

A photograph of three men sitting on a wall made of corrugated metal sheets. The man on the left is wearing a red and blue jacket and a cap. The man in the middle is wearing a light-colored jacket and green pants. The man on the right is wearing a blue jacket and a blue cap. They are all looking towards the left. The background shows some trees and a clear sky.

Skill Gap or Wage Gap?

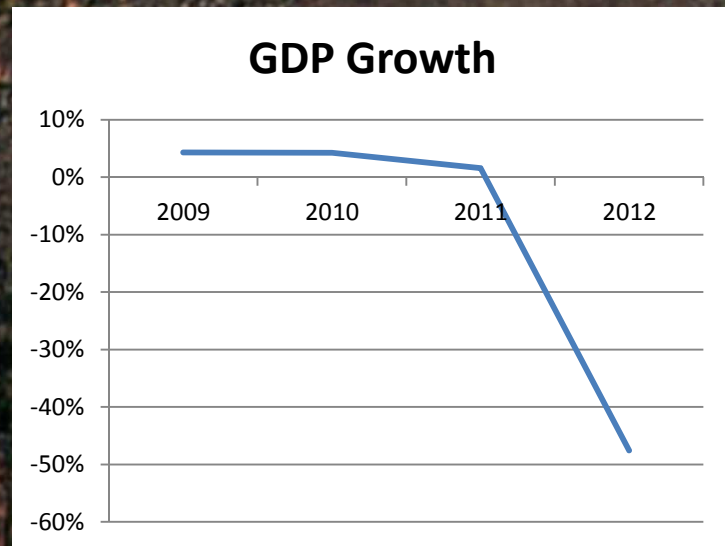
A labor market study in Juba, South Sudan



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Oil Shutdown 2012



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Enforced Labor Regulations

- 75% nationals
- Work permits
- Termination rules
- No foreign boda bodas



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Outline

1. Hypotheses and Model

2. Labor Market Overview

3. Wages

4. Conclusions



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Hypotheses

Wage Gap



Skill Gap



Foreigners stealing jobs.

Barriers against foreign employment.

Channels for Employment

Foreigners

Nationals

?

Low
Wage

High
Wage

Govt
Job

Education
Experience

Willingness
to work

?

Employment



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Methodology

- Survey in May 2013 using tablets
- Listing of 3,500 households in Juba
- Interviews with >600 respondents

	Male Population	Female Population	Total Population	Sample Size
South Sudanese	121,297	123,567	244,865	437
Foreigner	15,241	7,536	22,777	168
Total	136,538	131,103	267,641	605



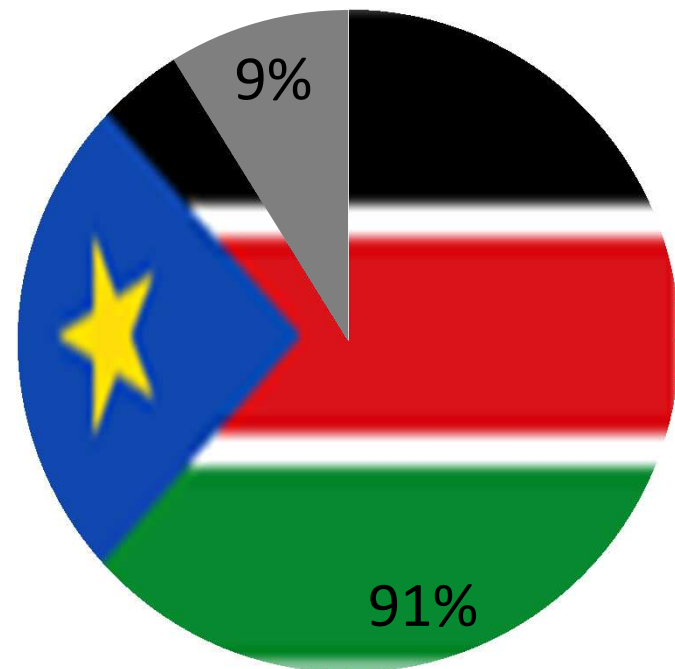
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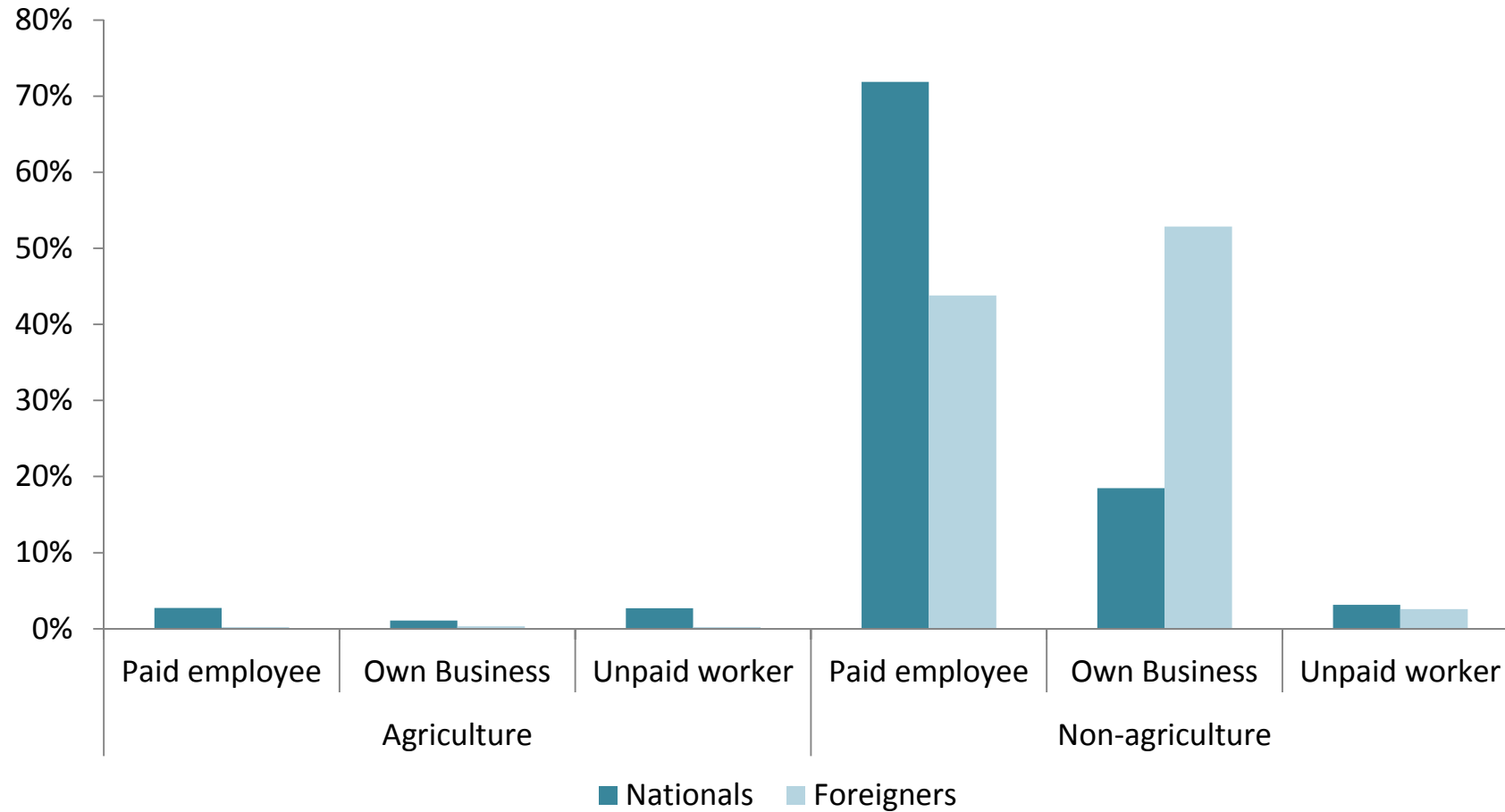
4. Conclusions



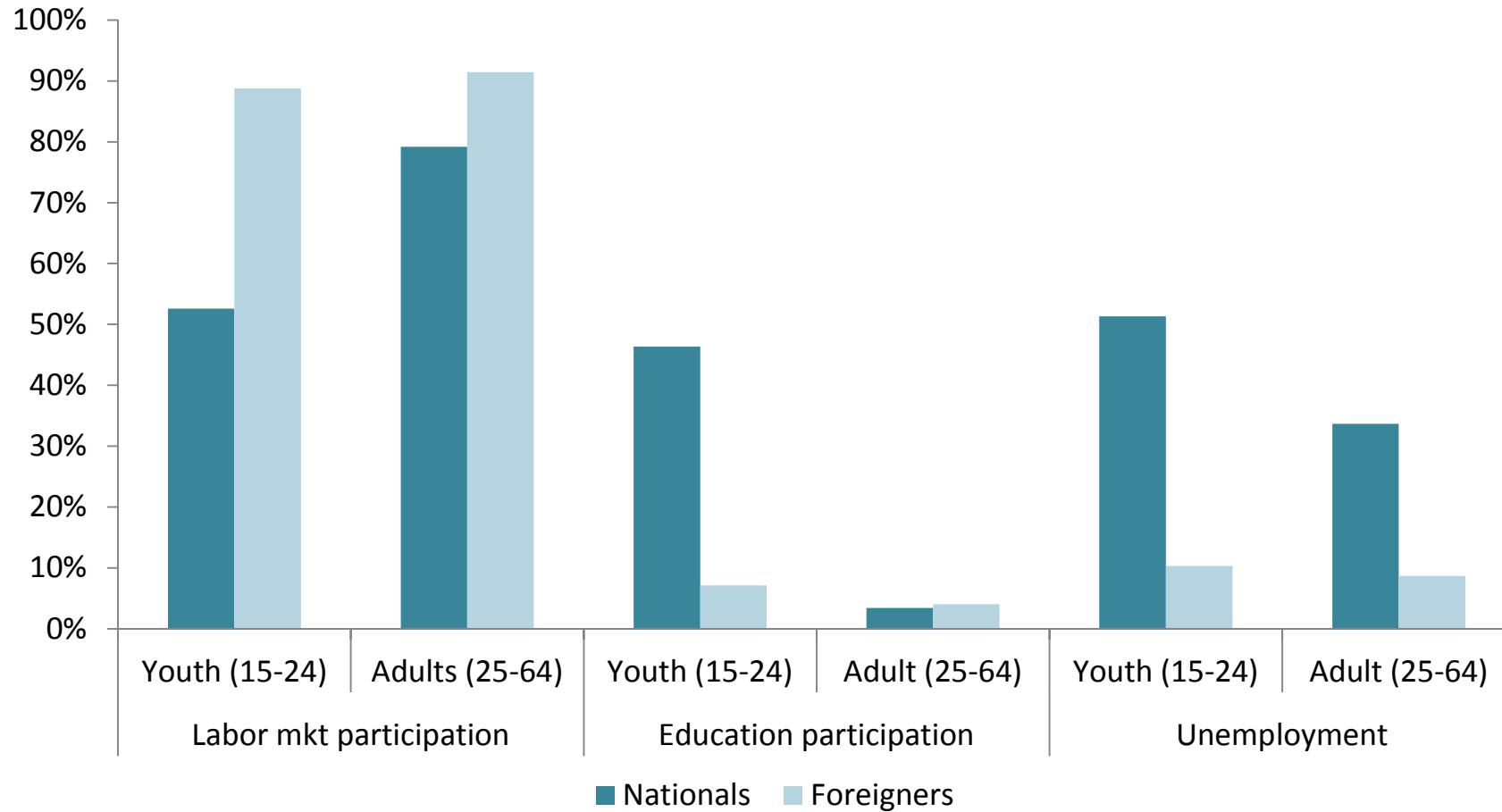
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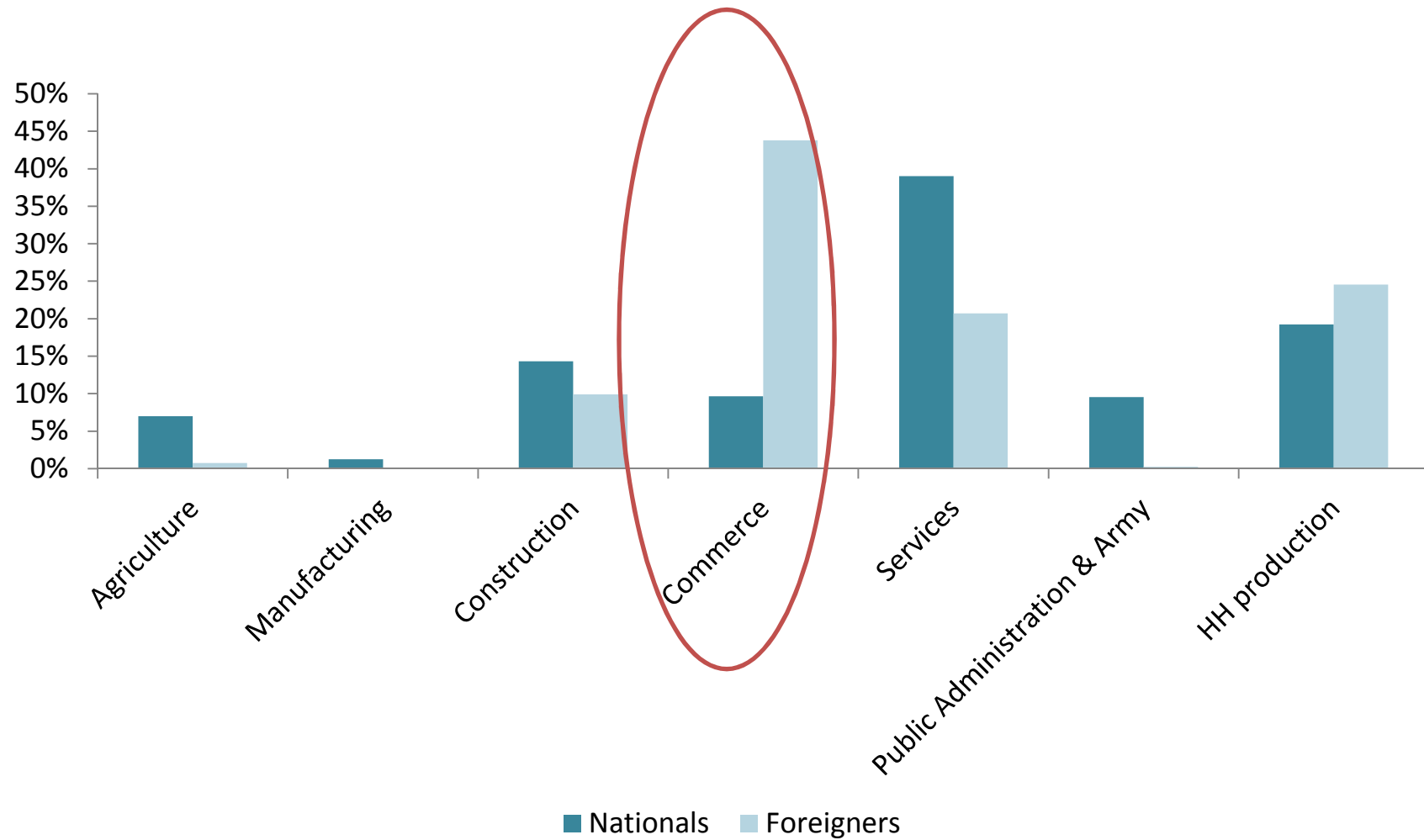
Employment by Job Type



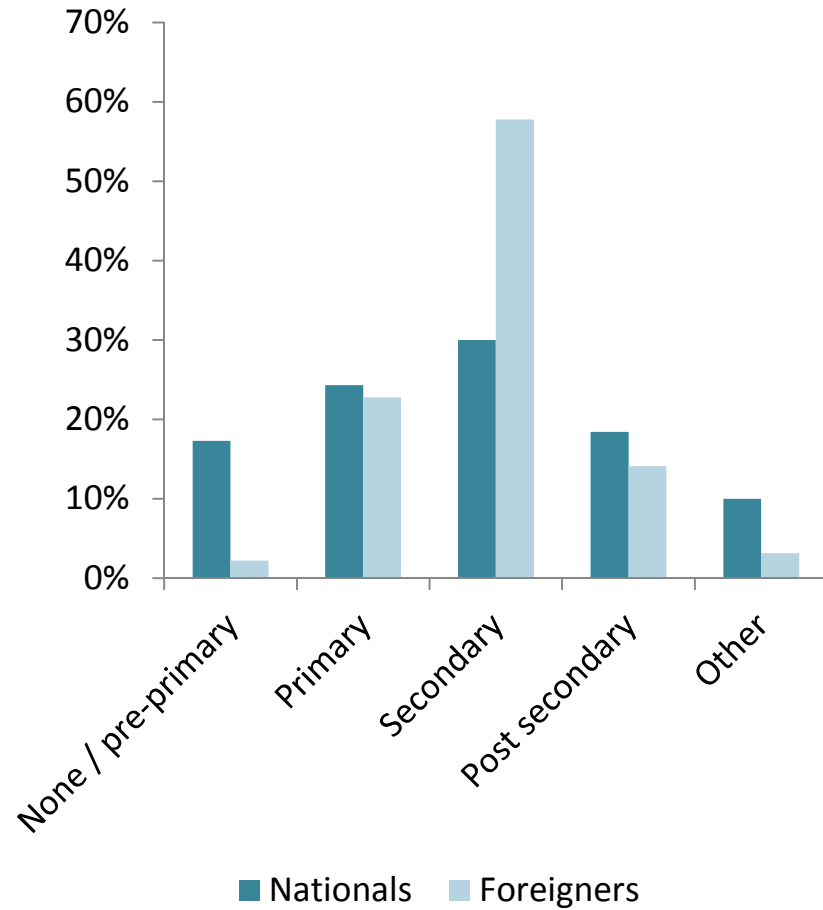
Labor Market Indicators



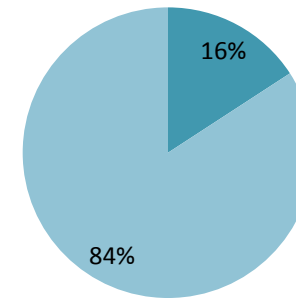
Sectors of Employment



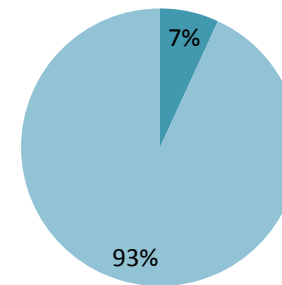
Education and Experience



Nationals



Foreigners



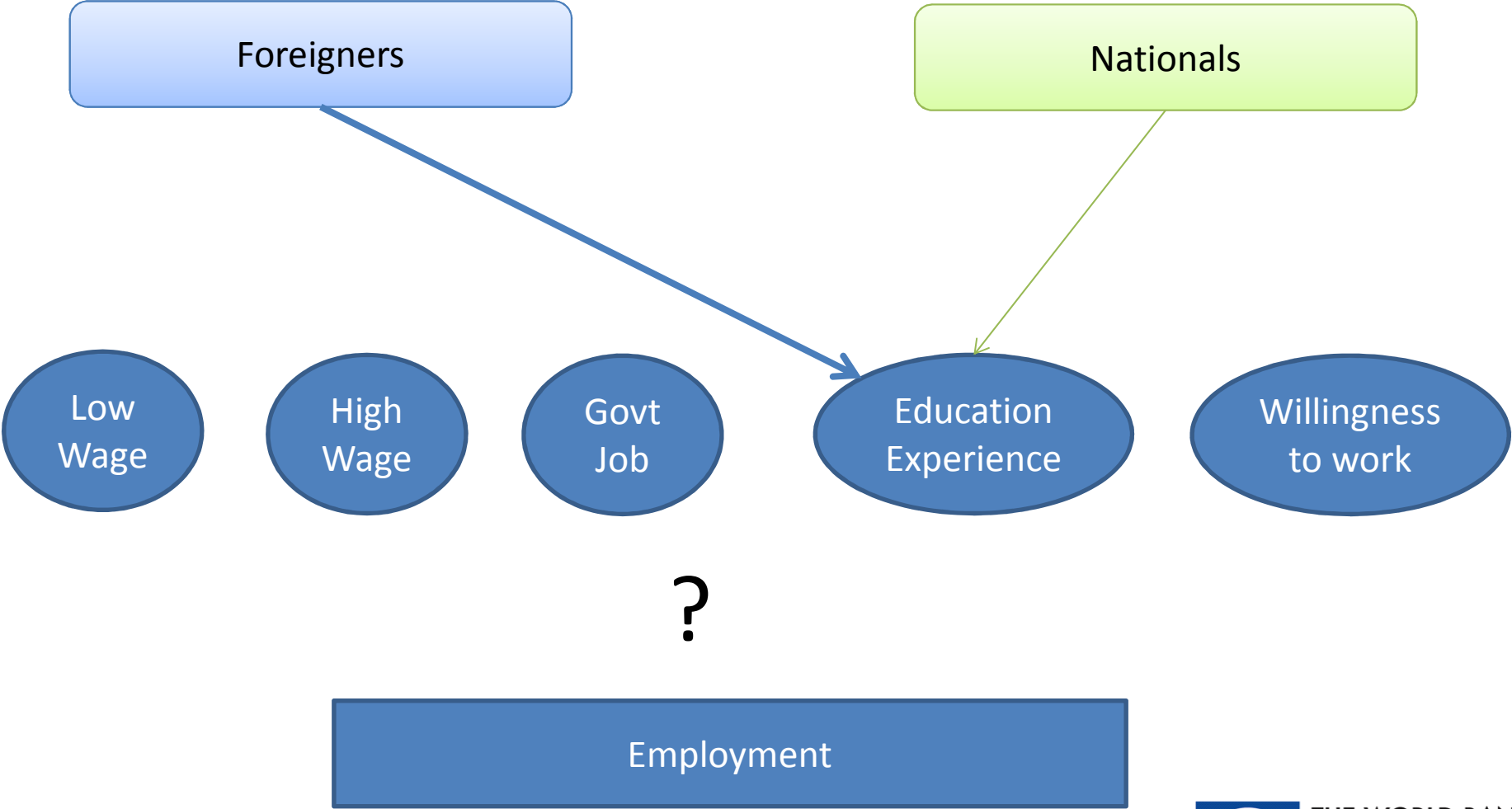
■ < 1 year ■ >= 1 year



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Channels for Employment



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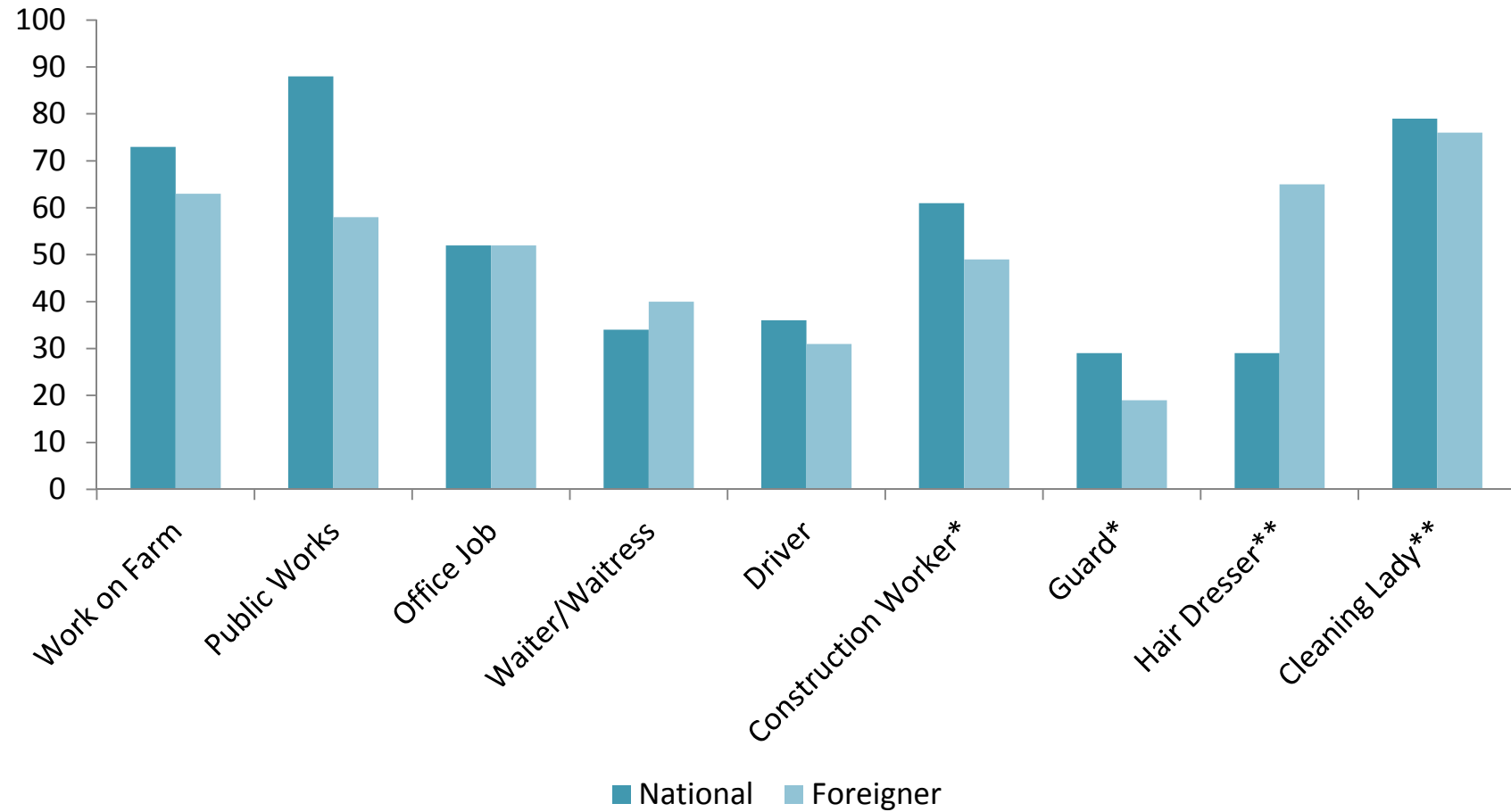
4. Conclusions



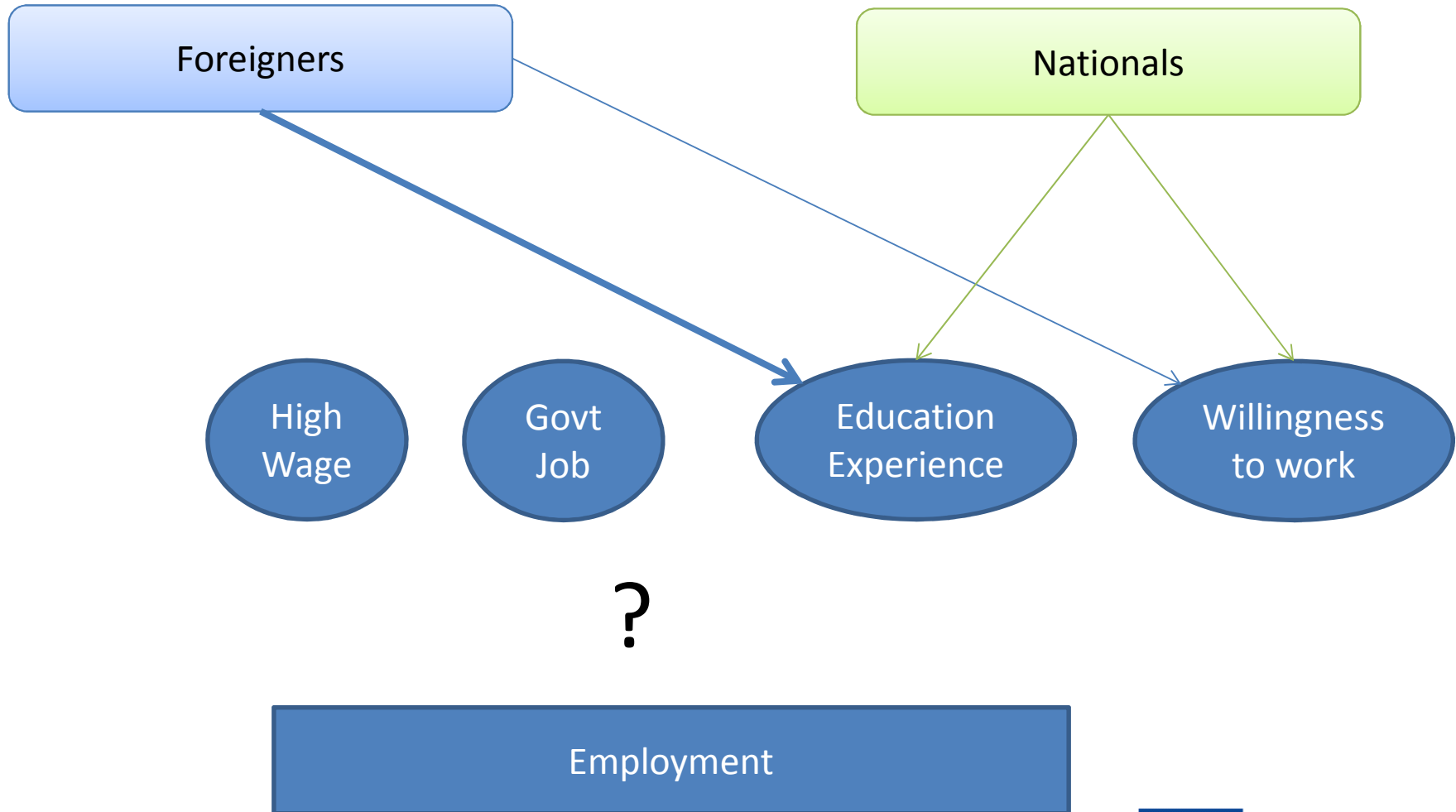
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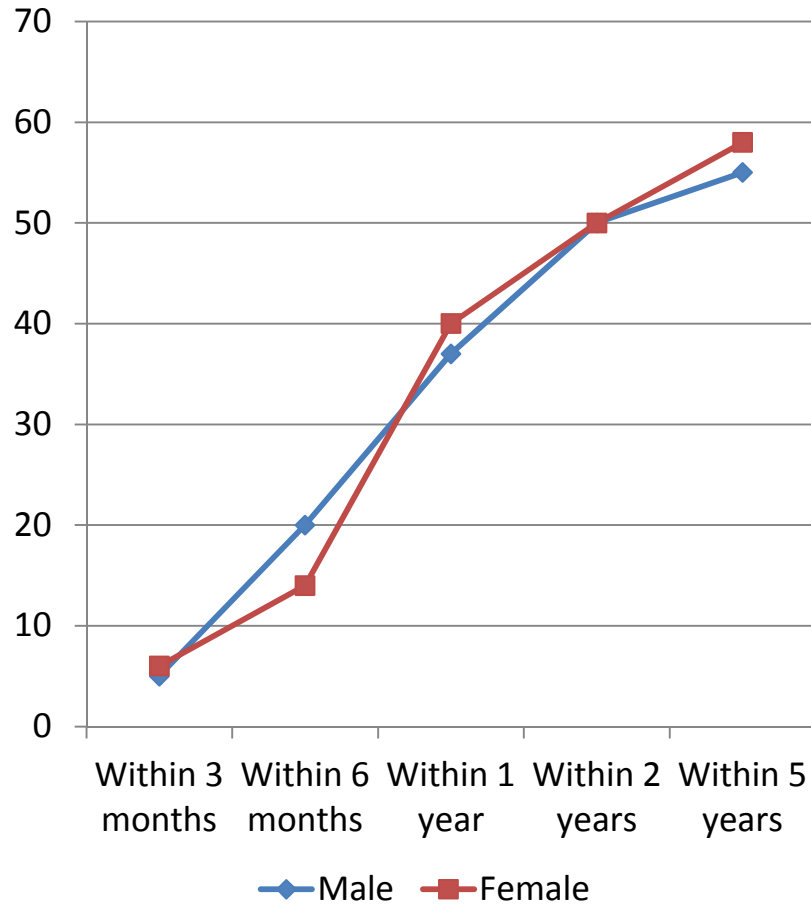
Willingness to Work



Channels for Employment

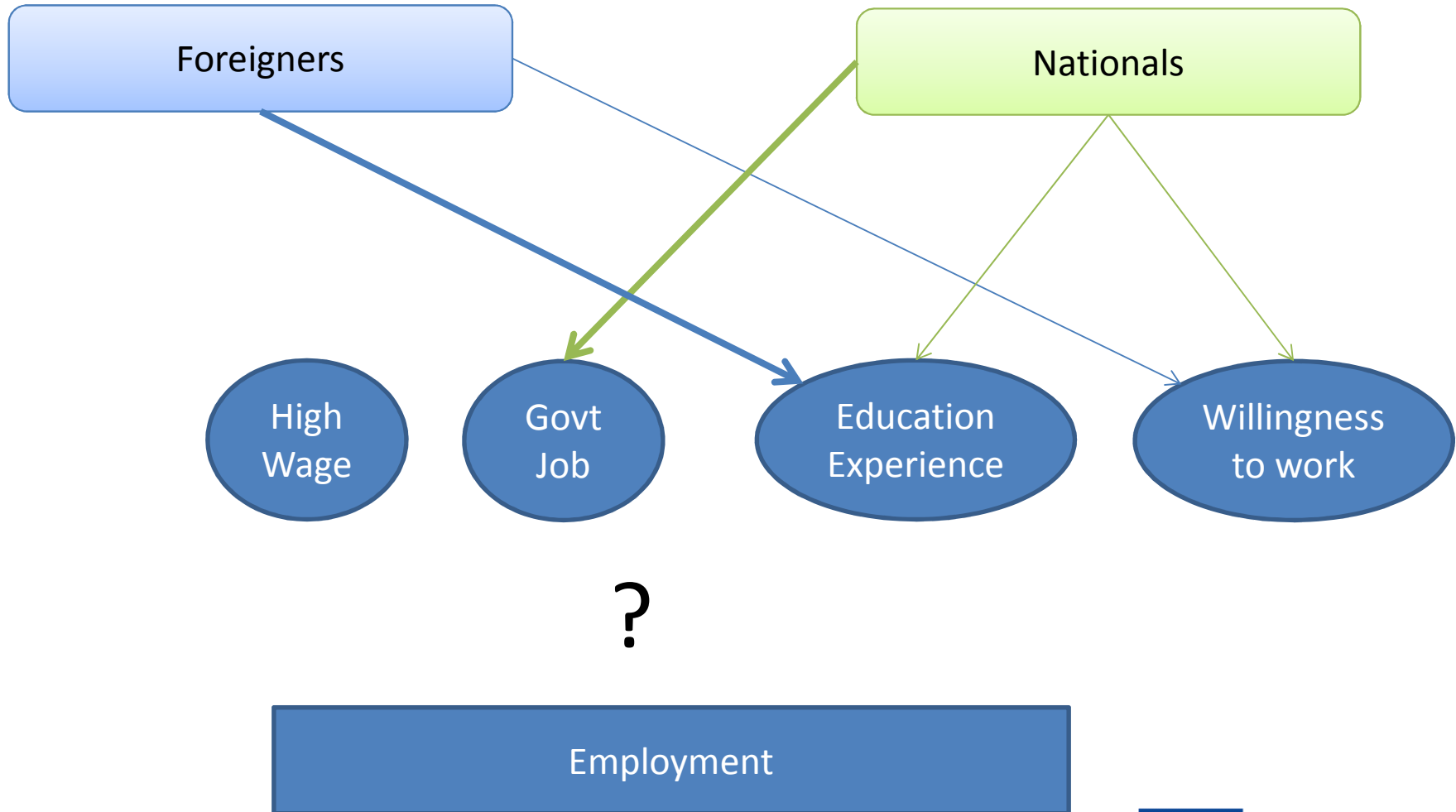


Government Job Expectations

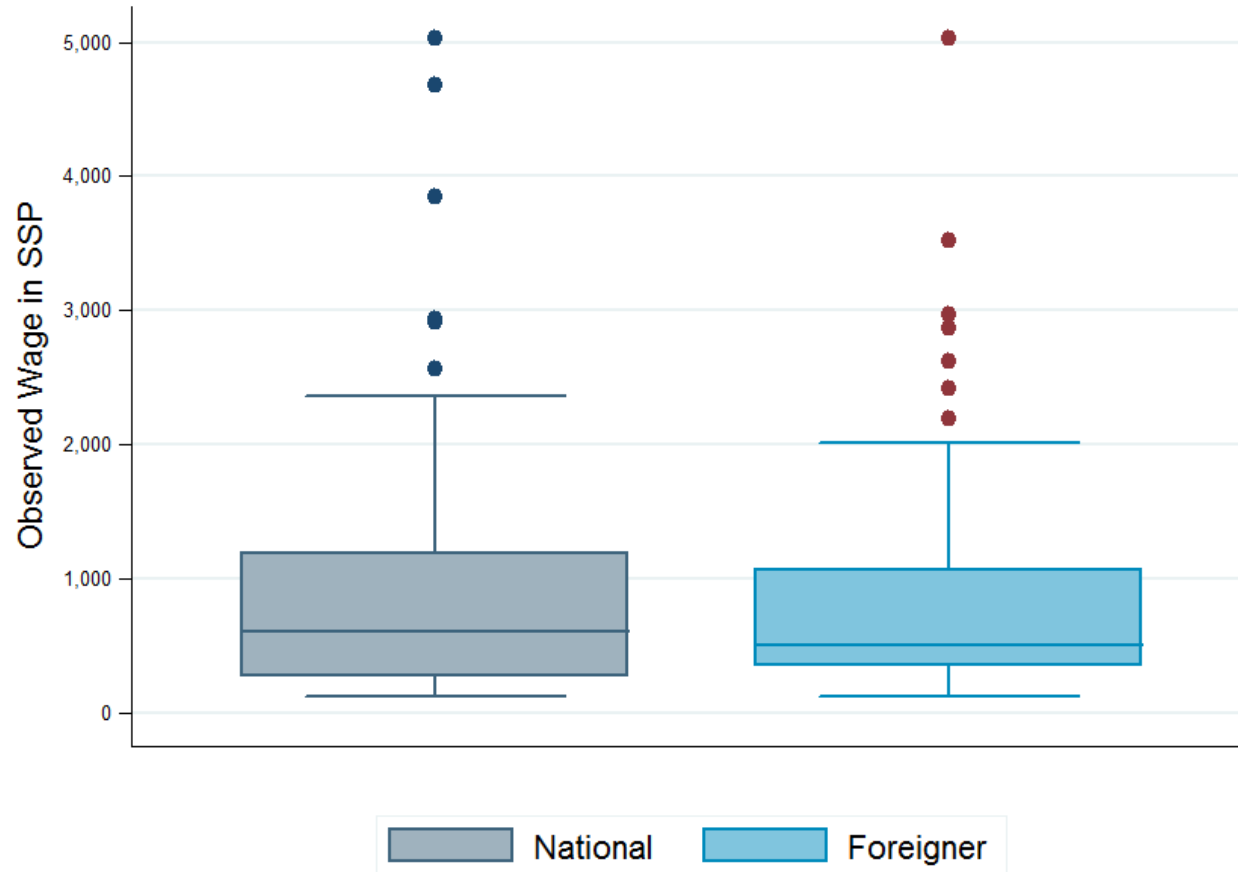


Current average government salary

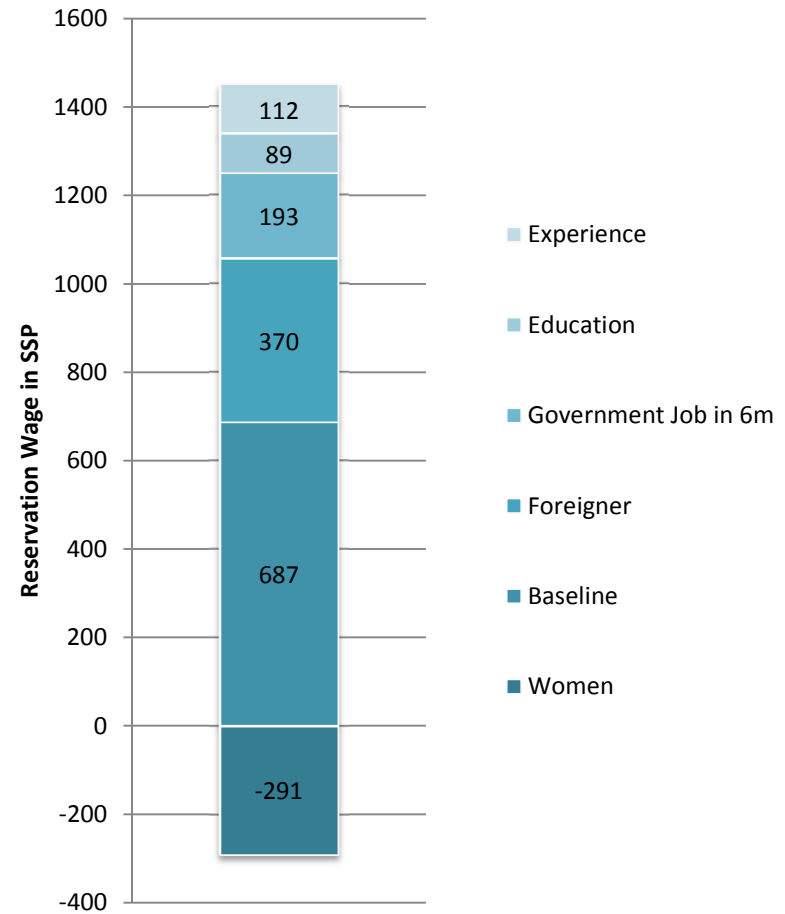
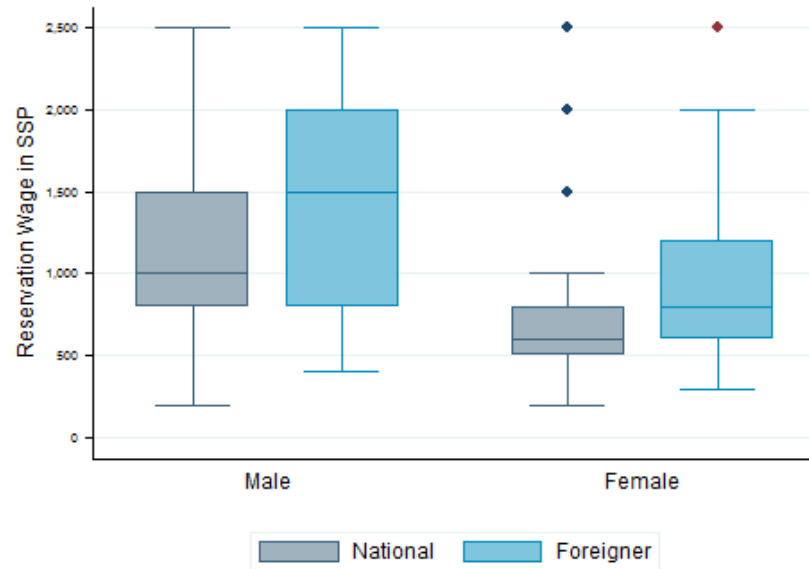
Channels for Employment



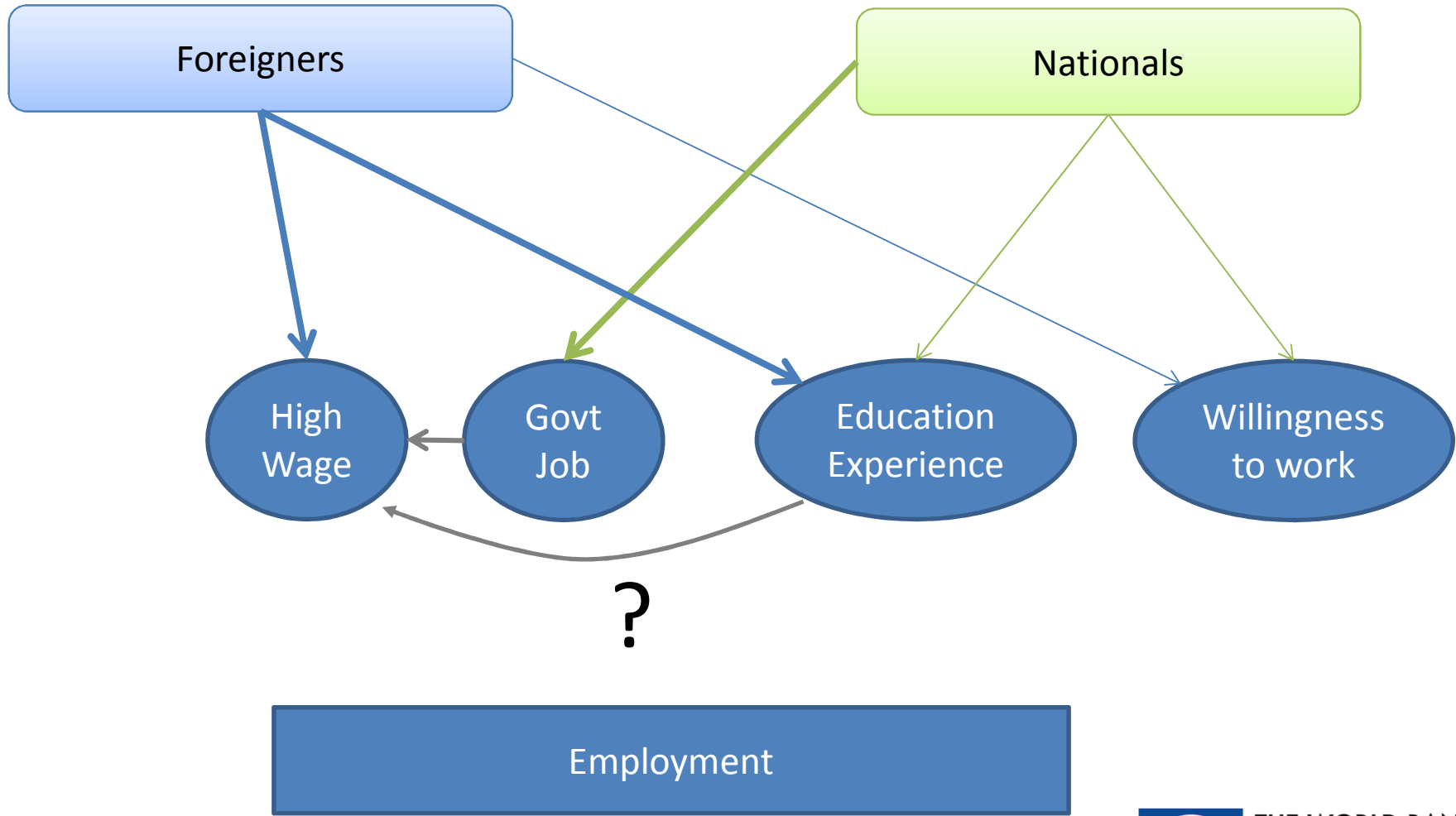
Observed Wages



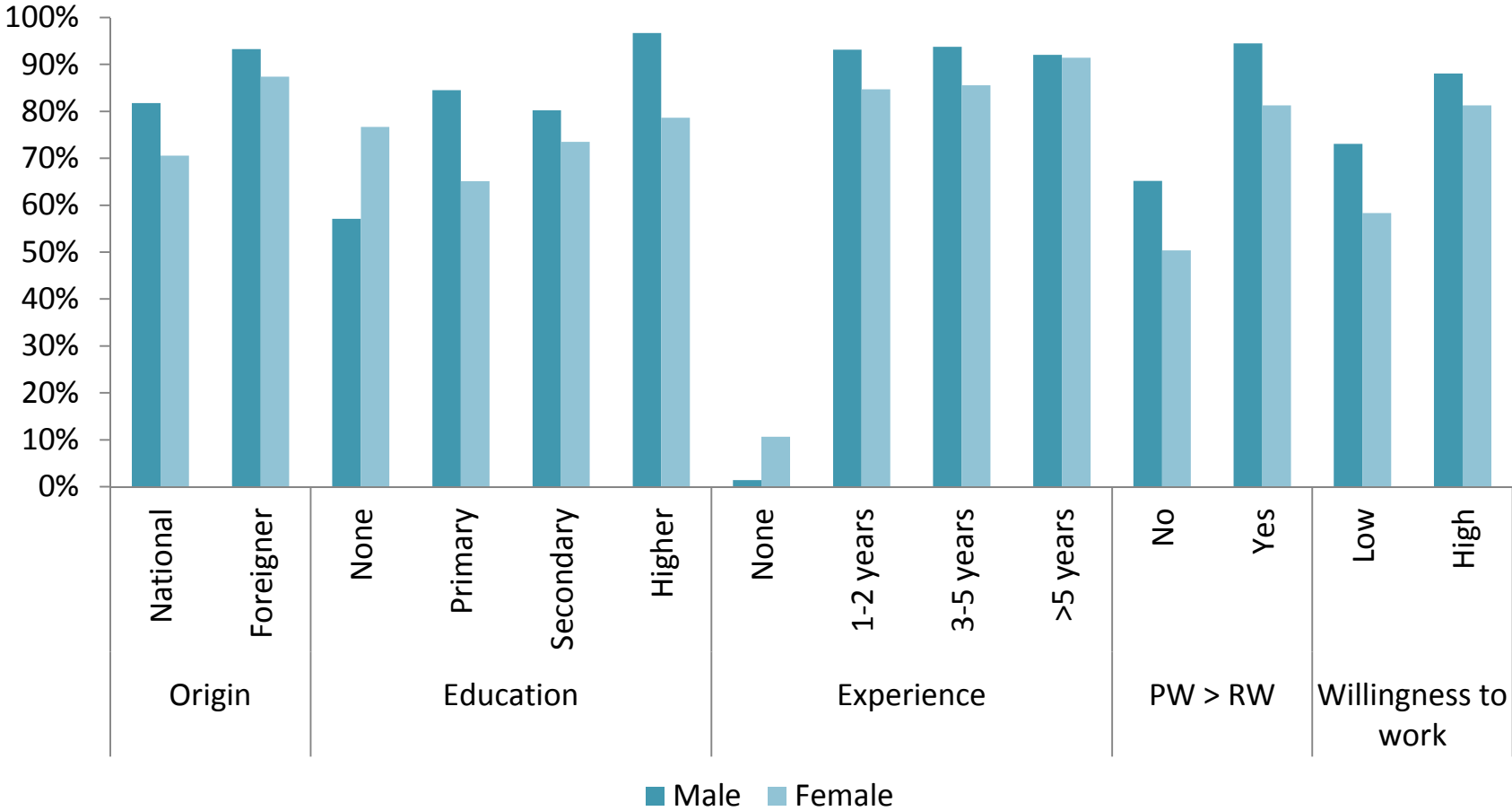
Reservation Wage



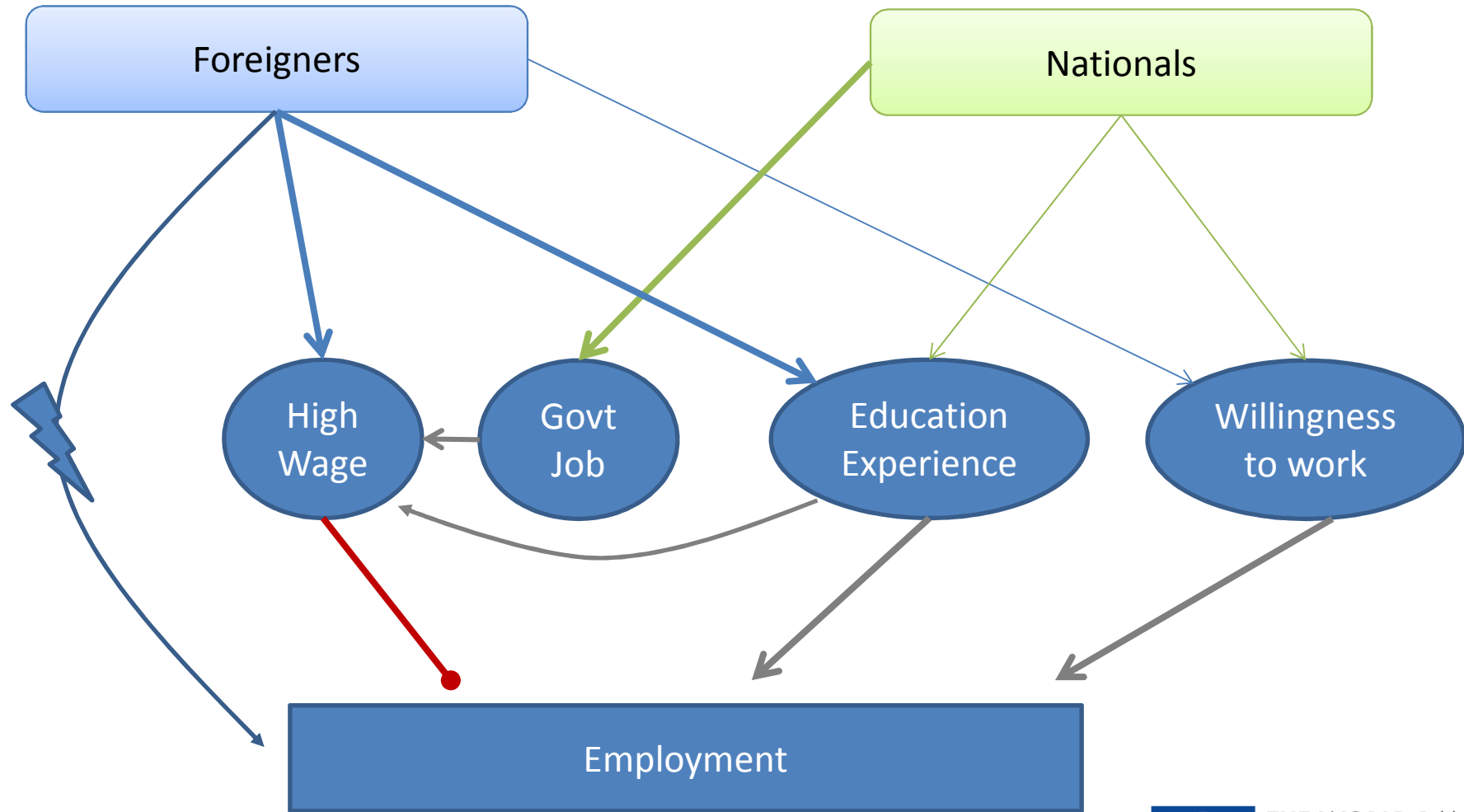
Channels for Employment



Employment Determinants



Channels for Employment



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Conclusions

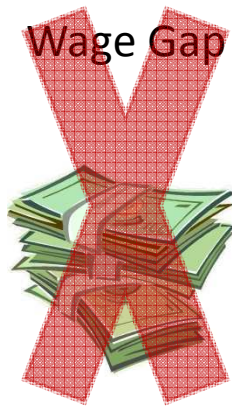
- Foreigners provide education and experience
- Nationals expect a well paid government job
- Foreigners have a higher reservation wage
- Employment is determined by
 - Reservation Wage
 - Education & Experience
 - Willingness to Work



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Conclusions



Skill Gap



Foreigners stealing jobs.

Barriers against foreign employment.

Thank you.

Appendix

Appendix

Being Foreigner	Men	Women
Education (Primary)	1.73	2.10
<i>p-value</i>	0.041	0.050
Education (Secondary)	1.75	3.61
<i>p-value</i>	0.041	0.001
Education (Higher)	1.45	1.61
<i>p-value</i>	0.176	0.106
Experience (1-2 years)	1.89	1.29
<i>p-value</i>	0.031	0.051
Experience (3-5 years)	1.32	0.82
<i>p-value</i>	0.145	0.305
Experience (>5 years)	0.43	-0.56
<i>p-value</i>	0.643	0.514



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Appendix

Observed Wage	All	All
Foreigner	-81	15
<i>p-value</i>	<i>0.634</i>	<i>0.876</i>
Gender		<i>-467</i>
<i>p-value</i>		<i>0.006</i>
Education		<i>340</i>
*assumed linear trend		<i>0.002</i>
Experience		<i>256</i>
*assumed linear trend		<i>0.030</i>



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Appendix

Reservation Wage	All	Nationals
Foreigner	370	
<i>p-value</i>	<0.01	
Gender	-291	-293
<i>p-value</i>	<0.01	<0.01
Government Job in 6m		193
<i>p-value</i>		0.05
Support for Foreigners	-0.075	
<i>p-value</i>	0.76	
Support for Nationals	0.07	
<i>p-value</i>	0.61	
Education	89	75
*assumed linear trend	0.03	0.04
Experience	112	109
*assumed linear trend	<0.01	<0.01



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Appendix

Employment	Men	Women
Foreigner	0.4	1.41
<i>p-value</i>	0.52	0.06
PW < RW	0.8	0.315
<i>p-value</i>	0.01	0.43
Education	1.51	-0.915
<i>p-value</i>	0.01	0.02
Experience	3.6	3.128
<i>p-value</i>	<0.01	<0.01
Willingness to work	0.769	1.6
<i>p-value</i>	0.04	0.01



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