Under the program, 37,606 vouchers were issued to entrepreneurs and employees in enterprises with 50 workers or fewer over the 1997–2001 period. Although the scheme did not focus exclusively on young people, the majority of those trained were young and disadvantaged.

There is evidence that the scheme has had a positive impact on participants and that it has boosted employment, assets, and business for enterprises that participated (in comparison with the control group). These findings relate to a small population served by the pilot program; there is no evidence of outcomes/impact in a large (national) sample. The scheme was complex and costly to establish, and it has proven to be difficult to phase out the subsidization of the vouchers.

The Jua Kali experience suggests that there is scope for the use of vouchers in a system targeted at the most vulnerable. It also yields several lessons about the use of vouchers. First, voucher schemes should be administered through the private sector rather than through a government ministry (as in Kenya). Second, the scheme should include provision for upgrading of training providers, especially those from small enterprises. Third, it should promote the willingness of clients to pay for training. Fourth, an exit strategy is needed for phasing out subsidies.

Programs in Sierra Leone

Sierra Leone has a variety of employment programs for young people. The programs described in table C.1 provides examples of the main types of programs.

Table C.1 Selected Programs for Young People in Sierra Leone

<i>Program</i>	<i>Objective</i>	<i>Activities</i>	<i>Coverage</i>	<i>Implementation partners/duration</i>	<i>Program category</i>
Basic Education for Youth in Postconflict Situations	Improve lives of marginalized children and young people through education	<ul style="list-style-type: none"> • Rapid Primary Education (RPE), which includes writing, math, and science; basic health education; and elementary political education to promote peaceful coexistence and democratic conduct • Training with local tradespeople, such as car mechanics, electricians, and carpenters. • Counseling for participants traumatized by war 	Some 405 participants at the three training centers in Kailahun, Koidu, and Waterloo; another 1,700 participants assisted by 180 peer educators	GTZ, Ministry of Youth and Sports/2004–06	Comprehensive, including second-chance education
Youth Reintegration Training and Education for Peace (YRTEP) Program ^a	Component of Disarmament, Demobilization and Reintegration program, which tracked and monitored all registered excombatants and provided training to all willing to participate	<ul style="list-style-type: none"> • Nonformal education focused on reintegration • Development of livelihood skills through environmental, health, and nation building related activities • Basic literacy and numeracy skills, as appropriate • Training of learning facilitators 	As of end-March 2004, 80,540 war-affected young people, including excombatants, had participated at 3,510 sites throughout the country	USAID, Office of Transition Initiatives, World Vision	Comprehensive

Youth Employment Promotion	Reduce high rate of unemployment among people 15–35	<ul style="list-style-type: none"> • Market research, in collaboration with Ministry of Labor, to determine actual and potential absorption capacity of employment market • Micro level: support to community-based NGOs in establishing sustainable employment opportunities • Mezzo level: assistance to small and medium-size enterprises through financial support; formation of viable trade associations; and upgrading of their organizational, technical, and managerial competences • Macro level: support to Ministry of Education, Science and Technology; Ministry of Labor, Social Security and Industrial Relations; selected district authorities; entrepreneur and craft associations; and training establishments in improving employability of marginalized young people. 	Up to four rural centers in Kailahun, Pujehun, and the Western Area	GTZ; Ministry of Labor, Social Security and Industrial Relations; Ministry of Education, Science and Technology/ 2006–09	Improving chances for young entre- preneurs, includ- ing through skill development training
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(continued)

Table C.1 (Continued)

<i>Program</i>	<i>Objective</i>	<i>Activities</i>	<i>Coverage</i>	<i>Implementation partners/duration</i>	<i>Program category</i>
		<ul style="list-style-type: none"> • Development of framework for business development services for small and medium-size businesses and business startups aimed at socioeconomic reintegration of young men and women • Dialogue between state and private sector, which is to play key role, promoted by organizing roundtables and working groups, using existing coordination groups • Technical skills training to upgrade skills in various areas, including automobile mechanics, pump maintenance, welding, and electrical works 			
Promotion of the Development Potential of Youth	Develop the potential of marginalized people 15–35 in rural and semiurban areas through nonformal education and social counseling	<ul style="list-style-type: none"> • Apprenticeship training • Community-based nonformal activities • Capacity building of the Ministry of Education (including assistance by international expertise and exchange) • Social counseling 	Rural and semi-urban areas	GTZ; Ministry of Education, Science and Technology	Skills training

Skills Training and Employment Promotion Program (STEP) (follow-up to YRTEP)	Promote reintegration of excombatants and others affected by war in their communities by stimulating local economic activities and increasing opportunities for vocational skill acquisition	<ul style="list-style-type: none"> • Public work schemes • Microgrants, including business management training • Skills training, including in masonry/brick laying, carpentry, and tailoring 	105 projects supported; 11,362 beneficiaries in six districts (Bo, Bonthe, Pujehun, Kenema, Kailahun, and Kono)	USAID, World Vision; 2002–04	Opening pathways to jobs, improving chances for young entrepreneurs
Skills Training and Employment Generation II (STEG II)	Increase social reintegration of excombatants and the community through community-based skills development, employment, cooperation, and reconciliation	<ul style="list-style-type: none"> • Strengthening of life skills and positive social role of 480 excombatants and community members • Opportunity for 949 excombatants and communities to benefit from microcredit loans through solidarity group lending • Creation of temporary employment for excombatants and community members, and • Provision of seeds or small ruminant animals (goats and sheep) to 3,725 farm families for agricultural rehabilitation 	Koindadugu	USAID, Christian Children's Fund	Improving chances for young entrepreneurs, including skill development

(continued)

Table C.1 (Continued)

<i>Program</i>	<i>Objective</i>	<i>Activities</i>	<i>Coverage</i>	<i>Implementation partners/duration</i>	<i>Program category</i>
Linkages for Livelihood Security and Economic Development Project (LINKS)	Increase production and build economies at the community level by promoting microenterprise development and enhancing market-led agricultural innovation; integrate communities into regional and national markets through increased flow of inputs to and outputs from the communities; and integrate marginalized young people into dynamic rural economies	<ul style="list-style-type: none"> • Micro level: support for farm innovation; promotion of micro-enterprise (especially agroprocessing, storage, and input supply) through savings, credit provision, start-up grants, business management training, and market-led appropriate technology; and piloting of agricultural credit and start-up grants • Mezzo level: elimination of obstacles and filling of niches to improve flow of inputs to and outputs from communities; support of microfinance institutions; and support of small-scale transport solutions • Macro level: dialogue at the national level to provide information to influence policy on economic information services, agricultural marketing, and agricultural input supply 	Kailahun, Koinadugu, and Kono	USAID, CARE International, Catholic Relief Services, World Vision, Africare/Sierra Leone, Search for Common Ground/ 2005–07	

Disadvantaged Children and Youth Program (DCYP)	Create enabling environment leading to improved livelihoods for disadvantaged children and young people. Program aims to remove children from vulnerable situations, especially the streets, and to assist them in becoming self-reliant.	<ul style="list-style-type: none"> • Placement of street children in temporary shelter, where they receive range of services (counseling, health, education) and are reunified with their families if possible • Provision of formal education to children under 13 • Provision of 18–36 months of nonformal education and skills training to older children; upon graduation students receive start-up kits 	More than 700 participants in GOAL Ireland, Freetown, Kenema, and Tongo Field; program targets orphans; street children; commercial sex workers, including children; and extremely poor young people	UNICEF	Comprehensive program including second-chance education and skill development
Sierra Leone Youth in Crisis Project ^b	Reintegrate young people into their communities	<ul style="list-style-type: none"> • Eight-week training program followed by construction and marketing of housing units (program provided food for training) • Training in fish production, processing, and preservation followed by training in marketing skills, business savings, credit, and related issues intended to enhance the prospects of sustainable livelihood 	122 participants	Action Aid; 1998–2002	Improving chances for young entrepreneurs

(continued)

Table C.1 (Continued)

<i>Program</i>	<i>Objective</i>	<i>Activities</i>	<i>Coverage</i>	<i>Implementation partners/duration</i>	<i>Program category</i>
Community Youth Recovery Project (CYRP) ^c	Respond to community-identified needs of particular relevance to young people	<ul style="list-style-type: none"> • School rehabilitation with involvement of young people • Skills training, and formation of groups of young people in cooperation with local leadership to empower marginalized individuals to contribute to the reformation of village-level institutions and decision-making processes 	Moyamaba and Tonkolili	CARE, Netherlands' Ministry of Foreign Affairs	Skills training and strengthening youth citizenship
Lower Bambara Youth Agricultural Association	Promote youth agricultural activities	<ul style="list-style-type: none"> • Support of cooperative that turned mined-out area into a rice field through training and provision of seeds and basic tools 	28 participants in Tongo Fields	Started through USAID Education for Peace Program, currently supported by GTZ	Skills training
Youth in Progress ^d	Develop youth centers to respond to needs identified by young people	<ul style="list-style-type: none"> • Creation of centers to provide space for young people to gather • Provision of recreational activities through sports and development of libraries • Development of microprojects and awareness raising on peace building, conflict analysis, rights-based issues, and civic education 	More than 3,000 beneficiaries in Bo and Kenema	Conciliation Resources	Youth centers

Agriculture for Sustainable Development ^e	Support youth with no or only basic education to acquire vocational and practical skills and engage in productive income-generating activities to make them self-reliant and responsible	<ul style="list-style-type: none"> • Support for farming activities, including swampland and upland cultivation; vegetable production (cassava, potatoes, and groundnuts); and livestock farming 	140 participants, most of them internally displaced persons from camp at Waterloo; unemployed young people from affiliate groups, such as the Firestone Community Development and Cultural Organization, Barham Road Youth, and the Waterloo Youth Organization; and marginalized street people	Youth Empowerment for Development Ministries, Ministry of Youth and Sports	Skills training
Sierra Leone Rehabilitation and Resettlement Programme	Help young people and communities resettle in their areas of origin by providing agricultural assistance and employment in basic social services	<p>Phase 1 (1997–2002): Projects in agricultural sector and related income generation:</p> <ul style="list-style-type: none"> • support for agricultural activities through seed distribution; provision of agricultural tools; rehabilitation of tree crop plantations; technical assistance for cultivating vegetables; provision of agricultural stores, drying floors, and crop-processing 	National	European Union, International Rescue Committee	Opening pathways to jobs, skills training

(continued)

Table C.1 (Continued)

<i>Program</i>	<i>Objective</i>	<i>Activities</i>	<i>Coverage</i>	<i>Implementation partners/duration</i>	<i>Program category</i>
		<p>equipment; and support for small-scale fishing and animal husbandry</p> <ul style="list-style-type: none"> • skills training, school construction, renovation of vocational training centers, and provision of school furniture • rehabilitation of hospitals and peripheral health care units and provision of refresher training for medical staff • provision of short-term employment through public works programs <p>Phase 2 (2002–05): Assistance to war-affected populations and communities to resettle in their areas of origin:</p> <ul style="list-style-type: none"> • agricultural assistance programs • support for reintegrating excombatants into society through paid employment concentrating on rehabilitation of infrastructure • improved provision of basic social services in health, sanitation, and education 			

Addressing Youth Poverty in Post War Sierra Leone	Strengthen existing efforts/structures in enterprise development	<ul style="list-style-type: none"> • Consultations and development of project activities with all key stakeholders • Institutional strengthening of small organizations for young people • Support of enterprise development activities in agriculture, such as mechanized farming and animal husbandry 	n.a.	Youth Alliance for Peace and Development, Village Aid, European Union, Sierra Leone youth organizations	Skills training
Youth Engagement and Job Creation Program	Support increased and broader participation of youth in decision making, job creation, and training, and promote responsible citizenry. Program aims to tackle problem of alienation by promoting culture of excellence that empowers young people to be productive	<ul style="list-style-type: none"> • Support to specialized units within Ministry of Youth and Sports for policy formulation, research, project planning, supervision, monitoring, and gender • Identification of institutions/ organizations and their training/ support capacity • Identification of youth groups in high-vulnerability/high-return areas • Development of support mechanism for young people with vocational training or apprenticeship experience • Development of income-generating activities in a participatory way • Establishment of district youth committees 	National, 48 areas	Ministry of Youth and Sports, United Nations Development Programme	Improving chances for young entrepreneurs, strengthening youth citizenship

(continued)

Table C.1 (Continued)

<i>Program</i>	<i>Objective</i>	<i>Activities</i>	<i>Coverage</i>	<i>Implementation partners/duration</i>	<i>Program category</i>
		<ul style="list-style-type: none"> • Work with ministries of youth, agriculture, forestry and food security, and other relevant ministries to streamline and align interventions with national policies • Support for systems for improving training capacity to meet defined needs • Support for and funding of viable income-generating ideas and projects • Support for marketing of products and coordination efforts 			
Freetown Waste Management System	Promote sustainable livelihood mechanisms for young people by combining intensive infrastructure projects and promotion of small and medium-size enterprises	<ul style="list-style-type: none"> • Creation of a waste management authority based on a public-private enterprise • Support for development of enterprises owned by young people, including through training and access to financing • Support for implementation of waste management projects by small and microenterprises 	Freetown	GTZ, Freetown City Council	Opening pathways to jobs

Distance Learning in Microfinance	Expand knowledge of microfinance by professionals and students	<ul style="list-style-type: none"> Distance learning course that presents comprehensive introduction to sustainable microfinance (areas covered include economics, finance, business, and international development and banking) 	n.a.	National Commission for Social Action, Njala University	Improving chances of entrepreneurs
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Source: Authors' compilation.

Note: n.a. = not available.

a. For more information, see <http://reliefweb.int/library/documents/2002/care-sle-31aug.pdf>.

b. For more information, see http://yesweb.org/gkr/project_factsheet.html?pid=234.

c. For more information, see <http://www.care.org/careswork/projects/SLE030.asp?>.

d. For more information, see <http://c-r.org/resources/occasional-papers/sierra-leone-youth-crisis.php>.

e. For more information, see <http://orgs.tigweb.org/3700>.

Notes

1. Descriptions of the international programs are based on Puerto (2007).
2. This section is based on Jaramillo (2006) and Jaramillo and Parodi (2003).
3. This section is based on information from www.sdc-seco.ba, www.yesweb.org/gkr/project_factsheet.html?pid=107, www.unescap.org/esid/hds/youth/youth_philippines.pdf, and www.projectbaobab.org.
4. This section is based on information from thecommonwealth.org and www.icecd.org.
5. This section draws on Aedo and Nunez (2001); Nopo and others (2002); Aedo and Pizarro (2004); Elias and others (2004); Card and others (2006); and Diaz and Jaramillo (2006).
6. This section is based on Pezzullo (2005).
7. This section is based on Johnson and Adams (2004).

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Creating job opportunities for its large and growing number of young people is a key development challenge for the government of Sierra Leone. It is also crucial for maintaining peace and promoting pro-poor growth. Young people ages 15 to 35 years old are at a particular disadvantage relative to today's children or adults, as they grew up during a war, thereby potentially stunting their development and their transition into adulthood. This transition culminates with secure employment and the resources to provide for oneself and one's family. History suggests that marginalized young people can disrupt a peaceful society; youth who lacked education and access to job opportunities were at the core of the recent conflict, and it is important that this cycle not be repeated. The challenge is how to support their transition to adulthood and, in the process, avoid future conflict.

Youth Employment in Sierra Leone examines the supply and demand sides of the labor market to better understand the situation of today's young people, relative to that of adults, and presents an evidence-based menu of potential programs and policies for Sierra Leone. In particular, the authors use a recent household survey and census data to examine patterns of formal and informal labor force activity and human capital accumulation. The authors commissioned a labor demand survey and report on its findings to determine the extent to which urban and rural employers hire young people and their decision-making process. The study reviews skill development programs to enhance youth employability, based on a review of international best practices and of the main programs in Sierra Leone. The authors conclude that youth are a dynamic part of the labor market and that the observed youth employment patterns are a result of the economy's structure rather than constraints facing youth. Short-term actions—to address the immediate needs of today's youth—and long-term strategies to improve the labor market's underlying limitations will be of interest to policy makers who are looking to turn the serious political, social, and economic challenges of sustainable youth employment into an opportunity.



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