



International
Labour
Office
Geneva

**Employment Sector
Employment Report No. 7**

2010

**PROMOTING JOB CREATION FOR YOUNG PEOPLE IN
MULTINATIONAL ENTERPRISES AND THEIR SUPPLY CHAINS:
LIBERIA**

Yukiko Arai, Ata Cissé, Madjiguene Sock

Multinational
Enterprises
Programme

Job Creation
and Enterprise
Development
Department

Copyright © International Labour Organization 2010
First published 2010

Publications of the International Labour Office enjoy copyright under Protocol 2 of the Universal Copyright Convention. Nevertheless, short excerpts from them may be reproduced without authorization, on condition that the source is indicated. For rights of reproduction or translation, application should be made to ILO Publications (Rights and Permissions), International Labour Office, CH-1211 Geneva 22, Switzerland, or by email: pubdroit@ilo.org. The International Labour Office welcomes such applications.

Libraries, institutions and other users registered with reproduction rights organizations may make copies in accordance with the licences issued to them for this purpose. Visit www.ifrro.org to find the reproduction rights organization in your country.

Yukiko Arai, Ata Cissé, Madjiguene Sock

Promoting job creation for young people in multinational enterprises and their supply chains: Liberia/Yukiko Arai, Ata Cissé, Madjiguene Sock; International Labour Office. - Geneva: ILO, 2010
59 p. (Employment Sector – Employment Report No. 7; 2010)

ISBN 978-92-2-124067-9; 978-92-2-124068-6 (web pdf)

International Labour Office; Employment Sector.

employment creation / employment policy / youth employment / youth / multinational enterprise / agricultural sector / mining / banking / corporate social responsibility/ foreign direct investment/ Liberia

13.01.3

ILO Cataloguing in Publication Data

The designations employed in ILO publications, which are in conformity with United Nations practice, and the presentation of material therein do not imply the expression of any opinion whatsoever on the part of the International Labour Office concerning the legal status of any country, area or territory or of its authorities, or concerning the delimitation of its frontiers.

The responsibility for opinions expressed in signed articles, studies and other contributions rests solely with their authors, and publication does not constitute an endorsement by the International Labour Office of the opinions expressed in them.

Reference to names of firms and commercial products and processes does not imply their endorsement by the International Labour Office, and any failure to mention a particular firm, commercial product or process is not a sign of disapproval.

ILO publications and electronic products can be obtained through major booksellers or ILO local offices in many countries, or direct from ILO Publications, International Labour Office, CH-1211 Geneva 22, Switzerland. Catalogues or lists of new publications are available free of charge from the above address, or by email: pubvente@ilo.org

Visit our web site: www.ilo.org/publns

Printed in Switzerland

Preface

The primary goal of the ILO is to contribute, with its member States, to achieve full and productive employment and decent work for all, including women and young people, a goal embedded in the ILO Declaration 2008 on *Social Justice for a Fair Globalization*,¹ and which has now been widely adopted by the international community.

In order to support member States and the social partners to reach the goal, the ILO pursues a Decent Work Agenda which comprises four interrelated areas: Respect for fundamental worker's rights and international labour standards, employment promotion, social protection and social dialogue. Explanations of this integrated approach and related challenges are contained in a number of key documents: in those explaining and elaborating the concept of decent work,² in the Employment Policy Convention, 1964 (No. 122) and in the Global Employment Agenda.

The Global Employment Agenda was developed by the ILO through tripartite consensus of its Governing Body's Employment and Social Policy Committee. Since its adoption in 2003 it has been further articulated and made more operational and today it constitutes the basic framework through which the ILO pursues the objective of placing employment at the centre of economic and social policies.³

The Employment Sector is fully engaged in the implementation of the Global Employment Agenda, and is doing so through a large range of technical support and capacity building activities, advisory services and policy research. As part of its research and publications programme, the Employment Sector promotes knowledge-generation around key policy issues and topics conforming to the core elements of the Global Employment Agenda and the Decent Work Agenda. The Sector's publications consist of books, monographs, working papers, employment reports and policy briefs.⁴

While the main findings of the research initiatives are disseminated through the Employment Working Papers, the *Employment Report* series is designed to consolidate the major evaluations of employment programmes, conclusions and resolutions of workshops and seminars, and other information details that are particularly, though not exclusively useful to the work of the ILO and its constituent partners.

José Manuel Salazar-Xirinachs
Executive Director
Employment Sector

¹ See http://www.ilo.org/public/english/bureau/dgo/download/dg_announce_en.pdf.

² See the successive Reports of the Director-General to the International Labour Conference: *Decent work* (1999); *Reducing the decent work deficit: A global challenge* (2001); *Working out of poverty* (2003).

³ See <http://www.ilo.org/gea>. And in particular: *Implementing the Global Employment Agenda: Employment strategies in support of decent work*. "Vision" document, ILO, 2006.

⁴ See <http://www.ilo.org/employment>.

Foreword

This paper examines the employment impact of multinational enterprises (MNEs) in Liberia. Its principal purpose is to explore the potential role that MNEs could play in creating more and better jobs. It is part of a broader study that also includes Côte d'Ivoire and Sierra Leone.

This action-oriented research is intended to provide a timely and meaningful contribution towards tackling national youth employment challenges exacerbated by fourteen years of armed conflict. Through dialogue with key stakeholders, the study seeks to understand the major constraints on the recruitment of local youth. Moreover, information obtained first-hand from the MNEs contributes toward promoting evidence-based policy discussion at the country level, reinforcing the ILO's efforts in promoting the Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy (the ILO MNE Declaration) which aims "to encourage the positive contribution that multinational enterprises can make to economic and social progress."

The study confirms that MNEs are returning to Liberia in the post-conflict period. Foreign Direct Investment (FDI) is expected to bring job creation opportunities. While MNEs cannot absorb all those seeking employment, they do create a substantial number of jobs through direct employment. And they have the potential to create many more jobs through their value chain operations in the country, as well as indirectly by stimulating broader economic activity.

One of the important outcomes of the process behind this study is that the participating MNEs expressed their willingness to collaborate with other stakeholders in addressing common challenges. We hope that the findings and recommendations of this study foster a partnership approach that supports Liberia's national development goals while ensuring that the MNEs also benefit through enhanced longer-term competitiveness.

Sina Chuma-Mkandawire
Director
ILO Office in Abuja

Ricarda McFalls
Chief
Multinational Enterprises Programme

Acknowledgements

This study has been prepared by Yukiko Arai of the ILO Multinational Enterprises Programme and Ata Cissé and Madjiguene Sock of FocusAfrica, a management consulting firm based in Dakar, Senegal.

The authors above all wish to express their appreciation to all those who participated in the interviews and focus group discussions, including the representatives of the Ministry of Labour, Liberia Chamber of Commerce (LCC) and Liberia Labour Congress (LLC). Without their valuable contribution, this study could not have been undertaken.

They also thankfully acknowledge the insights and collaboration received from a range of colleagues in the ILO headquarters and in the field structure as well as the staff of FocusAfrica.

Special thanks are due to: Pindarous W.T.Allison of FocusAfrica and ILO colleagues based in Monrovia who coordinated the logistics at the country level; management and specialists of the ILO Sub-Regional Office in Dakar who took part in the December 2009 technical review meeting; Mpenga Kabundi, Sina Chuma-Mkandawire, Claudia Coenjaerts and Gianni Rosas for the overall guidance and support throughout; Mohammed Gassama for the technical advice and review of the draft reports; Yves Perardel, Steven Kapsos and Sara Elder for the advice on statistics, and Faustina Vanaperen and Luesette Howell for the insights provided in preparation for the country-level activities.

Lastly, sincere appreciation goes to those who made the publication of this report possible: Ricarda McFalls for her strong backing and technical guidance; Emily Sims for the technical support in finalising the report; and Irina Akimova for the production assistance.

This action-oriented MNE study in Liberia was funded by the Government of Japan, as part of the UNIDO-ILO Youth Employment project in the Mano River Union countries.

Acronyms

| | |
|--------|---|
| CBL | Central Bank of Liberia |
| CSR | Corporate Social Responsibility |
| CWIQ | Core Welfare Indicators Questionnaire |
| EU | European Union |
| FDI | Foreign Direct Investment |
| GDP | Gross Domestic Product |
| ILO | International Labour Organization |
| IMF | International Monetary Fund |
| LCC | Liberia Chamber of Commerce |
| LLC | Liberia Labour Congress |
| LEAP | Liberia Employment Action Programme |
| LEEP | Liberia Emergency Employment Programme |
| LISGIS | Liberia Institute of Statistics and Geo-Information Service |
| MNE | Multinational Enterprise |
| MRU | Mano River Union |
| PRS | Poverty Reduction Strategy |
| PRSP | Poverty Reduction Strategy Paper |
| SMEs | Small and medium-sized enterprises |
| TVET | Technical and Vocational Education and Training |
| UN | United Nations |
| UNDP | United Nations Development Programme |
| UNIDO | United Nations Industrial Development Organization |
| USAID | United States Agency for International Development |
| USD | US Dollars |
| VER | Vulnerable Employment Rate |

Contents

- Preface iii
- Foreword v
- Acknowledgements vi
- Acronyms vii
- Executive Summary 1
- Introduction 3**
 - Note on methodology 4
 - Limitations of the study 5
 - Structure of the report 6
- Chapter 1 Background: Economic impact of the civil war 7**
 - Economic recovery 8
- Chapter 2 Employment trends and Government employment policies 10**
 - Dialogue and stakeholder engagement at the macro level 13
- Chapter 3 Youth employment in agriculture and agro-forestry 15**
 - Overall data on youth employment in the MNEs surveyed 16
 - Positions available, skills required and skills gaps 17
 - Sectoral outlook 20
 - CSR practices in the agricultural and agro-forestry sector 21
 - Dialogue and stakeholder engagement 21
- Chapter 4 Youth employment in mining 23**
 - Overall data on youth employment in the MNEs surveyed 24
 - Positions available, skills required and skills gaps 24
 - Sectoral outlook 27
 - CSR practices in the mining sector 28
 - Dialogue and stakeholder engagement 28
- Chapter 5 Youth employment in banking 29**
 - Overall data on youth employment in the MNEs interviewed 29
 - Positions available, skills required and skills gaps 30
 - Sectoral outlook 32
 - CSR practices in the banking sector 34
 - Dialogue and stakeholder engagement 34
- Chapter 6 Conclusions and recommendations 36**
- References 43

Tables

Table 1. Participating MNEs as a proportion of total MNEs for each sector 6

Table 2. Contributions to GDP by sector (millions of USD) 7

Table 3. Unemployment rates by sex and age group in 2007..... 10

Table 4. Breakdown of the employment status of youth below age 35..... 11

Table 5. Direct employment data in the seven MNEs surveyed in the agricultural sector..... 16

Table 6. Future job prospects in the MNEs interviewed in the agricultural sector 16

Table 7. Positions available and skills needs of MNEs in the agriculture and agri-forestry sector 17

Table 8. Potential job categories in the agricultural sector as identified by the MNEs interviewed..... 20

Table 9. Direct employment data in the six MNEs surveyed in the mining sector 24

Table 10. Positions available and skills needs of MNEs in the mining sector 25

Table 11. Direct employment data in the four MNEs surveyed in the banking sector..... 30

Table 12. Positions available and skills needs of MNEs in the banking sector 30

Table 13. Potential job categories in the banking sector as identified by the MNEs interviewed 33

Table 14. Sectoral challenges and current MNE efforts..... 37

Annex A Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy (ILO MNE Declaration)..... 38

Annex B List of organizations interviewed and/or participated in the focus group discussions..... 40

Executive Summary

Multinational enterprises (MNEs) operating in the Mano River Union (MRU) countries in industries such as mining, timber and agriculture (cash crops) are a promising yet untapped source of job creation for young people. Yet many of the posts created are seen to be filled by foreign workers due to limited skilled labour available locally. How can investment entering the region generate more quality jobs for local young women and men and contribute further to national development?

To help answer this question, the International Labour Organization (ILO) and the United Nations Industrial Development Organization (UNIDO) undertook an action-oriented research programme on maximizing local job creation through MNEs (both direct and indirect employment), focussing on youth employment. The research identifies various constraints on the recruitment of local labour (especially young women and men) and possible strategies to overcome such constraints in the selected economic sectors.

Funded by the Japanese Government, the research programme consists of two components: (i) a country-level exercise led by the ILO in Côte d'Ivoire, Liberia and Sierra Leone; and (ii) a survey of MNEs operating in the four MRU countries (Côte d'Ivoire, Guinea, Liberia and Sierra Leone) led by UNIDO and targeting MNE headquarters offices as well as their subsidiaries in each country. The present report is an output of the country-level exercise undertaken by the ILO in Liberia.

Using the ILO Declaration of Principles concerning Multinational Enterprises and Social Policy (the ILO MNE Declaration, the ILO's key instrument on corporate social responsibility) as an entry point, the country-level exercise collected first-hand information and promoted interactive dialogue amongst key stakeholders on practical ways forward. MNEs participated in interviews and focus group discussions. The exercise provides an input into further policy dialogue and programming activities to boost youth employment in MNEs and their supply chains.

The study focussed on agriculture, mining and banking. The key findings include the following:

- MNEs generate a significant number of jobs but largely limited to unskilled and semi-skilled positions for Liberian nationals while foreign employees tend to occupy senior management and technical positions requiring experience and skills difficult to find in the local market. The MNEs expressed a preference for recruitment from the local workforce if they can find candidates with adequate education and skills.
- Over half of employees in the mining and banking sectors are youth and the number of women employed in the banking sector is relatively high in comparison with the other sectors. And whereas the agriculture offers significant growth potential, it currently fails to attract youth to the sector.
- Strengthening national infrastructure investments is critical to boosting the employment potential of MNEs through their potential value chains. Currently, MNEs import most of their supplies as necessary products are unavailable in the domestic market, reducing the possibility of job creation for the local workforce through supply chains; and unreliable physical infrastructure remains a key constraint preventing many MNEs from manufacturing locally.
- All three sectors researched report optimistic growth plans, provided the appropriate enabling environment and conditions are in place: The agricultural

sector has the potential to develop extensive value chains. The mining sector has an enormous spin-off effect as it generates indirect employment opportunities in construction, catering and other services. The situation in the banking sector is also promising, with new international banks starting operations in the country and some banks expanding outside the capital.

- Future employment opportunities will be for skilled labour with practical experience and knowledge of the latest technologies and principles in their respective fields. However, job growth may be confined to unskilled work unless action is taken to improve the levels of education and training attained by new labour market entrants.

The MNEs interviewed are aware that they are facing common challenges and initial efforts are being made at the sectoral and sub-sectoral levels to address them jointly. There has been little dialogue between the public and private sectors, although MNEs generally consider that the Government should focus on collaborating with the private sector to find solutions. During the exercise several recommendations emerged which could help boost local employment:

1. Support the National Tripartite Committee in promoting public-private partnerships directed towards the issues of training and skills development.
2. Foster innovative public-private partnership pilot projects with interested and willing MNEs through dialogue that could contribute to identifying effective models of MNE cooperation in the areas of training and skills development. MNEs could, for example, provide guidance on their skills requirements, which would contribute to improving the match between labour demand and supply.
3. Strengthen partnerships within the business community through the establishment of platforms for continuous dialogue among businesses, led by the Liberia Chamber of Commerce (LCC), on closing the skills gap.
4. Enhance the employment dimension of ongoing sectoral dialogues. As each sector currently meets on a range of issue, there is an opportunity to put focus on the youth employment issue.
5. Improve the quality of education and vocational training in overcoming the skills gap. The MNEs in Liberia currently provide training opportunities at the enterprise level to overcome the skills gap found among newly recruited employees. However, there is scope for MNEs to come together in partnerships, for example to develop relevant curricula for schools or offer students internships to improve their employability. Jointly designed initiatives that deliver training programmes should meet the needs of MNEs and businesses at large.
6. Boost linkages between MNEs and local suppliers. As more MNEs enter or re-start local operations, the Government could design policies and programmes that actively promote inclusive business approaches to bring small and medium enterprises (SMEs) into MNE value chains.
7. Review the employment-related provisions of concession agreements to assess their employment impact.

Introduction

Liberia's 14 year war delayed a generation of new entrants to the workforce and left gaping holes in the infrastructure critical to investment and recovery. The Vulnerable Employment Rate (VER), defined as the proportion of the total workforce who are either self-employed without employees or unpaid family workers, is estimated at close to 85 per cent in Liberia.⁵ Youth between ages of 15 and 35⁶ make up 35 per cent of the population (National Population Census and Housing, 2008) and 53 per cent of the workforce, yet constitute 58 per cent of the unemployed.⁷ The integration of young people into the labour market is critical for overall economic development and in securing stability in post-conflict countries.

Since its election in 2005, the Government of Liberia has prioritized job creation through attracting foreign direct investment (FDI) to exploit the country's abundant natural resources. Primarily concentrated in the agricultural and mining sectors, FDI has been growing at a consistent rate⁸.

The potential for youth employment is high in industries such as mining, timber and agriculture (cash crops), with further potential in their value chains. However, jobs are often filled by skilled foreign workers because local young women and men generally lack the required skills; and MNEs often must import goods and services rather than procure them locally in view of the insufficient capacity of the local market. More jobs could clearly be generated if MNEs were able to source more goods from local producers.

How can the full potential of MNEs for local job creation be reached? It was in this context that the International Labour Organization (ILO) and the United Nations Industrial Development Organization (UNIDO) decided to undertake an action-oriented research programme designed to contribute to maximizing local job creation in MNEs (in terms of both direct and indirect employment), with emphasis on youth employment. The research programme is aimed at analysing and identifying the various constraints on the recruitment of local labour (especially young women and men) and at identifying experiences and future strategies to overcome such constraints in selected economic sectors.

This UNIDO-ILO action-oriented MNE research programme consisted of two components: (i) a country-level exercise led by the ILO in Côte d'Ivoire, Liberia and Sierra Leone,⁹ and (ii) a survey of MNEs operating in the four MRU countries¹⁰ led by UNIDO,

⁵ Latest estimate to be confirmed by the 2010 Labour Force Survey

⁶ Although the standard United Nations definition of youth is persons between the ages of 15 and 24, the present study follows the national definition of youth, which is young persons between the ages of 15 and 35. Although there has been some discussion of lowering the upper limit to 30, no change has yet been made as many people who are over 30 are seeking their first opportunity to become economically active after the 14-year civil war.

⁷ ILO Core Welfare Indicators Questionnaire (CWIQ) survey, 2007. The definition of unemployed persons is those individuals without work (for at least one hour in the past week and also not classified as temporarily absent from work) seeking work in a recent past period, and currently available for work.

⁸ FDI Stat, UNCTAD

⁹ Country-level exercises took place during the months of October and November 2009. A total of 57 MNEs were interviewed, 27 in Côte d'Ivoire, 17 in Liberia, and 13 in Sierra Leone, or approximately 60 per cent of those identified for the study.

¹⁰ Côte d'Ivoire, Guinea, Liberia and Sierra Leone.

targeting MNEs headquarter offices and their subsidiaries in each country. The research programme was designed¹¹ as a component of the broader MRU multi-stakeholder youth employment programme funded by the Government of Japan, and implemented by the ILO, UNIDO, the Youth Employment Network (YEN) and the United Nations Development Program (UNDP).

The present report is an output of the country-level exercise undertaken by the ILO in Liberia¹². The principal objectives of this action-oriented study was to collect first-hand information, engage diverse stakeholders, including MNEs, in dialogue and seek practical ways of contributing to addressing the national challenges of youth employment. FDI trends and Government policies (including national development strategies, employment and sectoral policies) have been analysed with a view to gaining a better understanding of the environment in which MNEs operate. The ILO Declaration of Principles concerning Multinational Enterprises and Social Policy (ILO MNE Declaration), adopted in 1977 and revised most recently in 2006, provided a research framework for the exercise, as the instrument provides clear guidance on how MNEs can contribute to the national development priorities in the countries in which they operate.

This action-oriented MNE study is the result of a process of engagement at the country level with key actors, including MNEs, through interviews and focus group discussions. It is also intended to serve as an input into further policy dialogue and programming activities to boost youth employment in MNEs and their supply chains.¹³

The study attempts to answer the following questions:

- What types of jobs are currently found in MNEs and their supply chains?
- What are the prospects of creating more and better jobs through MNEs? Where does the future potential lie in terms of job prospects?
- What are the future skills needs?
- Do MNEs have a role to play in narrowing the “skills gap”?

Note on methodology

The ILO MNE study for Liberia focuses on the three priority sectors identified in the Government’s 2008 Poverty Reduction Strategy Paper (PRSP) - agriculture, mining and banking - which are also the sectors with the highest concentration of MNEs. For purposes of this study, multinational enterprises operating in the country, including Liberian enterprises, are defined as those “whether they are of public, mixed or private ownership,

¹¹ A joint ILO-UNIDO scoping mission conducted in late 2008 assessed the feasibility of the study.

¹² The country-level exercise in Liberia was undertaken during an ILO mission that visited the country on October 19-26, 2009. A joint ILO-UNIDO scoping mission was carried out in November 2008.

¹³ Although the United Nations defines youth as persons between the ages of 15 and 24 years, the present study follows the national definition, which is young persons between ages of 15 and 35.

which own or control production, distribution, services or other facilities outside the country in which they are based.”¹⁴

The analysis and recommendations presented in this report are based on first-hand information gathered in October 2009 from senior-level executives representing 17 MNEs (those interviewed forthwith referred to collectively and individually as “MNEs” or “MNE” respectively), including seven in agriculture, six in mining and four in banking. Each interview lasted approximately 45-60 minutes, followed by an interactive discussion with representative(s) of the MNE. The discussions focussed on issues relating to the recruitment of youth, partnerships with local suppliers, current Corporate Social Responsibility (CSR) policies, national labour laws and practices, and the current interactions of MNEs with the various line ministries. The MNEs were given the opportunity to discuss the challenges that they face in recruiting locally and to share their opinions on ways of improving the sector as a whole, including possible partnerships.

Dialogue and focus group discussions were also held with representatives of the Ministry of Labour, Liberia Chamber of Commerce and Liberia Labour Congress; as well as with other ministries, sectoral associations, civil society organizations, academic institutions, journalists and development partners (see Appendix B). Each meeting lasted approximately 60 minutes, with participants engaging in interactive dialogue on issues related to youth employment, the roles that they could play and the role that they expect MNEs to play in creating decent employment opportunities for youth.

Policy documents, statistics and concession agreements also were analysed.

ILO representatives introduced the principles of the MNE Declaration to the delegates during the dialogues and focus group sessions. The new ILO Helpdesk service, which provides advice to companies on international labour standards, was also introduced.

Limitations of the study

Prior to arriving in Liberia, all the MNEs identified in the three focus sectors were contacted to request for an interview; 90 per cent of them expressed interest in participating. Due to scheduling difficulties, it was not possible for the team to meet all the interested MNEs; nonetheless, the 17 MNEs interviewed represent 71 per cent and includes the leading MNEs in the selected sectors.

¹⁴ ILO Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy, 1997, most recently updated in 2006

Table 1. Participating MNEs as a proportion of total MNEs for each sector

| Sector | Number of MNEs identified | Number of MNEs interviewed ¹⁵ | Percentage of MNEs interviewed |
|---------------------------|---------------------------|--|--------------------------------|
| Agriculture/agro-forestry | 9 | 7 | 78% |
| Mining | 10 | 6 | 60% |
| Banking | 5 | 4 | 80% |
| Shipping ¹⁶ | 3 | N/A | - |
| Construction | 2 | N/A | - |
| Oil | 2 | N/A | - |

It should also be noted that the employment-related data presented in the report are only indicative, as they are based on figures provided voluntarily by the MNEs interviewed. While the sample size may be sufficient to provide an overview or a trend for a particular sector, and the data generated may provide an indication of the amount of employment generated by each new MNE operation, the aggregate figures would have differed considerably if other MNEs had been included in the interviews, particularly in relation to the data on employment prospects.

Another major constraint in carrying out the analysis was the general absence of labour market information and reliable statistics. The data available often did not cover recent years. The country is in need of both quantitative and qualitative data on youth employment.

Structure of the report

Chapter 1 provides a brief background on Liberia’s socio-economic situation, with focus on the economic impact of the civil war. Chapter 2 describes recent employment trends and the government employment strategy as well as the status of dialogue and stakeholder engagement. Chapters 3, 4, and 5 describe for each of the three sectors the current job profiles, map out the skills required in key positions and current skills gaps, and assess future job prospects, based on information provided by the MNEs interviewed. Chapter 6 presents overall recommendations on the way forward.

¹⁵ The three sectors highlighted in blue are covered by the ILO MNE study. Other sectors were included in the MNE survey carried out by UNIDO.

¹⁶ Shipping companies with an operational base in Liberia, excluding “flags of convenience”.

Chapter 1 Background: Economic impact of the civil war

Prior to the civil war, Liberia's economy was concentrated in agriculture and the services sector, including water, electricity, transport and communications; and in production of iron ore, timber, diamonds and palm oil. When fighting erupted, production in agriculture dropped dramatically and rubber and timber were shut down. Iron ore extraction, construction and manufacturing ceased. Only charcoal and wood production, which Liberians depended on to meet basic energy needs, continued. Infrastructure was destroyed, making transport even more difficult. Water services and electricity were no longer accessible for the majority of Liberians.

The fall in production placed a tremendous strain on the economy and the country is still struggling to recover pre-war production levels. Table 2 indicates the annual sectoral contribution to GDP prior to the war and during the post-war years.

Table 2. Contributions to GDP by sector (millions of USD)¹⁷

| SECTOR | 1988 | 1998 | 1999 | 2000 | 2001 | 2002 | 2005 ¹⁸ |
|--------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------------|
| AGRICULTURE | 212.3 | 229.4 | 277 | 289.5 | 301.1 | 311.3 | 177.9 |
| Rubber | 86.6 | 37.6 | 61.7 | 64.8 | 68 | 69.4 | |
| Coffee | 2.2 | 0.5 | 0.7 | 0.8 | 0.9 | 1.1 | |
| Cocoa | 11.4 | 1.6 | 2 | 2.5 | 3.1 | 3.9 | |
| Rice | 9.9 | 64.2 | 72.5 | 76.1 | 78.4 | 80.7 | |
| Cassava | 33.4 | 44 | 48.4 | 50.8 | 53.4 | 56 | |
| Others | 68.8 | 81.5 | 91.7 | 94.5 | 97.3 | 100.2 | |
| FORESTRY | 82.3 | 53.4 | 60.7 | 63.7 | 66.9 | 68.3 | 59 |
| Logs and timber | 62.2 | 13 | 19.3 | 23.3 | 27.8 | 32 | |
| Charcoal and wood | 20.1 | 40.4 | 41.4 | 40.5 | 39.1 | 36.3 | |
| MINING | 121.5 | 8.6 | 9.8 | 9.9 | 10.1 | 10.1 | 0.7 |
| Iron ore | 108.4 | 0 | 0 | 0 | 0 | 0 | 0 |
| Others | 13.1 | 8.6 | 9.8 | 9.9 | 10.1 | 10.1 | |
| MANUFACTURING | 78.0 | 17.3 | 21.4 | 24.1 | 26.5 | 28.3 | 51.7 |
| TERTIARY SECTOR | 475.5 | 58.5 | 82.6 | 97.1 | 108.7 | 119.9 | 112.3 |
| Electricity and water | 12.4 | 1.5 | 2.3 | 2.3 | 2.3 | 2.5 | |
| Construction | 45.4 | 5.6 | 6.9 | 8.5 | 10.3 | 11.8 | |
| Trade, hotels, etc | 89.6 | 11.0 | 17.0 | 18.0 | 19.0 | 20.1 | |
| GDP (In millions) | 942.5 | 364.9 | 448.3 | 480.6 | 508.3 | 530.1 | 401.7 |

Sources: UNDP, Liberia Economic Review, PRSP

The destruction of manufacturing plants and mines, as well as the embargos placed on the country by the United Nations and the international community, diverted resources away from certain sectors, inevitably resulting in a shift from a once diverse economy to the production of selected commodities. In comparison with 1984-85 levels, sectoral contributions to GDP shifted drastically to the services sector, which was then predominately State run. Although the contribution of agriculture to GDP increased, this was principally due to activity ceasing in manufacturing and mining.

Foreign direct investment (FDI) suffered a dramatic decline with the start of the civil war in the late 1980s. The period between 1995 and 1997 saw another sharp reduction in FDI. The United Nations embargos on Liberian commodities, particularly diamonds and

¹⁷ Table 2 indicates pre-war GDP levels (1988), GDP during the war and post-war levels (2005).

¹⁸ PRSP (2008). The figures reflect constant 1992 US dollars.

timber, together with the sanctions imposed by the United States and other countries, forced many companies in mining and agriculture to close down their business.

Unemployment rose to unprecedented levels and the country lost the majority of its skilled workers, as thousands fled overseas or became refugees or internally displaced persons (IDPs).¹⁹ This flight included many teachers and trainers. With grim prospects of obtaining an education and finding a job, some youth were pushed into the informal economy and many joined the fighting. According to the UNDP *National Human Development Report*, over 70 per cent of combatants engaged in the civil war were young persons.²⁰

Economic recovery

When the war ended and a new government took office in 2005, Liberia's prospects of economic recovery and achieving higher standards of living for its population finally began to improve. The first priority of President Johnson-Sirleaf and her administration was expanding peace and security, revitalizing the economy through private investment in production of rubber, timber, mining and other key natural resources, strengthening governance and the rule of law, and rehabilitating infrastructure and delivering basic services.²¹

The Government economic revitalization strategy consists of:

- reviewing current and future concession agreements to ensure the fair distribution of profits between investors and the country;
- rebuilding infrastructure, particularly roads;
- reviewing the tax and investment code;
- reducing unnecessary business costs and streamlining administrative procedures to encourage the diversification of the economy over the medium to long term into the competitive production of labour-intensive downstream products, manufactured goods and services;
- creating Special Economic Zones and facilitating trade; and
- fostering development of credit markets and improving access to finance for micro, small and medium-sized enterprises.²²

FDI inflows into the country are beginning to regain their pre-war levels, particularly in mining and agriculture. Figure 1 shows FDI inflows between 1987 and 2008.²³ The

¹⁹ "The political economy of brain drain at institutions of higher learning in conflict countries: Case of the University of Liberia", in *African Issues*, 2002.

²⁰ UNDP, *National Human Development Report 2006: Liberia*.

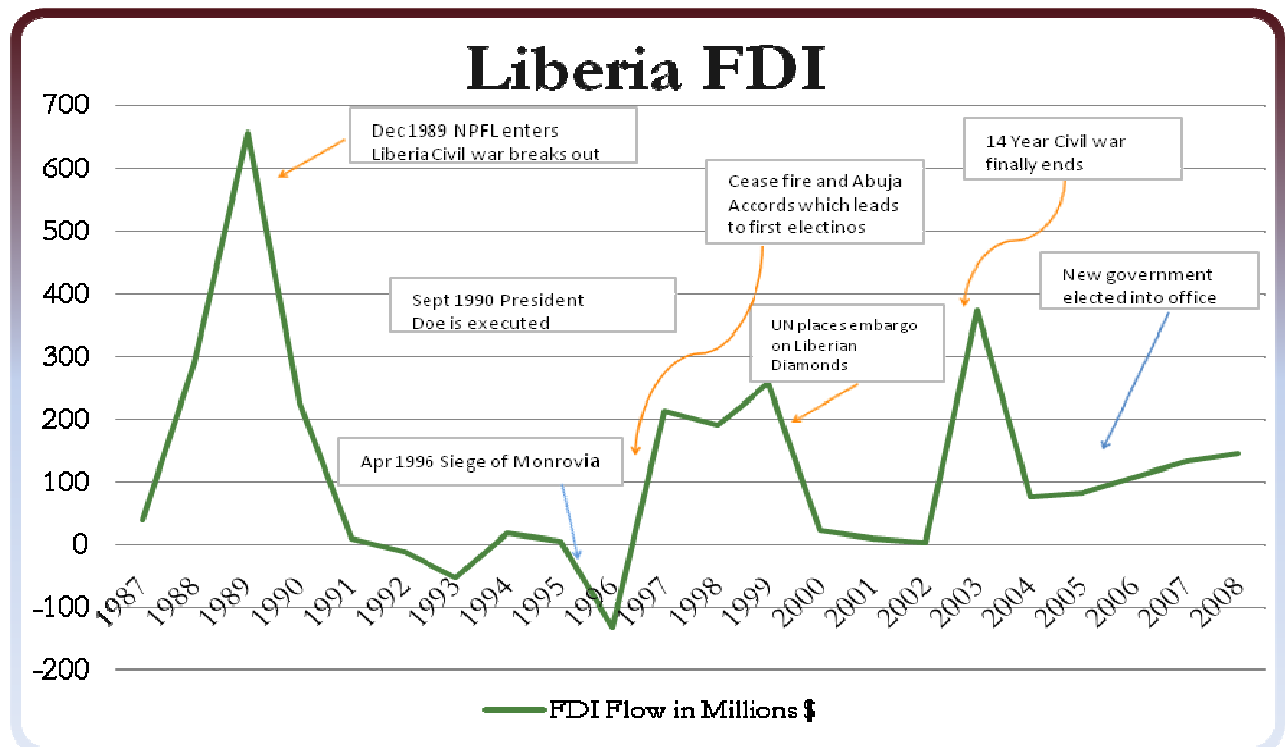
²¹ PRSP.

²² Ibid.

²³ Data provided by FDI Stat, UNCTAD Interactive Database.

revised Investment Incentive Code specifies the economic activities that the Government is seeking to promote and the various incentives offered to investors.²⁴

Figure 1. FDI inflows between 1987 and 2008



Source: UNCTAD25

The recent global financial crisis has decreased export and commodity prices and Government revenues have fallen. The country also has suffered from a reduction in the inflow of remittances and a less favourable climate for FDI.²⁶

²⁴ National Investment Commission, <http://www.nic.gov.lr/>

²⁵ UNCTAD, <http://stats.unctad.org/FDI/>

²⁶ ILO, A Rapid Impact Assessment of the Global Economic Crisis on Liberia, 2009.

Chapter 2 Employment trends and Government employment policies

The ILO Core Welfare Indicators Questionnaire (CWIQ) survey calculated the national unemployment rate in 2007 at approximately 6 per cent²⁷ for an adult labour force (15 years of age and above) of approximately 1.1 million people who were working or available for work. However, of the adults that were employed, only 300,000 held paid jobs of at least one hour of work in the week. According to the National Employment Policy, the unemployment rate is 11 per cent.²⁸ Furthermore, the Vulnerable Employment Rate, defined as the proportion of self-employed without employees and unpaid family workers in total employment, is close to 85 per cent, and is likely to be confirmed by the upcoming Labour Force Survey 2010. In addition, almost two-thirds of the population live in poverty, while over half of the population are below the age of 20.²⁹

Table 3. Unemployment rates by sex and age group in 2007

| Age | Male | | Female | | Total | |
|-------|--------|-------------|--------|-------------|--------|-------------|
| | Number | Unemp. rate | Number | Unemp. rate | Number | Unemp. rate |
| 15-24 | 8,000 | 5.3 % | 6,000 | 3.8 % | 14,000 | 4.6 % |
| 25-34 | 14,000 | 10.3 % | 8,000 | 5.4 % | 22,000 | 7.7 % |
| 35-54 | 16,000 | 6.8 % | 8,000 | 3.9 % | 24,000 | 5.4 % |
| 55+ | 2,000 | 3.6 % | 1,000 | 1.8 % | 3,000 | 2.9 % |
| Total | 40,000 | 6.8 % | 23,000 | 4.2 % | 3,000 | 5.5 % |

Source: ILO Employment Statistics for Liberia Report; the data are based on the CWIQ survey from LISGIS

Additional findings from the ILO CWIQ survey indicate that:

- More than half of the labour force has not attended primary school. Women constitute two-thirds of this group.
- Close to 15 per cent of the labour force, or approximately 160,000 adults, have completed secondary school. Fewer than one-third of this group pursued post secondary education, including higher education or vocational or technical training.
- The educational level of women continues to be lower than that of men. Approximately 20 per cent of those who have received post-secondary education are women.
- Workers with higher levels of education experience a higher unemployment rate (13 percent vs those without secondary education with only 4% unemployment), reinforcing the finding that most jobs are for unskilled workers.

²⁷ ILO Core Welfare Indicators Questionnaire (CWIQ) survey, 2007.

²⁸ Ministry of Labour, Employment Policy 2009.

²⁹ Ibid.

- Of the adults with paid jobs less than one-third were women.
- The provision of decent work is critical in Liberia. The survey shows that, although the vast majority of the labour force is currently employed, the nature of their employment is often less than satisfactory. In addition, over 80 per cent of employed Liberians are considered to be “vulnerable workers” in low-level agricultural and informal non-agricultural activities.
- Liberia also estimates that approximately 450,000 persons are inactive, mainly students and those engaged at the household level.
- Youth between 15 to 24 years of age have a relatively low unemployment rate. However, approximately 100,000 young people are not employed or in education. The Government is investing heavily in the integration of these young persons in productive roles.

Table 4 below shows the employment status of youth below the age of 35. As the table suggests, the number of unemployed and inactive youth is much higher than in other age groups.

Table 4. Breakdown of the employment status of youth below age 35

| Age | Activity status | | | | Total | LFPR |
|--------------------|---------------------------------|---------------|----------------|--------------------|----------------|--------------|
| | Currently active (labour force) | | | Currently inactive | | |
| | Employed | Unemployed | Total | | | |
| 15-19 | 158,000 | 4,000 | 162,000 | 140,000 | 301,000 | 53.6 |
| 20-24 | 144,000 | 11,000 | 155,000 | 86,000 | 241,000 | 64.4 |
| 25-29 | 139,000 | 12,000 | 151,000 | 52,000 | 203,000 | 74.4 |
| 30-34 | 123,000 | 10,000 | 133,000 | 26,000 | 159,000 | 83.7 |
| Total youth | 564,000 | 37,000 | 601,000 | 304,000 | 904,000 | 55.22 |
| 35-39 | 142,000 | 10,000 | 152,000 | 26,000 | 178,000 | 85.3 |
| 40-44 | 107,000 | 5,000 | 112,000 | 18,000 | 131,000 | 85.9 |
| 45-49 | 103,000 | 5,000 | 107,000 | 16,000 | 123,000 | 87.1 |
| 50-54 | 59,000 | 4,000 | 62,000 | 14,000 | 77,000 | 81.4 |
| 55-59 | 40,000 | 2,000 | 42,000 | 7,000 | 49,000 | 85.9 |
| 60-64 | 24,000 | 1,000 | 25,000 | 16,000 | 40,000 | 61.2 |
| 65-69 | 14,000 | - | 15,000 | 12,000 | 26,000 | 55.5 |
| 70 + | 19,000 | - | 19,000 | 28,000 | 47,000 | 40.2 |
| Total adult | 508,000 | 27,000 | 534,000 | 127,000 | 239,000 | 72.8 |

Source: ILO Employment Statistics for Liberia Report. The data are based on the CWIQ survey from LISGIS

Note: LFPR= Labour force participation rate

Promoting the creation of decent work is of the highest priority for the Government of Liberia,³⁰ particularly for former child soldiers and youth. The Government employment promotion strategy involves five prongs:

- boosting employment through investment in public works;
- skills training;
- facilitating transition from the informal economy to the formal economy and promoting small and medium-sized enterprises and cooperatives;
- collecting reliable labour statistics and labour market information; and
- promoting social dialogue and strengthening labour administration.

The Government has launched in 2006 the Liberia Emergency Employment Programme (LEEP) and the Liberia Employment Action Programme (LEAP) to boost employment through private sector contracts for labour-intensive rural road projects linked to agricultural production and marketing, solid waste management programmes in urban areas and other essential public works.³¹ The programmes have led to the creation of 90,000 short-term jobs within two years.³²

In 2009, the Government developed the National Employment Policy, with ILO assistance. The policy establishes a platform for creating decent jobs for the Liberian population, taking into consideration the current employment situation in the country, including poverty rates, employment statistics and the linkages between poverty reduction, employment and the attainment of the objectives of the Poverty Reduction Strategy.³³ It adopts a two-pronged medium-term approach of emergency employment and sustainable productive employment. The emergency employment scheme links food security with employment, placing great emphasis on the agricultural sector and the need for it to be revitalized to “develop its full potential to contribute to inclusive and sustainable economic growth, food security, job creation and poverty reduction”. The second pillar, sustainable productive employment, is aimed at promoting “productive employment that will reduce poverty, ensure peace and stability, and enhance the overall well-being of the Liberian population.”³⁴

Positive steps are being taken by the Government to formulate concrete labour policies, despite the lack of data on the current labour market situation. Reliable up-to-date information, particularly employment statistics and employment rates, are not readily available. Nevertheless, the data collection and research undertaken by the ILO and other organizations reveal that the employment profile in Liberia is greatly misunderstood and does not reflect the real situation. Essentially, it remains a challenging area.

³⁰ H.E. Ellen Johnson Sirleaf, President of Liberia. Speech to the High-Level Forum on Working out of Poverty: Decent Work Approach to Development and Growth in Africa.

³¹ PRSP

³² ILO Decent Work Forum, Samuel Kofi Woods II, Minister of Labour. Speech to the High-Level Forum on Working Out of Poverty: Decent Work Approach to Development and Growth in Africa, held in Monrovia on 8-9 September 2008.

³³ Ministry of Labour, Employment Policy 2009.

³⁴ Ibid.

The Government has developed a Decent Work Bill with ILO technical assistance. The Bill is intended to establish a regulatory environment that will facilitate the promotion and creation of decent work. The Bill is due to be submitted to the national legislature during the course of 2010.³⁵

The Government sees the numerous concession agreements that have been signed with large MNEs as key vehicles for generating job opportunities for youth. Concession agreements exist between the Government and foreign investors in the mining and agricultural sectors. The Government has revised the terms of concessions to enhance the potential development impacts. New concession agreements set prices for major commodities in line with international market prices. They also require MNEs to give preferential treatment to skilled Liberian nationals, with benchmarks for the percentage of Liberian nationals holding senior positions and a timeframe to reach the targets; and require the company to provide employment-related statistics to the Ministry of Labour on a quarterly basis. Furthermore, new concessions impose social obligations, including the rehabilitation of roads, investment in education and staff training.

Dialogue and stakeholder engagement at the macro level

The National Tripartite Council serves as a platform for dialogue between workers, employers and the Government on employment and labour-related issues, including the current efforts to revise the Labour Code.

Several key actors expressed the aspiration to collaborate further with the Government on employment-related issues, including youth employment. The Liberia Labour Congress (LLC), for example, indicated that its involvement could be deepened and proposed that the ILO should facilitate dialogue between employers and workers to discuss how to forge a stronger partnership with a view to addressing the youth employment issue. The LLC has been active in promoting youth employment through programmes to train young persons in the informal economy in computer literacy and driving skills. The LLC has also proposed to develop a database of skills needs and to match young people with job openings.

The Liberia Chamber of Commerce (LCC) expressed its desire to develop a stronger partnership with the Government. In this context, in October 2009, the LCC made a set of recommendations³⁶ to the Government in support of private sector growth. These recommendations, tailored to specific sectors (agriculture and forestry), together with cross-cutting themes, such as infrastructure and linkages in concessions and international agreements, touched on matters that affect youth employment, including:

- promoting a strong national agricultural research centre;
- enacting a labour and market friendly Decent Work Bill;
- tailoring the curricula in schools to meet demand in the marketplace;
- conducting a diagnostic audit of the social security benefits scheme;
- undertaking and supporting a strong and vigorous campaign to promote productivity and ethics in the workplace;

³⁵ Decent Work Bill, 2010.

³⁶ Liberia Chamber of Commerce, Recommendations to the Government of the Republic of Liberia, October 14, 2009

- using social dialogue institutions and processes to resolve conflicts and disputes arising out of labour crises;
- developing an incentive system in concession agreements, including fiscal measures, to encourage companies to use local materials and labour; and
- developing an economic growth strategy to promote diversification in the development of Liberia's natural resources.

It is evident that Liberia not only has an established framework for active dialogue, but there also seems to be strong interest by all the parties in being involved. This willingness to be involved was also expressed with regard to the impact of the global economic crisis on Liberia.

The following three chapters provide a closer look at each of the focus sectors, in particular concerning MNE operations. And they provide a detailed assessment of current youth employment trends, impediments to hiring and potential for MNEs in each of the three sectors to expand youth employment.

Chapter 3 Youth employment in agriculture and agro-forestry

Liberia's economy is largely dominated by the agriculture and agro-forestry sector. Prior to the war, agricultural commodities accounted for over 40 per cent of GDP and 90 per cent of total exports.³⁷ Rubber was the most important cash crop, followed by coffee, cocoa and palm kernels. Between 1970 and 1989, agricultural exports rose steadily, from USD 40 million in 1970 to USD 130 million in 1989.³⁸

During the war, agricultural production declined and in some sub-sectors nearly disappeared. Illegal logging eventually led to a United Nations Security Council embargo in 2003 on all timber from Liberia; and illegal rubber tapping in the rubber sector resulted in the deterioration of hundreds of hectares of land and forced many families to abandon their farms. Production of cash crops such as cocoa also fell drastically. From 1990 to 2002, the country's agricultural exports fell dramatically, reaching an all-time low of USD 10 million in 1993.³⁹ Employment in agriculture plummeted and investment in training, research and development and new technology collapsed.

Post-war, the sector has rebounded, accounting for 61 per cent of GDP in 2007, and almost 77 per cent in 2008. Only timber production is still struggling to attain its pre-war export levels. The majority of the Liberian workforce, and particularly women, are engaged in agricultural production. The Government is seeking to revitalize the sector in particular to ensure that the country is once again self-sufficient in food production.

FDI in the agriculture and agro-forestry sector has decreased in the last few years due to the global financial crisis, and some companies have halted production. However, interviews revealed that new MNEs are scheduled to enter the agricultural sector of Liberia in the years to come.

MNEs currently active in the agricultural sector are concentrated in logging, rubber production and palm oil. The MNEs are headquartered in the United States, Belgium, Britain, China, France or Malaysia. The companies range in size from 10 to over 6,000 full-time employees.

In rubber production, Firestone Natural Rubber has been the leading producer since the early 1900s, and maintained operations during the civil war. In palm production, concession agreements have been signed recently, including a 63-year agreement with the Malaysian company Sime Darby;⁴⁰ but most operations are at the early stages, reviving plantations which were abandoned or destroyed during the war. Other sub-sectors, such as cocoa, tea and rice, are expected to grow with future concessions.

Most materials are imported because the MNEs are unable to find the necessary products in the country, hindering local job creation. A large majority of the indirect employment opportunities generated by the sector include construction (housing, camps, etc.), restaurants and catering, and other services.

³⁷ Water for Agriculture and Energy in Africa: The Challenges of Climate Change National Investment Brief, 2008.

³⁸ Ibid.

³⁹ Ibid.

⁴⁰ Sime Darby Recent News, http://www.simedarby.com/Sime_Darby_Cements_Liberia_Deal.aspx

Agricultural and agro-forestry MNEs are not yet engaged in processing or manufacturing in the country, although some attempts have been made in furniture-making. Interviews revealed that at least some MNEs are interested in manufacturing rubber wood for local and international markets; sandals, soap, personal care products and other palm-based goods; and a power plant to provide bio-energy for the local population and the use of wood chips to produce biomass. But the poor infrastructure in the country and the current global financial crisis are current constraints to developing such downstream activities.

Overall data on youth employment in the MNEs surveyed

The agricultural sector is one of the largest employers in Liberia. The MNEs interviewed employed a total of 8,631 full-time employees, mostly as rubber tappers, who are classified as unskilled workers, with over 70 per cent of them working for one MNE.

Table 5. Direct employment data in the seven MNEs surveyed in the agricultural sector

| Sector | Number of full-time employees | Employees under 35 years of age | Women employees | Number of foreign employees | Number of youth employed in the past year |
|--------------------------|-------------------------------|---------------------------------|-----------------|-----------------------------|---|
| Agriculture | 8,631 | 1,336 | 253 | 22 | 100 |
| <i>Rubber</i> | 8,451 | 1,285 | 235 | 19 | 100 |
| <i>Palm & timber</i> | 180 | 51 | 18 | 3 | 0 |

The number of new recruits in the MNEs surveyed is expected to total 5,370 over the coming year; and the MNEs indicated that labour needs will be even higher over the next two to three years when tapping starts in other large plantations. Short-term recruitment also is expected.

Table 6. Future job prospects in the MNEs interviewed in the agricultural sector

| Sector | Future hires (within the next 12 months) |
|----------------------------------|--|
| Agriculture/agro-forestry | 5,370 |
| <i>Rubber</i> | 810 |
| <i>Palm and timber</i> | 4,560 |

Of the total number of employees in the MNEs surveyed, only 15 per cent are below the age of 35. Moreover, only 100 young people had been newly recruited in the past year. This is due to the fact that the largest employer, Firestone, has very low employee turnover. However, young persons are expected to account for at least 75 per cent of future recruits, mainly in unskilled jobs; and downsizing of operations by two MNEs may also have an impact on the proportion of youth employed in the sector.

The sector employs a very limited number of women (fewer than 3 per cent), who tend to occupy secretarial positions. Rubber tapping, in which the majority of the employees are found, requires physical strength and are mostly performed by male workers.

Positions available, skills required and skills gaps

Approximately 80 per cent of the workforce fill unskilled positions, most of which are physically strenuous and require little training. Most workers hold a secondary school diploma. However, even workers with university degrees generally find employment as drivers, janitors, receptionists and in other low-skilled jobs. According to the MNEs surveyed, the qualifications possessed by graduates do not meet the standards required by the MNEs to fill posts for which higher skills are necessary. For example, an accountant with a university degree, but who is not familiar with accounting software, cannot be employed as an accountant as the necessary skills are lacking to work in a computerized company.

Foreign employees comprise 0.25 per cent of the total labour force in the sector, occupying primarily senior managerial positions. Although all the companies interviewed expressed a preference for Liberian staff, three MNEs explained that, due to scarcity, the identification of skilled individuals takes time and involves additional costs, so they employ foreign staff to perform the job until appropriate Liberian staff are identified to take over their positions. The foreign employees are from countries such as Malaysia and Thailand which have traditionally been leaders in rubber, palm and timber development and export. They are expected to train the local staff so that they acquire the necessary expertise, which also consumes time and resources. One MNE indicated that although its board of directors insists on training Liberian nationals to take over senior positions within two years with a view to reducing costs it did not believe that this will be possible considering the low numbers of skilled workers available.

Although the current job opportunities in the agricultural sector are skewed towards unskilled labour, even these posts have certain skills requirements. All of the interviewed MNEs described the gaps that exist between the skills required and the qualifications of candidates to fill these jobs; and the need to improve the capacity of unskilled workers. Table 7 maps out the existing positions, nature of the jobs, and required skills and the skills gaps.

Table 7. Positions available and skills needs of MNEs in the agriculture and agri-forestry sector

| Position | Nature of job | Skills needs/existing gaps |
|--------------------------|---|---|
| Unskilled rubber tappers | Collection of sap (rubber). Involves physical endurance, the ability to use incision instruments to cut trees for tapping, the use of protective gear for the handling of chemicals, the collection of latex and carrying it to the processing plant. | Literacy, ability to calculate precisely how and where to make incisions on the tree for maximum yields. Motivation, initiative and work ethic are also desired traits. Skills gap primarily include tertiary literacy, experience in scientific processes for tapping rubber, and work ethic. |
| Land clearers | Removal of native vegetation and habitats to improve the land. Involves physical endurance, the ability to use a machete to clear land and plantations, and carrying heavy weights. | Literacy, ability to calculate the amount of land needing to be cleared and time management. Skills gap includes the ability to determine and calculate the amount of land needed to be cleared. |

| Position | Nature of job | Skills needs/existing gaps |
|---------------------|--|--|
| Weighers | Weighs the latex collected during the day and to reports the daily yield to the supervisor. | Literacy, high school or college degree; mathematical skills; time management and ability to understand differential calculations of raw material from water weight to dried weight. Gap includes candidates that hold a degree and with soft skills and experience. |
| Plantation managers | Manage and maintain plantations, staff, and meeting daily quotas. | Requires numerous years of experience working on plantations, motivation and a good work ethic. Also requires literacy, a high school degree, the ability to learn and be trained, motivation and a desire for advancement. College or advanced degree, experience of managing plantations and people, understanding of agronomic principles in relation to business objectives. The primary gap is a lack of qualified candidates with management experience and tertiary education. |
| Factory managers | Overall management of factories. Requires numerous years of experience working on plantations, motivation and a good work ethic. <i>These positions are usually held by foreign employees due to the inability of companies to identify skilled Liberian workers.</i> | College degree with experience of working in factories, management skills, human resources skills, work ethic. Gap includes candidates with a degree and with numerous years' experience and knowledge of current technologies to maintain factory equipment. |
| Supervisory staff | Role includes supervising staff, coordinating daily/weekly schedules, and working closely with managers to ensure daily tasks are completed. | Requires numerous years' experience working on plantations, trustworthiness, motivation and a good work ethic. Also requires college or advanced degree, experience managing employees, management skills, human resources management, and soft skills, particularly listening and delegating. Gap includes qualified individuals with experience managing staff. |
| Grafters | Cloning plant species, grafting buds together to form one tree and planting | Requires knowledge of clone species, how to graft buds together to form one tree, planting methodologies and agricultural principles, and a university degree. Gaps include knowledge in scientific techniques in grafting along with experience. |
| Accountants | Processing of payments and invoices, assisting with all financial aspects of company operations, including the payment of staff and vendors. | The skills and competences required include an understanding of basic accounting principles, book-keeping, computer skills, basic mathematical skills and a university degree. The skills gap identified by companies includes knowledge of accounting principles, basic knowledge of math, and computing. |

| Position | Nature of job | Skills needs/existing gaps |
|--|---|--|
| Quality controllers | Identifying and examining the quality of the raw product and auditing product extraction and processing flows. | The skills needed include the ability to perform audits, identify quality products, experience in working on plantations, and an understanding of farming principles. The skills gap includes knowledge of agricultural products, experience performing quality control and working in plantations. |
| Administration and operations management | Managerial staff, overseeing the daily operations of plantations and preparing financial reports. <i>These positions are usually held by foreign employees due to the inability of companies to identify skilled Liberian workers.</i> | The skills and requirements for this position include an advanced university degree, particularly in business administration, and the ability to manage staff, oversee the daily operations of plantations and prepare financial reports. Gaps identified by MNEs include managerial experience and identifying candidates with advanced degrees. |

The additional positions mentioned by some MNEs included carpenters, clerks, electricians and general office staff. The indirect employment generated through MNE supply chains is limited or non-existent.

The skills gap is hindering development of the sector. The MNEs interviewed repeatedly identified the quality of education provided at the university and high school levels as the major reason for the current skills gap in the local workforce. Basic mathematical skills, for example, are often lacking among candidates applying for accounting and book-keeping posts, as well as computer, writing and other office skills. Soft skills, including interviewing, résumé writing and time management are also missing.

MNEs stressed that they are in the country as business entities, and not as training centres; they should not have to bear the burden of providing extensive skills training. The MNEs indicated that they are training their own staff in areas such as proper farming techniques, time management, health and safety and, in many cases, mathematics and English.

Specialized schools or a national curriculum incorporating the latest/modern agricultural technologies and knowledge of their application are needed. Without a specialized institution to assist in continued training programmes, enterprises will continue to provide individual training programmes. Also, without a sound certification system in place, enterprises can only recruit on the basis of an individual's application, without having recourse to credible means of verifying achievements in their field. Two of the MNEs interviewed suggested that schools should establish a merit-based recognition system or a National Honour Society for talented students to motivate them to learn and make the best use of their academic years.

The MNEs also cited lack of interest as a challenge in recruiting. The perception of agriculture-related jobs is somewhat negative in comparison with office jobs. The limited number of graduates with degrees in agricultural disciplines inevitably limits the potential for sectoral growth. Thailand and Malaysia were given as examples of the successful skills development of the agricultural sector, where, for example, rubber tappers are classified as skilled workers and identified as "rubber technicians" to raise the profile of the occupation and attract more workers to the field.

Among those entering work in the sector, productivity is often low due to staff taking excessive time to complete tasks or taking excessively long breaks without informing their supervisors, in many cases, not returning to work until the next day. These productivity challenges also hinder development of the sector.

Sectoral outlook

With the adoption of the latest technology, quality training and sound investment, the sector has the potential to be upgraded, shifting away from unskilled labour to skilled labour. MNEs are keen to expand and diversify their operations, and to employ more Liberian nationals. But they need access to a pool of skilled employees who are able to not only help their productivity but also improve their bottom-line by increasing market reach and profitability.

Table 8 presents the categories of jobs that could be generated if the sector were to be upgraded through the expansion or diversification of production.

Table 8. Potential job categories in the agricultural sector as identified by the MNEs interviewed

| Position | Required skills |
|--|--|
| Certified rubber technicians | Secondary, advanced education or technical training and certification, with knowledge of scientific methodology for rubber extraction, tree conservation and the monitoring of the amounts of rubber to be collected on a regular basis. |
| Rubber manufacturing engineers | University degree in engineering and agriculture; understanding of developing mould and production specifications; experience of working in the rubber industry and manufacturing, and of mould design. |
| Agronomists | Advanced degree in the areas of plant genetics, plant physiology, meteorology and soil science, with experience of managing plantations. |
| Product development technicians | Agriculture-based university degree with knowledge and skills of crop production, the identification of weeds, machinery operation, trial methodology and insects and crop diseases. |
| Heavy equipment operators | University degree with the ability and experience to operate heavy equipment, such as caterpillars, sprayers, combines, harvesters, planters, seeders and tractors. Also requires maintenance knowledge and skills. |

Additional categories of jobs will also emerge as the sector diversifies. These include opportunities relating to manufacturing, research and development, sales and management. The opportunities are therefore tremendous, and will require increased managerial, information technology and other advanced skills.

Addressing the skills issue as a sectoral challenge beyond the enterprise level would offer substantial longer-term benefits to MNEs, which are the largest employers of the future workforce. For example, the contribution of MNEs to the subsector could be redirected through a common pool of funds aimed at encouraging skills formation and the provision of vocational guidance.

Stakeholders have started to respond. Focusing first on the rubber sub-sector, the Government is developing a Master Plan for the coming three decades with emphasis on building capacities of small-holders, after consultation with industry stakeholders. The Rubber Planters Association of Liberia is also taking initiatives to prepare a strategy for the industry with the involvement of the major companies. These sectoral development plans will identify the training needs, infrastructure requirements and the necessary support and investment to upgrade and expand the sub-sector. Further dialogue in the sector and better

synergies between the two plans could greatly enhance the sectoral performance in the years to come.

CSR practices in the agricultural and agro-forestry sector

Corporate Social Responsibility (CSR) policies of the MNEs in the agriculture sector mainly concentrate on addressing environmental issues, supporting education through scholarships and donations, and contributing to community health care and other social programmes. They viewed socially responsible labour practices as the payment of decent wages to their employees at regular intervals, complying with labour law and meeting the requirements of their concession agreements, particularly regarding the number of Liberian nationals employed. Youth employment programmes are seldom part of their social responsibility policies, nor do programmes that exist specifically aimed at tackling the youth employment challenge in Liberia. The MNEs are aware of the lack of suitable work for young people. However, youth employment shortcomings are viewed as part of the much broader issue of inadequate education facilities, the lack of adequate infrastructure and relevant national policies, and the recovery from the 14-year civil war.

MNEs are contributing to the development of micro, small, and medium-sized enterprises in the communities in which they operate, for example, working with small-holders, providing support to boost their yields.

Dialogue and stakeholder engagement

There has been ongoing dialogue between the various MNEs and local corporations on issues such as production constraints, insufficient incentives for investment, the challenges of working with particular ministries and the lack of suitable skills in the local labour force.

On the pressing issue of skills development, dialogue between the private and public sectors has been far too limited. One rubber company, which sponsors over 300 students at the local high school and 75 students at the local college in the community in which it operates, approached the schools about the need to adjust the school curriculum and programmes with a view to developing skilled labour, but the schools were not interested in learning how to strengthen their curricula to improve the job prospects of their students. Likewise, the University of Liberia, which has a College of Agriculture and Forestry, has engaged the private sector only concerning recruitment of graduates, the provision of internships and scholarships, and donations; there have been few attempts to discuss how systematic improvements could be made in the field of training. The MNEs interviewed proposed shifting from providing support through scholarships and materials to the following: identifying skills gaps and providing guidance on curriculum improvement to close the gaps; introducing modern technology; and offering students internships to obtain practical training opportunities required to enhance their employability. Strengthened dialogue between companies in the agricultural and agro-forestry sector and public education and vocational institutions will be essential to closing the skills gap.

Dialogue within sub-sectors varies. The Rubber Planters' Association holds regular dialogues involving major MNEs and small-holders. The Government's development strategies have been developed in consultation with the rubber producers. A broader partnership through dialogue between the public and private sector could be promoted. It was suggested to form a steering group to monitor progress on the implementation of the skills development strategy for the sub-sector.

The Oil Palm Association of Liberia and the Liberian Timber Association meet occasionally, but have yet to formulate strategies for their respective sub-sectors. One of the major palm oil companies stated that dialogue is very limited as the companies view each

other as competitors rather than partners at this stage. Not surprisingly, dialogue is also limited between these sub-sectors and the Government despite the need for specific medium to long-term employment promotion and development strategies for both sub-sectors.

Dialogue between the MNEs and those operating in their supply chain is non-existent, mainly due to the fact that supply chains themselves are almost non-existent. Dialogue within the supply chains of specific sub-sectors could be further strengthened to identify needs and skills requirements. This should be anchored in a long-term sectoral strategy which includes the development of value chains.

Chapter 4 Youth employment in mining

In the pre-war period, mining accounted for two-thirds of national exports⁴¹ and 10 per cent of GDP. It was primarily dominated by iron ore, gold and diamonds, although there are also reserves of phosphates, copper, nickel and bauxite. Iron ore alone accounted for over half of national export earnings in the 1970s and 1980s.⁴² However, the war brought all mining to a complete halt. Plants were destroyed, forcing many of the major MNEs to leave the country; and the United Nations placed an embargo on all diamond exports from Liberia in 2001. Mining became an informal economic activity.

Post-war the mining sector's contribution to GDP was only 4 per cent in 2008⁴³ but the Government plans to bring production to an estimated 15.8 per cent in 2011.⁴⁴ Arcelor Mittal has taken over one of the country's main iron ore mines, amounting to an investment of USD 1.5 billion; and will also contribute to the reconstruction of the railways and a seaport in Monrovia. China Union has signed a USD 2.6 billion contract to take over another large-scale iron ore mine; and plans to build a refinery with an annual capacity of 1 million tonnes. It is reported that "the investment will create 3,000 jobs in the African country within three years and jobs created indirectly in the long run could be as high as 70,000".⁴⁵

Diamond extraction licenses have also increased over the past three years, with the Ministry of Mines issuing over 13 new class B licenses in 2006, five in 2007 and eight in 2008⁴⁶ to both multinational and domestic companies. It will take a few years before the sector is operating at full capacity; but operations are expected to generate substantial direct and indirect employment.

The MNEs involved in mining are headquartered in Africa, Asia, Europe or North America. The companies range in size from four to over 450 full-time employees. Although the two largest companies are involved in iron ore extraction, most are concerned with diamonds, gold and precious minerals. All have a great deal of experience working in Liberia. Most had exploration licenses in the country prior to the war and are currently restarting their operations, although most operations are still at the exploration stage of development.

The majority of these MNEs have numerous mines in the African continent; however, unlike many of the other African countries in which they operate, their activities in Liberia are focussed on raw material extraction. A high quality and consistent supply of water, electricity, basic infrastructure and a skilled labour force are required to diversify into value-added transformation, elements which are currently lacking in the sector.

⁴¹ PRSP.

⁴² United States Department of State, <http://www.state.gov/r/pa/ei/bgn/6618.htm>

⁴³ PRSP.

⁴⁴ Ibid.

⁴⁵ China Daily, 22 December 2008,

http://www.chinadaily.com.cn/bizchina/2008-12/22/content_7328275.htm

⁴⁶ Global Policy Reform News,

<http://www.globalpolicy.org/component/content/article/182/33862.html>

Overall data on youth employment in the MNEs surveyed

At the time of the study, the six MNEs employed a total of 641 full-time employees, with over 70 per cent of them working for one MNE. The reason for the small number of current employees is the current stage of mining operations. The mining sector goes through two phases before extraction commences: exploration and feasibility. The exploration phase, which can last five or more years, requires skilled geologists with experience of locating minerals, determining their abundance in the selected regions and calculating their value. There is less need for unskilled labour at this stage, although their recruitment prospects increase once extraction begins.

Approximately 50 per cent of the employees are below the age of 35. The 28 young persons who entered the sector in the past year are employed outside the leading MNE. Women represent approximately 7 per cent of the workforce identified, and are engaged almost exclusively in administrative and other support functions.

Table 9. Direct employment data in the six MNEs surveyed in the mining sector

| Sector | Number of full-time employees | Employees under 35 years of age | Women employees | Number of foreign employees | Number of youth employed in past year |
|--------|-------------------------------|---------------------------------|-----------------|-----------------------------|---------------------------------------|
| Mining | 641 | 322 | 14 | 29 | 28 |

The mining sector will offer extensive employment opportunities in the coming years as operations move to the production stage. Future recruitment is expected to amount to at least 13,515 among the six MNEs surveyed, with over 90 per cent of the jobs likely to be filled by young persons below the age of 35. More specifically, the data provided by the MNEs surveyed suggests that one mining company starting operations has the potential to generate around 2,000 to 4,000 jobs, depending on the size of the operation. The actual number of direct employment opportunities to be generated in the mining sector as a whole is likely to exceed the estimate by a few thousand jobs.

Positions available, skills required and skills gaps

Although opportunities exist for unskilled workers who can fill positions such as rock crushers, the employment profile of this sector is geared towards highly skilled and specialized workers. Mining is a capital intensive sector that requires high technology for its operation operated by formally trained professionals. Accreditation and certification of geologists is important, and most of the internal policies of the MNEs require staff to meet international standards.

The other positions mentioned by some MNEs include carpenters and administrative personnel, such as general office staff. The MNEs are still in the process of identifying personnel from among the small pool of qualified local labour.

All the companies provide training for their staff upon entry so that they are equipped with the necessary skills to meet the requirements of the positions they fill. Such training programmes often need to include modules on developing basic skills which new employees should have acquired in school.

The indirect jobs currently generated by the sector are primarily concentrated in construction, as the mining companies are rehabilitating the railways that connect inland

mining sites with seaports, roads and ports for their operations, as well as for public use. Once they begin operating, substantial indirect job opportunities will be generated. Existing local markets are simply too small to meet the needs of MNEs and their employees operating in rural areas; as operations expand so will employment opportunities in service sectors such as banking, restaurants and bakeries.

Based on the information provided by the MNEs, table 10 maps out the positions which exist in the sector, the nature of the jobs and the skills required and existing skills gaps for key positions.

Table 10. Positions available and skills needs of MNEs in the mining sector

| Position | Nature of job | Skills needs/existing gaps |
|----------------------------------|---|---|
| Truck drivers | Operate and maintain trucks. | High level of literacy and training with a commercial drivers license and hazardous-material driving certification. The companies also expressed a need for experience in driving trucks, together with the ability to maintain equipment. The primary gap is finding candidates with commercial licenses and experience driving trucks. |
| <i>Heavy machinery operators</i> | Operate and maintain heavy machinery such as caterpillars, excavators and bulldozers. <i>These positions are usually held by foreign employees who provide training to Liberian nationals so that they can replace them in the coming years.</i> | The minimum requirement for this position is a high school diploma with preference for employees with university degrees and the ability and experience to operate heavy equipment, such as caterpillars, excavators, and bulldozers. The companies emphasized that the gaps include the need for experienced and motivated personnel who can not only operate, maintain and repair equipment, but also train others to do the same. |
| Land clearers | Removal of native vegetation and habitats to improve the land. Involves physical endurance, the ability to use a machete to clear land and plantations and to carry large weights. | Literacy, ability to calculate the amount of land needing to be cleared, to work with others and time management. Literacy is the principal gap identified by MNEs. |
| Electricians | The nature of the work involves wiring, maintaining and repairing circuits and electrical equipment. | Certified and licensed electricians with experience through apprenticeship or on the job training. Experienced and skilled electricians are extremely hard to find, according to the MNEs. The skills gaps identified by MNEs include experienced electricians with ample knowledge in electrical principles. |
| Security personnel | Work involves guarding and protecting property, assets and personnel. | Trained security guards, particularly in the use of weapons and the prevention and deterrence of crimes. The gaps include literacy, experience in security or any form of enforcement. |

| Position | Nature of job | Skills needs/existing gaps |
|---------------------------------------|---|---|
| Geologists | <p>Studies the earth and determining its mineral composition, including rock formations and the types of minerals that actually exist in the chosen area. Most of the Liberian geologists hired by the MNEs are assistant geologists due to their lack of experience.</p> <p><i>These positions are usually held by foreign employees due to the inability of the companies to identify skilled Liberian nationals.</i></p> | <p>The primary need is for trained geologists with university degrees. It is extremely difficult to find geologists with degrees who also have at least three to five years of applicable experience in mining and mineral exploration.</p> |
| Accountants | <p>Processing of payments and invoices, assisting with all financial aspects of company operations, including the payment of staff and vendors.</p> | <p>The skills and competences required include an understanding of basic accounting principles, book-keeping, computer skills, basic mathematics skills and a university degree.</p> <p>The skills gap is the same as in the other sectors, which includes basic knowledge of math, accounting and computing.</p> |
| Civil and electrical engineers | <p>Working closely with geologists in examining sites to determine land foundation and designing and planning construction sites.</p> <p><i>These positions are usually held by foreign employees due to the inability of the companies to identify skilled Liberian nationals.</i></p> | <p>The primary skills gap includes engineers with degrees and experience in working in the mining sector, combined with experience in the design, planning and construction of mine sites.</p> |
| Operations managers | <p>Managing daily aspects of mine operations while working closely with engineers, geologists and scientists to ensure business objectives are met.</p> <p><i>These positions are primarily held by foreign employees due to the inability of the companies to identify skilled Liberian nationals.</i></p> | <p>The skills required for this position are mainly administrative. However, an understanding of mining operations and the ability to work with engineers and scientists are required. Managerial skills are also necessary, together with an advanced university degree and several years of experience of managing staff and large financial portfolios.</p> |
| Miners (once operation begins) | <p>Extraction of ores or mineral from the earth.</p> | <p>The skills required for a miner are more physical capabilities, ranging from carrying minerals from the depths of the mines to loading trucks. More skilled miners are required to use machinery to excavate minerals, blast appropriate areas of soil and maintain equipment.</p> <p>Possible skills gaps include literacy and experience working in mines.</p> |

The most pressing need is for qualified and experienced geologists. The majority of the MNEs interviewed provide scholarships to local universities for geology and engineering students, without any requirement that they work for the companies during or upon completion of their studies. The Government also provided 120 scholarships for study at the College of Science and Technology students at the University of Liberia; but the majority of these students ended up changing courses to pursue business studies, which normally requires fewer years to complete and are less expensive. In 2008, of the

approximately 2,000 university graduates, only five were mining engineers and geologists.⁴⁷

Furthermore, those who do get the proper training have a theoretical application of their respective fields but lack practical experience, combined with a grounding in the basic scientific principles of earth science. And students are not trained in recent technologies used by mining companies, which forces the companies to spend more time and resources on training in this area upon recruitment. Soft skills are also an issue with regard to the recruitment of young persons, although practical experience is more crucial. One MNE described that a recent graduate they hired was only able to provide assistance to senior geologists as the skills taught at university were outdated, inefficient and lacking in any practical experience. The MNE had to provide additional training to the employee on the use of the current technology required for the job.

MNEs in the mining sector are currently collaborating with the education system (especially universities) in a number of ways. However, it has proven difficult for the MNEs to absorb potential candidates successfully, as the MNEs need more qualified workers to fill their positions. Programmes aimed at building practical skills should be introduced, such as apprenticeships, internships and on-site training opportunities with some MNEs on a pilot basis. The MNEs could assist institutions such as the College of Science and Technology to identify the appropriate faculties and can assist in formulating curricula to match the skills required in the sector.

Sectoral outlook

The mining sector has only recently been revitalized with the signing of several concession agreements. The majority of the companies interviewed have only been in Liberia for a few years, and their operations are at the exploratory phase. The companies have also undertaken to contribute to rebuilding roads, ports and railways, which will improve overall infrastructure in the country. These activities will generate indirect employment in construction and other services. Once the companies begin their mining operations, the majority of the jobs generated will be for miners, which involves unskilled workers to carry minerals from the depths of the mines to loading trucks and more skilled miners are required to use machinery to excavate minerals, blast appropriate areas of soil and maintain equipment.

As is the case in the agricultural sector, further development of this sector largely depends on whether the country can improve its education system to provide the skills demanded. Consideration could be given to the establishment of a special fund with contributions from MNEs for skills development purposes. A common training facility might be more cost-effective in the longer term in view of the capital-intensive nature of operations in the sector.

The MNEs in the sector also expressed interest in further development and expansion of the sector into processing and manufacturing, such as development of steel production, although their priority is completing the first stage of exploration, determining the feasibility of mine construction and identifying skilled personnel for their immediate needs.

⁴⁷ Information provided by the University of Liberia during interviews conducted in November 2009.

CSR practices in the mining sector

In the mining sector, MNE CSR policies are primarily focussed on ensuring the protection of the environment in which they are working. With regard to socially responsible labour practices, the companies cite compliance with local labour standards and labour laws and regulations, job creation, their hiring and training practices, as well as the wages paid to their workers. The companies also are concerned to ensure that there is no child labour in their mines and construction sites. In general, hiring as many Liberian nationals as possible, providing training for Liberian nationals and ensuring that high wages are paid on time are also viewed as part of socially responsible labour practices in the sector. MNEs are increasingly contributing to the development of micro, small, and medium-sized enterprises in the communities in which they operate and plan to engage with artisanal miners.

Dialogue and stakeholder engagement

The mining sector is just beginning to be reorganized. The existing Chamber of Mines has the potential to be transformed into a platform for dialogue to address sectoral challenges. The companies interviewed expressed interest in joining the Chamber, although they are hesitating until the major player in the industry participates actively. Several companies already operating in the sector expressed the hope that the two large mining MNEs arriving in the sector would take the lead in addressing sectoral problems and become vocal representatives for the entire sector.

Dialogue between the public and private sector has been limited to discussions concerning the conditions set out in the concession agreements and the general rules and regulations governing their operations. Although the companies have agreed to the concession requirements, a strategic plan of action has yet to be drawn up through dialogue between the public sector and business on how to develop the sector, including sustainable changes for long-term development. The MNEs interviewed considered that the requirements set out in the concession agreements, including “Liberianization” and social investment, are one of the main constraints to dialogue. Nonetheless, they are concerned about the conditions necessary to achieve their overall business objectives and have proposed an exchange of views.

Dialogue with the local university has been limited to discussing the financial contributions made by the companies and the sponsorship of students in mining-related fields. Dialogue is needed to explore ways in which the private sector could contribute to the education system to prepare students adequately for future employment in the mining sector.

Employment opportunities for youth exist in the mining sector. The question is how they can be maximized so that Liberian youth have access to more and better jobs. Various efforts are currently being made by the respective actors, including MNEs. They are facing a number of common challenges. Addressing them collectively would undoubtedly offer sustainable outcomes to the sector, and now is the optimal time as the sector is beginning to be revitalized. Partnership building through dialogue seems to be the way forward. A long-term vision of the sector should be discussed and translated into a common strategy and framework of action.

Chapter 5 Youth employment in banking

Prior to the war, the banking sector had 15 active commercial banks. Today, there are a total of five banks, both national and international.⁴⁸ Several Liberian banks that had gone bankrupt during the war have been bought by foreign companies, and a number of new foreign-owned banks have also entered the market since 2003. The contribution of the financial services sector to the national economy was 2 per cent in 2008, due mainly to the fact that most Liberian nationals, particularly those residing outside Monrovia, lack access to financial services. In an effort to strengthen and diversify the banking system, the Central Bank of Liberia has been encouraging new banks to enter the market.⁴⁹ Therefore, the sector is expected to expand as new multinational banks are established in Liberia, several of which plan to expand operations outside the capital.

MNEs in the banking sector are principally engaged in commercial banking, money transfer services, export and import financing and corporate finance. The companies range in size from 100 to over 300 full-time employees. The banks are owned by investors from several countries, including France, Gambia, Germany, Nigeria and the United States. Most of the MNEs interviewed have been operational only since early 2007.

Some banks expressed interest in diversifying activities and expanding their operations outside the capital city. However, due to the inadequacy of infrastructure expansion is slow and shortages of skilled labour for companies to poach staff from each other.

Overall data on youth employment in the MNEs interviewed

Four of the five multinational banks currently operating in Liberia were interviewed. Three of the banks are engaged in commercial and retail banking, the fourth is focused on micro-finance. At the time of the study, the number of employees per company ranges from approximately 150 to 300, for a total of 751 full-time employees. However, this number is expected to increase to 855 jobs within the coming six months and double within the coming year as the banks continue to plan their expansion into rural areas.

Over 72 per cent of jobs in the banks are held by young persons under the age of 35. According to the banks, young persons are preferred because they tend to learn new technologies and systems more easily. Most of the banks also have internal policies for the active recruitment of youth. Young persons are expected to occupy over 90 per cent of future positions.

Of the three sectors covered by the study, the banking sector offers the greatest opportunities for women, who currently account for over 32 per cent of employees in the sector. Table 11 summarizes the direct employment data provided by the four MNEs interviewed.

⁴⁸ “3 additional banks were just opening at the time of the country-level exercise.”

⁴⁹ Central Bank of Liberia, Monetary Policy Statement.

Table 11. Direct employment data in the four MNEs surveyed in the banking sector

| Sector | Number of full-time employees | Employees under 35 years of age | Women employees | Number of foreign employees | Number of youth hired in the past year |
|---------|-------------------------------|---------------------------------|-----------------|-----------------------------|--|
| Banking | 751 | 542 | 245 | 21 | 134 |

Foreign employees represent approximately 3 per cent of the total number of employees in the sector. They primarily hold senior and technical positions and have been brought in mainly in response to the lack of qualified labour for certain positions in the country. They are also employed as technicians, or in many cases technical consultants, to train Liberian staff and counterparts.

The supply chain for the banking sector has not yet developed. Banks import most, if not all, of their materials and supplies from abroad. Some indirect employment opportunities generated by the sector include the construction of new branch offices and housing, as well as other services, such as catering.

Positions available, skills required and skills gaps

The banking sector requires a highly skilled workforce with knowledge of international banking standards and accounting principles, together with regional and national banking requirements. Direct employment opportunities for unskilled labour are therefore extremely limited.

Many jobs require training in accounting, finance or book-keeping. The current job profiles are primarily entry level positions, with the exception of senior management positions, which are occupied by foreign employees.

Banks report that they have found it challenging to recruit appropriate employees in Liberia, even for positions requiring relatively basic skills. Although there is an assumption that basic knowledge and skills, such as letter writing, answering phones or doing basic calculations, should be acquired with a university degree, the MNEs interviewed emphasized that these basic skills are not readily available in the labour pool and that they are therefore required to retrain new and potential employees. This has created a gap in the currently available positions that the companies are endeavouring to fill through their own training and seminars. Several banks indicated that they make a university degree the main requirement for applicants and offer three to six months training for potential employees. Those who are able to pass the examinations after this training are offered positions, while those who are unsuccessful move on to apply to other banks, particularly those that are new in the country. Table 12 illustrates the current skills requirements and gaps for the positions available in the banking sector.

Table 12. Position available and skills needs of MNEs in the banking sector

| Position | Nature of job | Skill needs/existing gaps |
|--------------|--|---|
| Bank tellers | Primarily deal with customers, process requests, such as cashing cheques, accepting deposits and loan payments, and process withdrawals. | Soft skills are the primary gap in this position, along with basic mathematical and English skills. |

| Position | Nature of job | Skill needs/existing gaps |
|----------------------------------|---|--|
| Accountants | These are back office jobs primarily dealing with the processing of payments and invoices, balancing financial records and assisting with all the financial aspects of the company. | The skills and competences required include an understanding of basic accounting principles, book-keeping, computer skills, particularly Microsoft Excel, basic mathematical skills and a university degree. The skills gap includes knowledge of accounting principles, basic math, and computing. |
| Book-keepers | Also back office jobs focussing on maintaining accounting records, such as receipts and expenditure, tracking accounts payable and receivable, and profits and losses. | This position requires a university degree, together with mathematical and English skills, writing ability and soft skills. As with accounting, the skills gap includes basic knowledge in math and computing. |
| Office clerks/assistants | These primarily involve performing basic office functions, including filing, photocopying, data processing, answering the phone and delivering messages. | This position usually requires basic computer, mathematical and English skills, with some experience and knowledge of word processing and general office skills. The skills gap includes computer and soft skills including customer service. |
| Customer service representatives | The responsibilities in this position primarily relate to customer care and providing assistance to customers with questions, concerns or any other service. | The most important requirement for this position is soft skills, particularly dealing with people and listening to their needs. MNEs have noted this to be one of the primary gaps in Liberia along with basic mathematical, computer skills, and communication skills. |

The major skills gaps are in mathematics, English and computer literacy, which is particularly lacking in the local labour pool. The challenge is to find Liberian nationals with these qualifications who are not already employed by other banks or the Government. In view of the overall shortage of skilled labour in Liberia, the banks seek to identify graduates who are prepared to learn and are sufficiently motivated. The banks have experienced major challenges in finding qualified personnel from local schools. The MNEs expressed doubts about the usefulness of the courses taught at university, particularly business courses.

Each of the new commercial banks that have commenced operations following the war has included training in its recruitment policy. The training provided include basic mathematics, accounting, book-keeping, management and computer skills. While the MNEs in all three of the sectors covered by the study provide training to their employees, the contribution of the banking sector to skills development in the country could be greater, as those who are able to complete the programmes, but are unable to pass the post-training examinations in banks are often absorbed by companies in other sectors, resulting in a positive spill-over of the investment made in skills development.

For highly skilled positions, foreign nationals who hold advanced degrees and are qualified in their respective fields (accounting, finance, auditing) are brought in with the expectation that they will train local employees to take over their positions. Even with such measures it is still often difficult to recruit locally, particularly for supervisory positions. One MNE recounted the experience of bringing in an audit compliance consultant to train a Liberian for several months to head the audit department only to realize that the person lacked both the technical and soft skills necessary to manage the bank's audit system. The consultant had to stay for a year, instead of the originally scheduled period of three months,

while the search for a new compliance manager continued, and the bank eventually had to bring in an employee from another African country to fill the position.

The University of Liberia is aware of these challenges and seeks to ensure its graduates have the necessary skills to compete in the labour market in the banking sector. In cooperation with the Central Bank of Liberia (CBL), it is in the process of restructuring its business curriculum and has sought the assistance of the banks on how to improve courses. The CBL is also in the process of establishing a new database of skilled bankers of Liberian descent with a view to facilitating the identification of skilled and experienced Liberian nationals within and outside the country.

Sectoral outlook

Recruitment is expected to grow substantially over the next six months. However, according to the MNEs in the sector, the numbers could have been higher if sufficient skilled labour were available for banks to expand their reach. Future recruitment prospects reflect the new branches that the banks are expected to open. Although the numbers are quite optimistic, there is potential for the sector to grow even more if the banks can find skilled local personnel.

The primary concern of the MNEs is the availability of sufficient skilled labour for the future. The training programmes of the banking MNEs are designed not only to fill the current skills gap, but also to build a pool of trainers for future employees who are not equipped with the necessary level of expertise upon graduation from the education system. The banks indicated that the investment in training programmes in Liberia is much higher than in other countries in which they operate. For example, one bank which has been operating in Africa for decades usually provides six weeks training for potential employees. However, in Liberia, the bank provides over three months training, despite recruiting applicants with university degrees. The basic skills that should be taught at the university level are missing or inadequate, requiring most of the banks to provide both theoretical and practical in-house training. This situation has led to frequent poaching in the sector. In view of the training provided by the banks, new banks have realized the difficulty of obtaining the necessary skilled labour when starting their operations and have made attempts to poach staff from other banks to meet their skill needs.

The technology taught and used in schools is also outdated and is no longer used in the banking sector. Banks today operate using real-time technology, together with software that minimizes human error. However, universities are still teaching manual systems that are not only out of date, but also ill-equipped to prepare students for the labour market. An example was described by one bank, where an employee used a calculator to compute figures that were on an Excel spreadsheet.

Moreover, skills and competencies are not currently certified in the country. Banks employ foreign staff to meet national and international banking laws requiring certified accountants, auditors and controllers. The MNEs believe that the amount of time and money that is being invested in training potential employees could be reallocated if schools were adequately equipped with skilled staff and computers. Having a credible certification system would also help to ensure that candidates have certain qualifications.

Although the university is aware of the lack of qualified graduates, schools face another major barrier in the form of the lack of adequate teachers in the education system to develop basic skills. The brain drain has been a major negative consequence of the war, with hundreds of skilled and qualified teachers, bankers and persons with technical skills leaving the country and not yet having returned.

Several companies also commented on the lack of hard work and diligence, and deficiencies in teaching this valuable asset. Most commented on the challenges of finding employees willing to take responsibility for their assignments, take initiative and formulate new ideas. Even when MNEs are able to identify young persons with the willingness to learn and the motivation to acquire new skills the candidates frequently lack the aptitude, and particularly the verbal and mathematical abilities necessary to acquire new skills.

One of the MNEs had suggested that all the banks should provide training courses jointly at the sectoral level, as each bank was bringing foreign staff from the Ghana Business School to train its employees. Unfortunately, this idea was not well-received and no collective effort materialized. Nonetheless, the banks have invested in offering the local workforce opportunities to develop appropriate skills; and collaborated in the creation of a comprehensive database of skilled labour. With these improvements, the sector is seeking to provide training to equip the future workforce with a view to the gradual incorporation of Liberian citizens into senior positions. The MNEs interviewed indicated their willingness to work with schools and other banks in identifying solutions to overcome the skills shortage.

Table 13 below lists the categories of potential jobs which MNEs identified that could be generated through the expansion of the banking sector.

Table 13. Potential job categories in the banking sector as identified by the MNEs interviewed

| Position | Required skills |
|----------------------------------|--|
| Certified/ chartered accountants | This position usually requires a university or advanced degree with experience of working in banking institutions. The skills required include the ability to make journal entries, reconciliations, substantive testing and to prepare account reconciliations and internal control documentation. Certified and chartered accountants are individuals who have passed city or country examinations and have met the requirements established at the national level, including the number of years of experience to become a public accountant. |
| Audit compliance managers | This position also requires specialized skills and a university or advanced degree. The skills needed for the position include performing analyses of financial statements, analysing the risk profile of the bank, preparing internal audits, ensuring the planning and execution of audits and compliance with local and international banking laws and regulations. |
| Reconciliation managers | This position also requires a university or advanced degree. The main skills necessary include a comprehensive understanding of reconciliations and audit/risk control, experience of managing accounts, creating, analysing and presenting financial reports, and the ability to review, manage and produce daily, weekly, monthly and yearly reconciliation reports. |
| IT specialists | Although this position is not necessarily limited to the banking sector, it is highly valued as banks use advanced technology for daily transactions. IT specialists usually have a degree in computer sciences or information systems management and are able to plan, coordinate and manage the installation of hardware and software systems and ensure the confidentiality, integrity and availability of systems and data. With the increasing demand for Internet banking, IT specialists are in high demand to manage complex systems. |
| Operations managers | In a similar way to the other two sectors, the skills required for this position are administrative with a high degree of experience in business management and people skills. The specialized skills of operations managers in the banking sector call for experience of financial institutions and a profound understanding of international and national banking standards, together with the ability to produce financial reports and yearly statements. |

The banking sector is likely to generate more and better jobs for youth in Liberia. There are tremendous opportunities with the arrival of new international banks and the creation of new branches by existing banks. The industry has already undertaken to maximize the employment of youth and to take proactive measures for their recruitment. It is aware of the importance of training the current and future workforce; and it is already engaged in action-oriented activities to train the workforce and willing to work with new partners to solve the common challenges facing the sector. They are also open to identifying the roles that they could play in the further development of the sector.

CSR practices in the banking sector

The current Corporate Social Responsibility (CSR) policies and programmes of banks in Liberia are focussed on education, the environment and community development. The efforts that are being made to train employees and potential employees are not considered as part of their CSR programmes, but as part of their overall human resources policies.

Banking MNEs have defined socially responsible labour practices in the sector as providing adequate employment opportunities for the local market with competitive salaries. In view of the challenges faced by banks in finding appropriately skilled labour, one of the key labour-related subjects concerns the number of foreign employees working in banks. The issue that arises in relation to the Ministry of Labour is compliance with Liberianization requirements, even in a situation in which they are unable to find the skills they require for senior positions. Poaching of staff from other banks is an issue that is considered socially irresponsible in the sector.

Dialogue and stakeholder engagement

In comparison with other sectors, dialogue in the banking sector is well developed, particularly among the banks. All banks are members of the Bankers' Association, including the Central Bank.

Dialogue is also well developed between the Government and the banks. The banking sector deals primarily with the Central Bank concerning compliance with capital requirements, national banking rules and regulations, and the "Liberianization" policy to ensure that all banks have Liberian nationals in managerial positions. Innovative measures are being taken in this respect. The banks have used this dialogue platform to address common challenges with the help of the Central Bank. For example, in consultation with the banks, the Central Bank has developed a strategy to bring in experienced bankers, particularly from the Liberian diaspora, and is in the process of creating a skills database to "strengthen and enhance the managerial capacity of financial institutions operating in Liberia".⁵⁰

The existing platform for dialogue would benefit from the involvement of other key actors in the public sector, in particular the Ministry of Education. The sector has initiated dialogue with local universities to improve their curricula; but the banks could work more closely with local universities, and particularly the College of Business and Public Administration, with a view to structuring its curriculum to offer more specialized courses that meet the skills needs of the private sector. MNEs could also provide guidance to the education sector, including primary and secondary schools, to ensure that the issue of work ethic and aptitudes are addressed at an early stage. They could also help the Government to

⁵⁰ Central Bank of Liberia, http://www.cbl.org.lr/press_details.php?record_ID=62

develop a system to recognize skilled and talented students in high schools and universities and a system for certification of skills and competencies.

The Bankers' Association is well-positioned to identify business opportunities and address longer-term sectoral challenges. It should continue to spearhead dialogue in the sector, involving both the public and private sectors. The Association could contribute to promoting socially responsible labour practices among banking MNEs and propose forward-looking long-term sectoral strategies to build the necessary skills base in the future workforce. Individualized enterprise-level efforts could be combined into concerted sectoral action based on dialogue.

Chapter 6 Conclusions and recommendations

The study has identified the types of jobs that are currently found in the 17 MNEs surveyed in Liberia, and has provided an overview of the potential for creating more and better jobs through these MNEs. The key findings of the research are as follows:

- Although modest in comparison with the total number of job seekers, a significant number of direct employment opportunities are generated through MNEs in the three sectors studied. Furthermore, they generate indirect employment opportunities including in construction, catering and other services.
- The types of jobs currently available in the 17 MNEs interviewed are concentrated in unskilled and semi-skilled positions, with Liberian nationals holding 100 per cent of such jobs.
- Over half of the employees in the mining and banking sectors are youth. The percentage of positions held by women employees in the banking sector is relatively high in comparison with the other sectors. And whereas agriculture offers significant growth potential, it currently fails to attract youth to the sector.
- The MNEs prefer to recruit nationals; however, Liberia has a serious shortage of skilled labour with practical experience, knowledge of the latest technologies and principles in their fields. Schools providing basic education have not been able to equip students with the basic skills required in the labour market. Technical education and vocational training centres are not equipping their students with the skills demanded in the labour market. And the universities lack the resources, equipment and technology necessary to teach students the appropriate methodologies and more modern technology used in the private sector.
- The MNEs are currently overcoming this skills gap by providing their own training programmes to equip employees with the necessary skills upon recruitment. Still, foreign employees are brought in to fill senior management and technical positions that require experience, advanced degrees and accreditation, all of which cannot readily be found among the local workforce. Foreign employees provide in-house training to local recruits.
- Future job growth is liable to remain in unskilled positions unless action is taken to improve the levels of education and training of new entrants into the labour market.
- The supply chains for all three sectors are limited or practically non-existent, reducing local job creation.
- Unreliable physical infrastructure remains a key constraint preventing many MNEs from expanding into manufacturing, despite their considerable potential, particularly in agriculture.

The MNEs interviewed are aware that they face common challenges. Initial efforts are being made at the sectoral level to address them jointly. Agricultural sub-sectors, such as rubber, palm oil and timber, have sectoral associations that are currently engaged in dialogue on ways of improving the performance of the sector in general. In particular, the rubber sector is in the process of developing a mid-term Master Plan and experienced professionals from leading rubber countries are being brought on board to support the development of a sectoral strategy. The mining sector, which is just beginning to be revitalized after many years of non-production, is at the early stages of initiating dialogue. However, the MNEs in the sector provide support individually for local training

institutions. The banking sector also has an active association, the Bankers' Association, which serves as a platform for dialogue involving all banks.

Table 14 provides a further breakdown of the challenges by specific sector and the steps currently being taken to address them.

Table 14: Sectoral challenges and current MNE efforts

| Sector | Challenges | Current activities |
|-------------|---|---|
| Agriculture | <ul style="list-style-type: none"> • Lack of skills • Lack of a sectoral training institution • Lack of interest on the part of youth • Unreliable infrastructure | <ul style="list-style-type: none"> • Sub-sectoral associations are currently active • Dialogue has taken place but is not well organized • Training provided at the enterprise level |
| Mining | <ul style="list-style-type: none"> • Lack of labour (quantity) • Lack of skilled labour within a small pool • Poor quality of education | <ul style="list-style-type: none"> • Training provided at the enterprise level • Financial support provided to schools by MNEs |
| Banking | <ul style="list-style-type: none"> • Lack of skills • Lack of training institutions • Poor work ethic | <ul style="list-style-type: none"> • Active association • Dialogue between banks |

The ILO MNE Declaration offers policy makers and business leaders with guidance on how to maximize the positive contribution that MNEs can make in host countries. It encourages MNEs to contribute to the development objectives of the country in which they are operating through a process of social dialogue, to employment creation through, for example, the encouragement of backward linkages by sourcing from local enterprises, to skills development and training through partnership with all the actors concerned, and to respect of workers' rights.

The primary responsibility for promoting social welfare rests with the Government; however, MNEs and other enterprises can contribute to meeting national challenges, including poverty reduction and human development. Sustainable development is about meeting the needs of both present and future generations. A stable and sustainable society cannot be achieved when there are high levels of extreme poverty. Similarly, sustainable enterprises benefit from operating in stable and secure societies, which means that there is a symbiotic relationship between development and enterprise. The mutually reinforcing synergy is clear: business is good for development and development is good for business. Nonetheless, voluntary efforts by businesses can supplement, but not replace, the role of the public administration.

There has been little dialogue between the public and private sectors. The MNEs in general would like the Government to collaborate with the private sector to find solutions for the generation of decent, lasting and sufficient employment opportunities, beyond mere job creation. In view of their long-term commitment in the country, many of the MNEs in Liberia express a willingness and eagerness to engage in and contribute to addressing national development challenges, particularly to bring about a positive impact in the sectors in which they operate. This clearly creates space for business and the public sector to join hands in addressing the major challenges specific to each sector, and the common challenge of large skills deficits hindering further development of youth employment, and development more generally.

This study concludes by presenting the following recommendations on the role that MNEs could play, in partnership with each other and in collaboration with the Government, in promoting youth employment:

1. **Participating in strategic public-private partnerships** to overcome the youth employment challenges jointly, focussing primarily on the issues of training and skills development. Although the MNEs have generally had a harmonious relationship with the Government, dialogue up to now has almost exclusively been focussed on negotiating concession agreements. MNEs are willing to collaborate with the public sector to address some human development challenges and to create strategies jointly for lasting change. As a start, high-level dialogue could be organized between public and private actors on the role of MNEs in youth employment, drawing on the findings of the present ILO MNE study. The National Tripartite Committee could encourage and facilitate the dialogue. Workers' organizations and youth groups are well-positioned to represent young workers.
2. **Strengthening and expanding partnership within the business community** through the establishment of a platform for continuous dialogue among businesses to address common challenges. The Liberia Chamber of Commerce (LCC) could play an important role in bringing the business community together to discuss and share experiences with a view to identifying a collective business vision to overcome the challenge of the skills gap. The job profiling and the skills mapping exercise undertaken in the context of the present study were based on the information provided by the MNEs. It is hoped that the information will contribute to improving the matching of labour supply and demand. It could, for example, be used as an input in the ongoing reform of the Technical and Vocational Education and Training (TVET) system. Business Development Service (BDS) providers may find the information practical for the provision of improved skills development support to businesses.
3. **Enhancing the employment dimension of sectoral dialogue**

Agriculture

The agricultural sector has been identified by the Government as one of the most important sectors in the economy. Dialogue between MNEs is ongoing and a number of projects have been identified for the provision of support to small-holders and local communities. Active sectoral associations, such as the Rubber Planters' Association, through which MNEs are already involved in the preparation of a Master Plan, demonstrate the role that MNEs could play in enhancing sectoral performance and promoting youth employment.

Mining

The new concession agreements that are being negotiated, together with the prospect of over 13,000 new jobs over the next few years, call for a more concerted effort to ensure the availability of the qualified labour required in this sector. Ongoing individual company activities could be scaled up and elevated to an organized and collective effort at the sectoral level. The mining sector is just beginning to be reorganized and discussions are being held on the establishment of an active Chamber of Mines. The MNEs indicated their interest in participating in the Chamber, although they are hesitating until the major players in the industry participate actively.

Banking

The banking sector has shown that it is the most advanced of the three sectors in finding common solutions to the current challenges. The banks, with the Central Bank of Liberia, are currently engaged in working with schools to improve their curricula. They are also creating a database of skilled Liberian nationals, including those living overseas. The Bankers' Association is involved in dialogue and works with schools. Other stakeholders, including secondary schools, could be included in the dialogue, since the banks identified the need to improve basic education.

4. **Helping to improve the quality of education and vocational training.** The MNEs in Liberia currently provide training opportunities at the enterprise level to overcome the skills gap found among newly recruited employees. However, in view of the common challenges faced by all MNEs, there is scope for them to come together to address the issue jointly. For example, partnership could be fostered in support of the education system through the development of relevant curricula for schools. The provision of internships in MNEs could offer youth the practical training opportunities that they need to enhance their employability. Dialogue between stakeholders would also be essential to identify ways in which MNEs could make a tangible contribution to the development of human capital in the country, including potential future employees. Jointly designed initiatives that deliver training programmes should meet the needs of MNEs and businesses at large.
5. **Participating in innovative pilot public-private partnership projects.** The pilot projects would contribute to identifying effective models of MNE cooperation in the areas of training and skills development. All the MNEs that participated in the ILO MNE study emphasized the low level of skills possessed by the graduates from the Liberian education system and pointed to the need to revise the curricula. The MNEs have offered financial support to education/training institutions in general. However, the technical contribution that MNEs could provide, in addition to financial contributions, could be extremely beneficial and could include the provision of guidance on their skills needs and requirements. Partnerships with MNEs should be diversified and should reach out to schools to inform them of their needs and expectations. This would contribute to improving the match between labour demand and supply. Although some schools have approached MNEs concerning the improvement of their curricula, steady dialogue has not commenced.
6. **Participating in efforts to foster linkages between MNEs and local suppliers.** The Government and MNEs could work together to design inclusive business approaches that bring small and medium-sized enterprises (SMEs) into MNE value chains. This would in turn contribute to local economic development and employment generation. Making markets work for the poor should be part of pro-poor growth in the country. MNEs therefore have a role to play in stimulating value chain development for decent work.
7. **Participating in a review of the employment-related provisions of concession agreements** which may provide a useful opportunity to further discuss and analyse the employment impact of the concession agreements concluded by MNEs.

Appendix A: Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy (ILO MNE Declaration)

The ILO MNE Declaration provides recommendations in five areas. It encourages enterprises to:

General policies

- Comply with national laws and respect international standards
- Contribute to the realization of fundamental principles and rights at work
- Consult the government, employers' and workers' organizations to ensure that operations are consistent with national development priorities

Employment

- Endeavour to increase employment opportunities and standards, taking the employment policies and objectives of governments into account
- Give priority to the employment, occupational development, promotion and advancement of nationals of the host country
- Use technologies which generate employment, both directly and indirectly
- Build linkages with local enterprises by sourcing local inputs, promoting the local processing of raw materials and local manufacture of parts and equipment
- Extend equality of opportunity and treatment in employment
- Assume a leading role in promoting security of employment, providing reasonable notice of intended changes in operations and avoiding arbitrary dismissal

Training

- Provide training for all levels of employees to meet the needs of enterprises, as well as the development policies of the country
- Participate in programmes to encourage skill formation and development
- Afford opportunities within the MNE for local management to broaden their experience

Conditions of work and life

- Provide wages, benefits and conditions of work not less favourable than those offered by comparable employers in the country concerned
- Provide the best possible wages, benefits and conditions of work, within the framework of government policies, to meet the basic needs of employees and their families
- Respect the minimum age for admission to employment
- Maintain the highest standards of safety and health at work
- Examine the causes of industrial safety and health hazards, provide information on good practices observed in other countries, and effect the necessary improvements

Industrial relations

- Develop industrial relations no less favourable than those observed by comparable employers
- Respect freedom of association and the right to collective bargaining, providing the facilities and information required for meaningful negotiations
- Support representative employers' organizations
- Provide for regular consultation on matters of mutual concern
- Examine the grievances of worker(s), pursuant to an appropriate procedure

Appendix B: List of organizations interviewed and/or participated in the focus group discussions

Ministry of Labour

Liberia Chamber of Commerce (LCC)

Liberia Labour Congress (LLC)

Seven multinational enterprises from the agriculture/agro-forestry sector

Six multinational enterprises from the mining sector

Four multinational enterprises from the banking sector

Ministry of Youth and Sports

Ministry of Lands, Mines and Energy

Ministry of Agriculture

Ministry of Commerce and Industry

National Investment Commission

Rubber Planters' Association of Liberia and its Executive Committee

Liberia Extractive Industries Transparency Initiative

University of Liberia

Concerned Liberian International Business Organization (COLINBO)

Liberia Business Association (LIBA)

Liberia Economic Journalists Association (LEJA)

World Bank

International Finance Corporation (IFC)

United States Agency for International Development (USAID) Sustainable Tree Crops Program

Japan International Cooperation Agency (JICA)

United States Africa Development Fund

The list includes organizations met during the scoping mission undertaken in November 2008.

References

- Abella, Manolo (2006). "Global competition for skilled workers and consequences", in *Competing for global talent*, Kuptsch, C. and Pang, E. F. (eds), International Migration Branch, Geneva, ILO.
- Barclay, Anthony (2002). "The political economy of brain drain at institutions of higher learning in conflict countries: Case of the University of Liberia," in *African Issues*, Vol. 30, No. 1 (2002): 42.
- Burke, Oona (2009). *An assessment of the entrepreneurship develop programs in Liberia 2009*.
- Food and Agriculture Organization Statistical Division,
<http://faostat.fao.org/desktopdefault.aspx?pageid=342&lang=en&country=123>
- Global Policy Reform (2008). *Liberia: UN panel raises concerns over diamond trade*, available at <http://www.globalpolicy.org/component/content/article/182/33862.html>
- Government of Liberia (2008.) *Poverty Reduction Strategy Paper*, Monrovia.
- Government of Liberia (2010). Decent Work Bill, Monrovia.
- Government of Liberia, Ministry of Labour (2009). Employment Policy, Monrovia.
- Government of Liberia (2009). Liberia Agriculture Sector Investment Programme, Monrovia.
- Government of Liberia, National Investment Commission. *Investment Incentives Code*.
- International Labour Office (ILO) 2008. *Global Employment Trends for Youth: Youth, training and employment*, Geneva.
- International Labour Office (ILO) 2007. *Employment statistics for Liberia: Report on labour related data from the Liberia CWIQ 2007*, Geneva.
- International Labour Office (ILO) 2008. *Development and decent work: New directions for multinational enterprises in shaping a fair globalization*, Geneva.
- International Labour Office (ILO) 2009. *A rapid impact assessment of the global economic crisis on Liberia*, Geneva.
- International Labour Office (ILO) 2006. Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy, Geneva.
- IMF (2009). Data and Statistics: Liberia Foreign Direct Investment Statistics, available at www.imfstatistics.org
- Liberia Chamber of Commerce (2009). "Recommendations to the Government of the Republic of Liberia", Monrovia.
- Liberia Chamber of Commerce (2009). "Response to the Ministry of Labour on the proposed enforcement of the labour laws effective October 2009", Monrovia.

- Oteng, Sam, O. (2008). *Youth enterprise development technical vocational education and training: Report on jump starting activities: On-the-job and in-plant training scheme*, Geneva, ILO.
- Sheriff, Kemoh, S. (2007). *Spices supply study*, Geneva, International Trade Center.
- Thompson, Nii, M. (2008). *Growth and employment prospects in Liberia*, Geneva, ILO.
- UNCTAD FDI STAT (online statistics database)
- UNDP (2001), *Liberia Economic Review*, Monrovia, UNDP Liberia.
- UNDP (2006). *National Human Development Report 2006: Liberia*, Monrovia, UNDP Liberia.
- United Nations Economic Commission for Africa (2002). *Economic Report 2002*.
- Water for Agriculture and Energy in Africa (2008). *Liberia National Investment Brief*, Sirte.
- World Bank (2009). *World Bank Development Indicators (2009)*
- Draft Master Plan for the Liberian Rubber Industry Development
- Draft TVET Policy Framework for Liberia

Employment Reports

2008

- 1 Apprenticeship in the informal economy in Africa – Workshop report
Geneva, 3-4 May 2007
ISBN 978-92-2-120202-8 (print); 978-92-2-120203-5 (web pdf)

- 1-FR L'Apprentissage dans l'économie informelle en Afrique
Rapport d'Atelier Genève, 3 et 4 mai 2007
ISBN 978-92-2-220202-7 (version imprimée) ; 978-92-2-220203-4 (web pdf)

2009

- 2 Report on the training and up-skilling of vulnerable groups in TPSEP countries :
Brunei Darussalam, Chile, New Zealand and Singapore
ISBN 978-92-2-122097-8 (print); 978-92-2-122098-5 (web pdf)

- 3 Learning from the 1997-1998 Asian financial crisis:
The ILO experience in Thailand and Indonesia
ISBN 978-92-2-1223870 (print) 978 92 2211223887 (web pdf)

- 4 ILO role in economic and financial Crises:
Lessons from the 2002 Argentine crisis and its aftermath
ISBN 9789221223894 (print) 978 92 21223900 (web pdf)

- 5 Decent Work issues in Poverty Reduction Strategies and National Development
Frameworks. A seminar report – 15-17 December 2008
ISBN 978-2-122624-6 (print) 978-2-122625-3 (web pdf)

- 5-FR Questions relatives au travail décent dans les stratégies de réduction de la pauvreté et les
cadres nationaux de développement. Compte rendu de séminaire – 15-28 décembre 2008
ISBN 978-2-222624-5 (print) 978-2-222625-2 (web pdf)

2010

- 6 Mitigating a Jobs Crisis: Innovations in Public Employment Programmes
ISBN 978-92-2-123597-2 (print) 978-92-2-123598-9 (web pdf)

A complete list of publications can be found on:
<http://www.ilo.org/employment>

Employment Sector

**For more information visit our site:
<http://www.ilo.org/employment>**

International Labour Office
Employment Sector
4, route des Morillons
CH-1211 Geneva 22

Email: edempdoc@ilo.org