



International
Growth Centre

Job Creation through private sector development, trade promotion and regional integration - Lessons from empirical studies

Freetown, Sierra Leone

April 13 2018

NEW DIRECTION

*“A united, peaceful, progressive, dynamic, confident, enterprising and happy nation where the people have unlimited access to **jobs, food, education and health services** and where there is equal justice and equal opportunity for all.”*

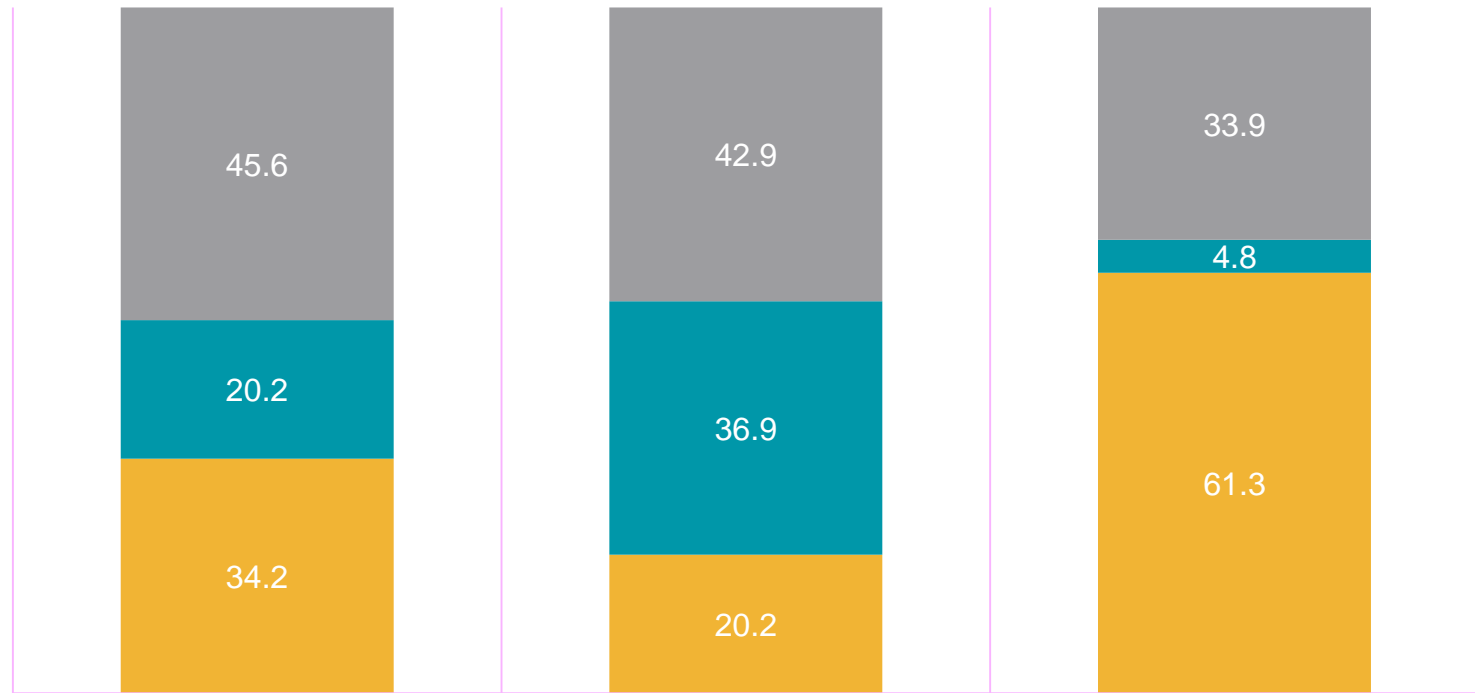
From SLPP Manifesto

LABOR FORCE IS INFORMAL, NOT WELL-EDUCATED, PARTICIPATION IS HIGH, BUT SO IS UNDEREMPLOYMENT

- Approximately 90 percent of laborers work in informal sector;
- Nearly 55 percent of working age population never attended school;
- Adult literacy is estimated at 43 percent; and
- Over 65 percent of Sierra Leone’s working-age population—nearly 2 million people—participates in the labor market—women as much as men; but
- Underemployment is high—33 percent of workers would like to work more hours.

THE ECONOMY IS DOMINATED BY AGRICULTURE

SECTOR CONTRIBUTIONS TO GROSS DOMESTIC PRODUCT, 2015

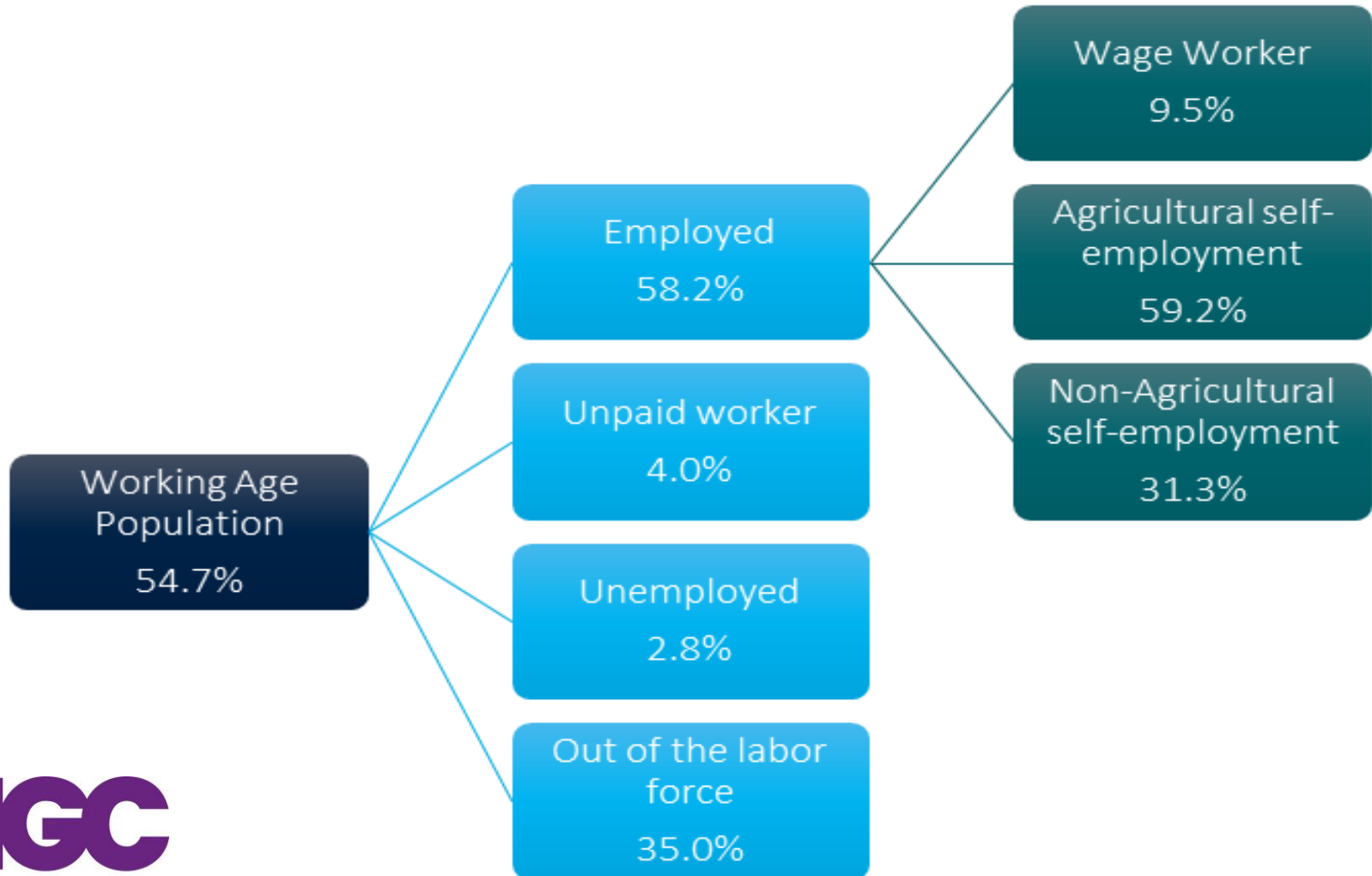


Burkina Faso

Guinea

Sierra Leone

FORMAL WAGE EMPLOYMENT IS TINY

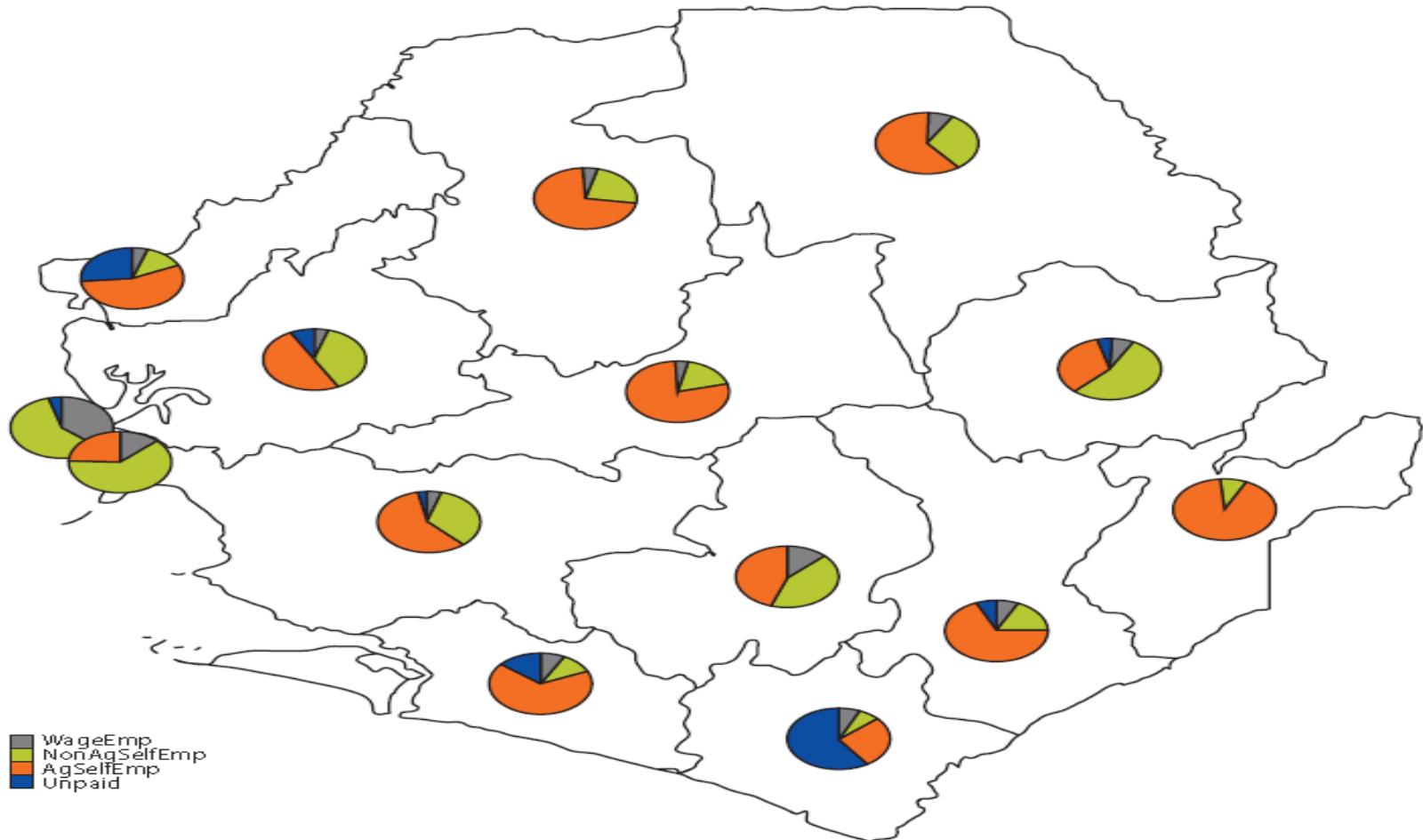


WAGE EMPLOYMENT FOUND MOSTLY IN CONSTRUCTION AND MINING. SELF-EMPLOYMENT IN AGRICULTURE.

DISTRIBUTION OF EMPLOYED BY SECTOR AND JOB TYPE



WAGE EMPLOYMENT IS FOUND MOSTLY NEAR FREETOWN



ORTHODOX APPROACH

Skills

- Entrepreneurship and business training
- Vocational skills
- Apprenticeships

Capital

- Microfinance
- Cash grants
- Gifts for assets

Skills + Capital

- Capital combined with training
- Typically involves some coaching in business practices

THE EVIDENCE

Myth: vocational training as answer to jobs.

Only 3 of 9 rigorous impact evaluations show a significant impact on employment

Simple average across studies show an average increase of 2.3 percentage points, i.e. for every 100 people trained less than 3 will find a job as a result of the program

These programs work better for men

These programs are not cheap

THE EVIDENCE

Myth: vocational training increases earnings

Only 2 of 9 studies show a statistically significant impact on earnings

Change in monthly income ranges from (USD) -5 to +83, with a mean of 19.

All in all, vocational training isn't delivering higher returns than regular schooling

MICROCREDIT: LITTLE IMPACT ON EMPLOYEMENT


Outcome	Bosnia and Herzegovina	Ethiopia	India	Mexico	Mongolia	Morocco	Philippines
Business ownership	↑	—	—	—	↑	—	—
Business revenue	—	—	—	↑	—	↑	—
Business inventory/assets	↑	<i>no data</i>	↑	<i>no data</i>	↑	↑	—
Business investment/costs	—	—	↑	↑	<i>no data</i>	↑	↓
Business profit	—	—	—	—	—	↑	—
Household income	—	—	—	—	—	—	—
Household spending/consumption	—	↓	—	↓	↑	—	—
Social well-being	—	—	—	↑	—	—	↓

POSSIBILITIES FOR BUSINESS IN THE AGRICULTURAL SECTOR



TREASURE TRUCK | Hello London, meet Treasure

Food Cupboard > Dried Fruits, Nuts & Vegetables > Dried Fruits



Roll over image to zoom in

Wholefood Earth: Organic Mango Slices

by [Wholefood Earth](#)
Be the first to review this item

Price: **£13.88** (£27.76 / kg) Delivery at no extra cost for Prime members

Temporarily out of stock.

Order now and we'll deliver when available. We'll e-mail you as soon as we have more information. Your account will only be charged when we ship this item.

Dispatched from and sold by Amazon. Gift-wrap available.

Note: This item is eligible for **click and collect**. [Details](#)

2 new from **£10.89**

- Wholefood Earth Has Officially Been Awarded A 5 Star rating for its confidence in the quality of your food!
- This exotic superfood is rich in vitamins A, B-complex (especially beta-carotene, which the body needs for the formation of vitamin A), and other beneficial ingredients that help maintain the health of your body.
- Mango can also boast its profile of amino acids, calcium, and other beneficial ingredients that help maintain the health of your body.
- The fruit, leaves, roots, stones and even mango seeds contain particularly phenols and flavonoids.
- Certified Organic By Organic Farmers & Growers

[See more product details](#)

[Report incorrect product information.](#)

POSSIBILITIES FOR BUSINESS IN THE AGRICULTURAL SECTOR

Kitchen & Home Appliances > Small Kitchen Appliances > Speciality Appliances > Food Dehydrators



Roll over image to zoom in



Klarstein Fruit Jerky 8 8-Tiered Food Dehydrator • 630W • 8 Large Drying Tiers with Almost 1 m² • 2 Drying Surfaces • Stable Housing • Temperature Range up to 68 ° C • User-Friendly Operation via Control Dial and 3 Buttons • Non-Slip Rubber Feet • Black

by Klarstein

★★★★☆ | 4 customer reviews | 12 answered questions

Price: £129.99

Sale: **£99.99** ✓prime

You Save: £30.00 (23%)

Only 1 left in stock.

This item does not ship to the Netherlands. [Learn more](#)

Sold by Klarstein United Kingdom and Fulfilled by Amazon. Gift-wrap available.

1 new from £99.99

Colour: **Black 8**



- HIGH PERFORMANCE: dehydrator for drying food. Natural food preservation, retains vitamins and minerals. 630 watt power for optimal heating during recirculating air operation
- SPACIOUS: 8 large drying tiers to quickly process large amounts of food. Drying surface of

POSSIBILITIES FOR BUSINESS IN THE AGRICULTURAL SECTOR

Drinks › Hot Chocolate & Malted Drinks › Cocoa



Roll over image to zoom in

Organic Hand Peeled Raw Cacao Beans 250 g

To see more, visit the [Hot Chocolate Store](#).

by Buy Whole Foods Online Ltd.

★★★★★ 1 customer review

RRP: £10.58

Price: **£9.36** (£3.74 / 100 g) ✓prime

You Save: £1.22 (12%)

In stock.

Want it delivered by Thursday, 12 Apr.? Choose **Priority Delivery** at checkout. [Details](#)

Dispatched from and sold by Amazon. Gift-wrap available.

Note: This item is eligible for **click and collect**. [Details](#)

2 new from **£9.36**

- Organically grown hand peeled raw cacao beans
- Packed on premises that handles nuts, seeds, cereals, soya and products containing gluten
- Cacao beans are a good source of protein, fat, carbohydrates
- › [See more product details](#)

[Report incorrect product information.](#)

POSSIBILITIES FOR BUSINESS IN THE AGRICULTURAL SECTOR

Skin Care › Body › Moisturisers



Roll over image to zoom in

Cocoa Butter 250g - Certified Organic Raw Unrefined Pure

by [TheSoapery](#)

★★★★★ 30 customer reviews | 9 answered questions

Price: **£5.99** (£23.96 / kg) ✓prime

In stock.

Want it delivered by Thursday, 12 Apr.? Choose **Priority Delivery** at checkout. [Details](#)

Sold by [TheSoapery](#) and [Fulfilled by Amazon](#). Gift-wrap available.

Note: This item is eligible for **click and collect**. [Details](#)

2 new from **£5.99**

- Premium organic, unrefined cocoa butter extracted by pressing only - no nasty solvent extraction
- Our cocoa butter is certified as 100% organic by the Soil Association licence number DA14281
- Experience the amazing natural cocoa scent with this raw cocoa butter
- 100% Natural, no fragrances, chemicals or other nasties!
- Food grade, suitable for chocolate making and baking

[Report incorrect product information.](#)

POSSIBILITIES FOR BUSINESS IN THE AGRICULTURAL SECTOR

Beauty Luxury Beauty Sun Care & Tanning Skin Care Make-up Nail Care Hair Care Tools & Accessories Fragrance Men's Grooming New Arrivals

TREASURE TRUCK  **£5 off your first Treasure from the Truck** [Learn more](#)

Skin Care > Body > Moisturisers > Butters



Click to open expanded view

Fushi Organic Virgin Pure Unrefined Shea Butter, 250 g
by Fushi
★★★★☆ 100 customer reviews 7 answered questions

Price: **£10.18** (£40,720.00 / kg) ✓prime

Not available at a lower price without Prime delivery from other sellers.

In stock.

This item can be delivered to your selected dispatch location in the **Netherlands**. [Details](#)
Sold by [Superfooduk](#) and [Fulfilled by Amazon](#). Gift-wrap available.

Note: This item is eligible for [click and collect](#). [Details](#)

12 new from £10.00

Size: **Pack of 1**

Pack of 1 £10.18 (£40,720.00 / kg) ✓prime	Pack of 2 £20.88
Pack of 3 £36.92 (£147.68 / kg)	Pack of 4 £47.31

- Protect, nourish and keep the skin beautifully soft and moisturised
- Rich in essential vitamins A, E and F

TOUGH BUSINESS CLIMATE BUT ONE WITH GREAT OPPORTUNITIES

In addition to Binding Constraints (energy, transportation, finance, telecommunications), Studies for AGOA strategy show:

- Conflicting laws and regulation including incoherence of policies and programmes among supervisory MDAs
 - Revenue collection goals V export promotion policy – Private companies are subjected to 1% levy of export assessment value of all goods produced in Sierra Leone
 - 2012 Shipping Act: imposition of non-competitive rates on all companies, especially mining companies
- Administrative inefficiencies and bottleneck
 - Letter of authorization from the ministry required for every export
 - Multitude of institutions and overlapping mandates

TOUGH BUSINESS ENVIRONMENT CALL FOR BOLD AND INNOVATIVE MEASURES

- Trade essential
- Inadequate information
 - Sub-regional opportunities and challenges
 - International (successes at informal level point to opportunities)
- Market size and geography
 - Sierra Leone - 7m but MRU, “domestic” market =48 m
 - “Bad” neighborhood – only small giant/ no direct access to landlocked country/poor sister countries etc

POLICY OPTIONS

Binding constraints require medium-term solutions for which actions must start now.

- Review and resolve contradictions in regulatory framework
 - Internal: address incoherence and conflicts in laws
 - External: harmonize with neighboring countries
- Eliminate rules and regulations that unnecessarily raise the cost of doing business:
 - Letter of authorization from ministries
 - Boldly reduce number of institutions in order to cut down inefficiencies. Create a one-stop-shop
 - Eliminate opportunities for rent-seeking behavior in procurement eg. agricultural inputs

POLICY OPTIONS

- Address inadequate market information through strong collaborative among chamber of commerce, SLIEPA, and MTI
 - Make Information access easy (market conditions, prices, rules..)
 - Facilitate links between farmers and the international market (e.g. trade attaches)
- Market size – Lead enhanced regional cooperation
 - Sierra Leone, Guinea, Liberia, Ivory Coast – 48 mln
 - Press Growth Triangles/Value Chain Studies/Joint production and encourage lead by Private Sector
- Corruption
 - Radical measures needed: Pre-empt rather than punish

POLICY OPTIONS (cont.)

CORRUPTION

Immediate:

- Plug holes to reduce leakages
- Focus on Customs and Other Revenue earners

Medium term

- Two areas account for over 75% of problem: procurement and bad contract terms. Impose special control measures and end impunity
- Emphasize transparency at all levels for everything (use public as watchdogs)
- More durable solution is linked to ending impunity and reinforcing Judiciary



International
Growth Centre

Thank you for your attention

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