

**INTERNATIONAL LABOUR ORGANIZATION**

**High –Level Forum on “Working Out of Poverty:  
A Decent Work Approach to Development and Growth in Africa”**

**A Decent Work Approach to  
Post-Conflict Reconstruction and Development in Liberia**

*Background Paper*

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INTERNATIONAL LABOUR OFFICE GENEVA



- Abstract -

This background paper was prepared for the High Level Forum on “Working out of Poverty: A Decent Work Approach to Development and Growth in Africa” on 8-9 September 2008, Monrovia, Liberia. The paper reviews the major decent work deficits affecting the country - in the wake of 14 years of civil conflict which devastated the country's social, economic and cultural fabric - and outlines a number of ways forward that build on the important steps taken since 2006 by the Liberian government to place employment and decent work as a key component of its reconstruction and development plans.

The overall majority of the working population (and a disproportionate share of women) is "working poor", involved in vulnerable employment in the urban and rural informal economy. Youth unemployment, especially among ex-combatants, constitutes a major security threat which needs to be urgently addressed to avoid jeopardizing the fragile path to sustainable peace. The challenge is not just to generate more jobs, but more decent work opportunities: forms of employment or self-employment that offer just remuneration, ensure that basic rights at work are respected, provide for some modicum of social protection, and encompass the organizational capacity to negotiate and participate in workplace and work-related policies through social dialogue.

Within Liberia's recently adopted comprehensive Poverty Reduction Strategy, the main vehicle for the country's integrated employment and decent work strategy is the Liberian Employment Action Plan (LEAP) which provides an inter-ministerial framework to promote employment across a broad range of sectors, including labour-based methods in road reconstruction and agriculture, upgrading the informal economy, reviewing labour legislation and strengthening social dialogue. The challenge is to ensure policy coherence and consistency across government ministries and agencies, among international partners, and build up the capacity of the LEAP secretariat (falling under the Ministry of Labour) to fulfil its demanding functions, notably in terms of generating credible labour market information to make well-informed employment policy decisions and impact assessments.

The paper examines policy responses to Liberia's decent work deficit within the country's reconstruction and development framework in eight key areas:

1. Macroeconomic constraints and the need for increased budget support;
2. Rebuilding infrastructure: synergies between labour-based methods and local economic development;
3. Labour-intensive revival of agriculture;
4. A transparent and inclusive approach to timber and mining;
5. Upgrading the informal economy and small scale enterprise development;
6. Governance and rights: strengthening social partners and reforming labour laws;
7. Towards social protection for all;
8. Generating credible labour market information and analysis.

These elements can provide the basis for a tripartite and multi-stakeholder dialogue at the Forum on how to take Liberia's plans for a Decent Work Country Programme forward.



# **A Decent Work Approach to Post-Conflict Reconstruction and Development in Liberia**

*Background paper for the High Level Forum on “Working out of Poverty: A Decent Work Approach to Development and Growth in Africa”  
Monrovia, 8-9 September 2008\**

## **1. Introduction**

The High Level Forum on “Working out of Poverty: A Decent Work Approach to Development and Growth in Africa” comes at a critical juncture in Liberia’s still fragile path to recovery. After 14 years of conflict which claimed the lives of an estimated 170,000 people and devastated the country’s social, economic and cultural fabric, a democratically-elected Government was established in 2006, with Her Excellency Ellen Johnson-Sirleaf - the first female President in Africa - at its helm. From the outset, the President has been unequivocally clear on the need to create as many decent jobs as rapidly as possible in order to secure the country’s path to reconciliation, reconstruction and development – and to avoid sliding back into civil conflict. As for other very poor countries emerging from conflict, this is a major challenge. It can only be matched with the mobilization of all the forces within Liberian society and government and genuine support by the international community to the country's home-grown decent work priorities.

This paper provides an overview of the major challenges or “decent work deficits” facing Liberia and outlines a number of ways forward. It builds on the important steps already taken by the Liberian Government and social partners to forge a decent work programme within the country’s overall development and poverty reduction strategy.

## **Universal Human Rights and the Decent Work Approach to Development**

The Monrovia High Level Event is a milestone in a series of events to mark the 60<sup>th</sup> anniversary of the Universal Declaration of Human Rights (UDHR), as part of the “Every Human Has Rights” campaign launched by The Elders<sup>1</sup>. The strategic goals articulated in the Decent Work approach to development spearheaded by the International Labour Organization (ILO) are a main component of the human rights imperatives enshrined in the Universal Declaration<sup>2</sup>. Decent Work emphasizes the need to promote employment

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\* The background paper was prepared by Hamish Jenkins, Programme Officer, United Nations Non-Governmental Liaison Service (UN-NGLS) in consultation with the co-organizers of the High Level Forum. The views expressed do not necessarily represent those of the United Nations, the International Labour Office, the Liberian Government or Realizing Rights: the Ethical Globalization Initiative.

<sup>1</sup> The Elders is a group formed in 2007 and includes eminent personalities including Nelson Mandela, Graca Machel, Jimmy Carter, Mary Robinson, Ella Bhatt and Mohammed Yunus. See <http://www.everyhumanhasrights.org/>

<sup>2</sup> Article 23 of UDHR states that:

for all, but not any kind of employment. In many parts of the world, most people who are employed or self-employed are also “working poor”: in Liberia that may represent more than 80 per cent of the employed population<sup>3</sup>. People need jobs and livelihoods that offer just remuneration, ensure that their basic rights at work are respected (including the right to organize and collective bargaining), provide for some modicum of social protection (including against injury, ill-health and to secure old age pension), and encompass the organizational capacity to negotiate and participate in workplace and work-related policies through social dialogue.

The progressive realization of the strategic objectives of the Decent Work Agenda is recognized as a critical element for a sustainable route out of poverty. At the 2005 United Nations World Summit, Heads of State and Government resolved to make the goal of “full and productive employment and decent work for all” a central policy objective at national and international levels - a goal which has since been introduced as a new target in meeting MDG 1 on halving poverty and hunger. In Africa, the 2004 Ouagadougou Extraordinary Summit on Employment and Poverty Alleviation had already committed to placing employment creation as an explicit and central objective of economic and social policies at national, regional and continental levels. The Summit agreed to a comprehensive Plan of Action, which then served as a framework for the *Decent Work Agenda in Africa 2007-2015*, adopted at the 11<sup>th</sup> ILO African Regional Meeting (April 2007) with the aim of stimulating the creation of millions of decent jobs and improving the lives of the Continent’s working poor. Employment and Decent Work have also become the centre-piece of a UN system-wide policy in dealing with post-conflict situations to secure short-term stability, reintegration, economic growth and sustainable peace<sup>4</sup>.

## **2. Emerging from Conflict: Decent Work Deficits in Liberia**

The Liberian economy collapsed from a pre-conflict middle income country with a per capita gross domestic product (GDP) of US\$1,269 to a post-conflict state of extreme and widespread poverty with a GDP per capita in 2006 of only US\$192<sup>5</sup>. The human, social and economic ravages of the war were enormous. In addition to the very heavy death toll, the conflict displaced an estimated 500,000 persons, of which 80 per cent were women and children. Social, political, economic and traditional governance systems were

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(1) Everyone has the right to work, to free choice of employment, to just and favourable conditions of work and to protection against unemployment.

(2) Everyone, without any discrimination, has the right to equal pay for equal work.

(3) Everyone who works has the right to just and favourable remuneration ensuring for himself and his family an existence worthy of human dignity, and supplemented, if necessary, by other means of social protection.

(4) Everyone has the right to form and to join trade unions for the protection of his interests.

<sup>3</sup> Report on labour-related data from the Liberia Core Welfare Indicators Questionnaire (CWIQ 2007)

<sup>4</sup> UN system-wide Policy Paper for “Employment Creation, Income Generation and Reintegration in Post-Conflict Settings”, May 2008

<sup>5</sup> Mahmood, Moazam “Policy Coherence and Sequencing for Post-Conflict Recovery in Liberia”, *Regional and Country Policy Coherence Report No. 2*, ILO 2008

destroyed. Commercial and productive activities ceased. In particular, agricultural production dropped as people fled their farms and the supporting infrastructure collapsed; mining and timber activities shut down; rubber plantations closed; manufacturing essentially stopped, and services ground to a halt. Basic infrastructure was destroyed.

Many roads are now impassable, which seriously constrains economic recovery, as well as the provision of basic services such as health and education. Schools, hospitals and clinics are badly damaged and most government buildings are in shambles. As a reflection of the “brain drain” incapacitating the country, there are today only 51 Liberian physicians to cover the nation’s public health needs (one for every 70,000 Liberians)<sup>6</sup>. About 70 percent of school buildings are partially or wholly destroyed, and over half of Liberian children and youth are out of school. A whole generation of Liberians has spent more time at war than in the classroom – a vivid illustration of the calamitous skills and human resource deficit afflicting most of the Liberian workforce. Public finances collapsed, allowing per capita public expenditure of only about US\$25, one of the lowest in the world. By 2006, Liberia’s external debt had soared to US\$4.5 billion, equivalent to 800 percent of GDP and 3,000 percent of exports<sup>7</sup>. As the Government is making major progress in rebuilding its governance structure and revamping institutional and financial management capacities, Liberia has seen some of its bilateral debt written off, and has just entered a new three-year agreement with the International Monetary Fund (IMF) under the Heavily Indebted Poor Countries’ (HIPC) Initiative which (subject to a number of policy conditions) should lead to the cancellation of all Liberian multilateral debt in the next two or three years.

The lack of basic labour market information makes it difficult to assess and respond to the decent work deficits in Liberia. This is in fact a core challenge and priority of the current Government (see section 4). Nevertheless, some existing data provides initial indications of the scale of the challenges<sup>8</sup>. Out of a population of 3.9 million people, the vast majority of the working population is engaged in unproductive, low-income employment. At least 80 percent of those in employment could be classified as “vulnerable workers” - involved in jobs in the informal economy that are not decent jobs (some 40 percent in low-level agriculture and some 40 percent in non-agricultural activities). These figures are reflected in another estimate suggesting that the “working poor” in Liberia constitute over 80 percent of employed population, living on less than US\$1/day. The situation is even worse for women as over 90 percent of the female workforce is in vulnerable employment<sup>9</sup>.

At present, it is difficult to estimate the unemployment rate in Liberia. What is clear is that the problem is not just unemployment per se, but the lack of access to decent jobs in an economy dominated by informality and the absence of wide-spread access to basic

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<sup>6</sup> The Liberian “Diaspora” has swelled to an estimated 450,000 persons, or nearly 12 percent of the population.

<sup>7</sup> *Poverty Reduction Strategy*, Republic of Liberia (PRS 2008)

<sup>8</sup> This includes the results of a report on labour-related data from the Liberia Core Welfare Indicators Questionnaire (CWIQ 2007) survey published in April 2008.

<sup>9</sup> CWIQ 2007, op. cit.

social protection. Poor people in Liberia typically cannot “afford” to be totally unemployed. Less than 20 percent of people in the working age population have jobs that would count as being “decent work”<sup>10</sup>. There are no figures to document the extent of child labour in the country, but the combined effects conflict, poverty and HIV/AIDS have certainly led to increased numbers of working children.

According to one estimate, between 1991 and 2006, the Liberian labour force has grown on average 3.2 percent annually, or more than 40,000 persons being added annually to the labour force. If past backlogs of unemployment and underemployment are to be phased out over 10 years, then some 100,000 new jobs would have to be generated annually<sup>11</sup>. These targets would need to be revised as better labour market information is produced. And as we have seen, to make any progress at reducing poverty, these new jobs would have to be part of a broader effort to upgrade work in the informal economy and increasingly generate decent and productive employment and sources of livelihoods.

Despite progress made by the Government and international partners in reintegrating ex-combatants, internally displaced persons (IDPs) and refugees, many of them remain unemployed, especially among youth. This represents a major security threat to the country. Some 100,000 youth aged 15-24 are estimated to be neither in employment nor in school<sup>12</sup>. At the recent June 2008 international donors’ conference on Liberia in Berlin, President Johnson-Sirleaf warned against any complacency at this critical juncture in the recovery process: “Many young combatants remain unemployed, and the risk of a return to conflict remains real. The [next] three years will be critical. I believe our success or failure in that time will determine Liberia’s future. We cannot wait and keep telling people to be patient for a job some time in the future. We must forge ahead as quickly as possible. We need to see results now.” The UN Secretary-General expressed the same concern in a progress report to the UN Security Council in March 2008: “I am concerned about the high numbers of unemployed youth, including former combatants, who continue to pose a potential threat to stability in the country. It will be important for all stakeholders to work together to provide sustainable employment opportunities for the unemployed.”<sup>13</sup>

The Government has drawn lessons from the origins of the conflict: significant portions of society were systematically excluded and marginalized from institutions of political governance and access to key economic assets. Even during the high and steady growth periods of the 1960s and early 1970s, the majority of Liberians saw little benefits, as these were concentrated within the elite<sup>14</sup>. The core challenge for Liberia now is to rebuild a different society, one that is more equal, inclusive and non-discriminatory, and in particular, one that focuses on generating opportunities to move out of poverty through decent work.

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<sup>10</sup> CWIQ 2007, op. cit.

<sup>11</sup> “National Employment Policy (Draft)”, Ministry of Labour, Monrovia, Republic of Liberia, April 2008.

<sup>12</sup> CWIQ 2007, op. cit.

<sup>13</sup> United Nations Security Council “Sixteenth progress report of the Secretary-General on the United Nations Mission in Liberia”, 19 March 2008 (S/2008/183)

<sup>14</sup> PRS 2008

### 3. National Policy Frameworks to Promote Employment and Decent Work in Liberia

Since its election in 2006, the Government has embarked in broad-based consultative processes for institutional and policy reform, including an interim Poverty Reduction Strategy (iPRS), which was recently upgraded into a full fledged Poverty Reduction Strategy (PRS) running from April 2008 to June 2011. The PRS is structured around four pillars that all have a bearing in the promotion of employment and decent work in Liberia in the coming years:

- Pillar I on *consolidating peace and security* notes that while the threat of armed conflict has reduced, increases in armed robbery and related secondary crimes are linked to high unemployment among ex-combatants. Their reintegration, along with internally displaced persons, has to include rapid provision of decent and remunerative employment opportunities.
- Pillar II on *revitalizing the economy* includes a section on “generating productive employment”, which is linked to other sections of the PRS, including on agriculture, forestry, mining, infrastructure and private sector development. The strategy document emphasizes that “robust economic growth alone will not guarantee widespread job creation...The challenge is to shape the revival of the growth process in a way that promotes to the fullest extent possible the creation of productive and remunerative employment.”<sup>15</sup>
- Pillar III focuses on *strengthening governance and rule of law*, to which regulatory structures for the labour market and mechanisms for social dialogue between workers, employers and the Government play an essential role.
- Pillar IV on *rehabilitating infrastructure and delivering basic services* emphasizes labour-intensive construction methods and techniques, and the need for staff capacities in the health and education sector.

Gender equality is an explicit cross-cutting issue throughout the strategy document.

The elaboration and implementation of the employment and decent work dimensions of the PRS are organically linked to the Employment Strategy for Decent Work in Liberia officially launched by the President in July 2006. The strategy, developed in cooperation with ILO and social partners, consists of the short-term Liberian Emergency Employment Plan (LEEP) - which ended in December 2007 - followed by a transition to the medium term Liberian Employment Action Plan (LEAP) which is intended to provide the foundation for promoting longer term sustainable employment and decent work over a period of three to five years. The LEAP implementation strategy falls within a framework of six major initiatives known as *Key Initiatives* and an overarching Inter-Ministerial Steering Committee, which is represented by relevant Ministers, line ministries and social partners, chaired by the Minister of Labour who reports directly the President’s Cabinet.

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<sup>15</sup> PRS 2008 p. 73

Each Key Initiative is headed by a relevant ministry whose mandate involves dominantly the activities of the initiative (see Box 1).

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**Box 1****The LEAP Six Key Initiatives**

- *Key Initiative 1:* Boosting employment through public works investments (chaired by the Ministry of Public Works)
- *Key Initiative 2:* Skills training and youth employment (chaired by the Ministry of Youth and Sports)
- *Key Initiative 3:* Facilitating the graduation of the informal economy and boosting the small and medium scale sector and cooperatives (chaired by the Ministry of Commerce and Industry)
- *Key Initiative 4:* Delivering credible labour statistics and labour market information (Chaired by the Ministry of Labour)
- *Key Initiative 5:* Promoting social dialogue and strengthening labour administration (chaired by the Ministry of Labour)
- *Key Initiative 6:* Boosting employment through the revitalization of the agricultural sector (chaired by the Ministry of Agriculture)

Another component, “decentralized community-based initiative” (local economic development) was added, facilitated by the LEAP Secretariat and implemented by local communities through their leaders and groups.

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The LEAP mechanism, whose Secretariat falls within the Ministry of Labour, is also tasked with developing a National Employment Policy through a process of tripartite consultation. In parallel, the Ministry of Labour is taking steps to revise the existing labour legislation, also through tripartite consultations (see Section 4).

Given that the implementation of the employment and decent work elements of Liberia’s overall Poverty Reduction Strategy is the collective responsibility of a number of national ministries, departments and agencies, a major mandate of the LEAP mechanism is to ensure consistency and coordination between these different bodies, including making impact assessments of job creation in the different sectors.

As we will see, the need for policy coherence and consistency around national employment and decent work priorities has to extend to the support provided by international partners (UN agencies, the Bretton Woods institutions and donor governments). The role of social partners (workers’ and employers’ organizations), national and international investors, NGOs and community-based organizations, is equally essential in building synergies, promoting best practices and ensuring accountability of all actors involved in Liberia’s reconstruction and development.

## 4. Policy Responses to Liberia's Decent Work Deficit in Reconstruction and Development

The following sections review different policy options and recommendations to help address Liberia's decent work deficit as part of the Government's overall policy directions spelled out in the PRS and LEAP. A very useful reference point in what follows is the "three-track approach" developed in the recently adopted UN system-wide policy towards a comprehensive and coherent approach for post-conflict employment and reintegration<sup>16</sup>. All three tracks should start at the same time (after the peace has been restored), but have different "peaks" and time horizons in the post-conflict period:

- Track A (short-term): *Stabilizing income generation and emergency employment*, with the aim to consolidate security and stability, including through emergency temporary jobs such as in public works, and basic livelihood and start-up grants;
- Track B (medium-term): *Local economic recovery for employment and reintegration*, on promoting employment opportunities at the local level (where reintegration ultimately takes place), with a focus on investments for local recovery and reconstruction, including through community-driven programmes;
- Track C (longer-term): *Sustainable employment creation and decent work*, involving macro-economic and sectoral policies, institutional capacity building and creating a framework for social dialogue to define by consensus "the rules of the game" in order to secure sustainable peace and development.

This approach mirrors closely the one adopted by the Liberian Government since 2006, especially through its LEEP/LEAP strategy and can help guide future decision-making and priority setting. It should be emphasized that even though the LEEP (emergency) phase has technically ended in December 2007 with the documented creation of over 83,000 short-term jobs across the country, continued support to Track A emergency employment, especially for youth and ex-combatants, remains as we have seen a security priority, until Track B and C initiatives and policies begin to demonstrate tangible and broad-based results.

### 4.1 Macroeconomic constraints and the need for increased budget support

According to Government estimates produced in conjunction with the IMF, economic growth in Liberia is expected to accelerate to 9.6 percent in 2008 and 10.3 percent in 2009. It may accelerate further before tapering off to 12.3 percent in 2011 and eventually reverting to a long-term average of between 3 and 4 percent. These high projections in the initial period - albeit which start from a very low base following the collapse of the economy since the 1980s - are explained in large part by the resumption of timber, diamond and iron ore production.

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<sup>16</sup> UN system-wide Policy Paper for "Employment Creation, Income Generation and Reintegration in Post-Conflict Settings", May 2008

A major concern is that the sources of domestic growth remain for the time being very narrowly based. According to the latest figures available, the current rate of gross domestic savings is still negative<sup>17</sup>. This means that there are still very limited domestic sources of credit for investment and thus employment generation. Moreover, while interest rates have been declining in recent years, there is still a very high difference (“spread”) between lending and savings interest rates (15.5 and 3 percent respectively in 2006). This discourages people to save and imposes credit constraints hindering private sector expansion<sup>18</sup>.

These conditions suggest that the Government’s private sector-driven growth strategy outlined in the PRS might become viable only in the medium term. Keeping the “three-track approach” in mind, the *careful sequencing of reforms* - with an eye on employment effects every step of the way - is essential. The public sector will have to remain one of the main drivers of growth and large-scale employment generation in the short and medium term. This needs to be factored in, notably with respect to: (a) direct public sector employment, when reviewing options for reforms of State-owned enterprises and the civil service; and (b) indirect employment creation through Government sub-contracting to the private sector and local community-led projects<sup>19</sup>.

The following sections will review a number of options for government interventions in a range of areas that are essential to “crowd in” private sector investments and empower domestic entrepreneurship in employment-intensive activities. However, these all imply significant public investments – along with the significant resources required to train and pay for public sector workers including teachers, doctors and nurses - that loom large against the very tight fiscal squeeze facing the Liberian Government. Even with the twin assumptions of rapid economic growth and a significant increase in the revenue/GDP ratio, total Government revenues for the fiscal year 2008/2009 are estimated at a mere US\$240 million. Over the entire PRS implementation period the total “financing gap” (the gap between projected Government financing of the PRS and total estimated PRS costs) is over US\$1 billion, or an average of around US\$367 million per year.

Since these figures were drawn up, Liberia’s bilateral, regional and multilateral partners made significant commitments of between US\$250-300 million for 2008/2009 to support implementation of the PRS, notably through the Liberia Reconstruction Trust Fund managed by the World Bank. These steps are extremely welcome; however, only a small proportion of these funds are geared to direct budget support (funds that are channeled directly into the government’s national budget). Yet this mode of aid delivery is essential to empower the Government to act speedily and cohesively on the range of targeted interventions needed to accelerate the creation of decent and productive employment. The Liberian Government has made an international commitment to a balanced cash budget

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<sup>17</sup> Source: *The Least Developed Countries Report 2008*, United Nations Conference on Trade and Development (UNCTAD), Geneva

<sup>18</sup> Lending rates are even higher for investments in agriculture, even though boosting agricultural production constitutes one of the backbones of Liberia’s economic recovery. Dr D.K. Twerefou “Towards a Liberian Employment Policy: Labour Market Assessment for Liberia”, Report submitted to the Employment Policy Department, ILO (Draft), University of Ghana, 2008.

<sup>19</sup> Mahmood, M (2008) op. cit.

(meaning that unless this condition is relaxed, there is no scope for labour-related investments through carefully coordinated deficit financing as some analysts have called for<sup>20</sup>). So as the Government is improving its financial management capabilities, it has repeatedly called for increased budget support, a requirement that was echoed in the conclusions of the first Development Cooperation Forum of the United Nations Economic and Social Council (ECOSOC) in June 2008: *"Budget support should be increasingly used as a preferred modality for delivering development aid due to its positive effects on national ownership, disbursement speed and use of national systems"*<sup>21</sup>.

#### **4.2 Rebuilding infrastructure: synergies between labour-based methods and local economic development**

Since 2006, a number of programmes by international partners have cooperated under LEEP/LEAP Key Initiative 1 to create emergency jobs through labour-based works. The challenge is now to initiate large-scale replication of this approach. Its benefits are well illustrated through an ILO-supported integrated labour-based feeder road reconstruction programme on the Bensonville-Johnsonville-Todee triangle. The project combines road reconstruction using labour-intensive techniques with supporting small enterprise and cooperative development (such as in charcoal and cassava production) as transport of goods and people is restored in the area. The project is expected to create in itself 2,300 jobs, out of which 2,000 are sustainable jobs. The project ensures respect of decent working conditions, promotes respect for core labour standards, and targets vulnerable groups such as youth, ex-combatants, returning IDPs and women. Bringing purchasing power into the communities through cash-for-work helps to kick start the local economy. Many more jobs will emerge as economic activity is restored in this area of significant economic potential.

President Johnson-Sirleaf visited one of the project sites in February 2008 and said she was particularly impressed with its local community development and women's empowerment aspects. During the Liberia Reconstruction and Development Committee meeting which she chairs, Her Excellency asked the World Bank, the United States Ambassador and other development partners to fund an expansion of the programme throughout the country, possibly under the above-mentioned World Bank reconstruction trust fund on infrastructure. According to one estimate, scaling up these kinds of activities could create work opportunities for at least 76,000 people over the next three years and an additional 130,000 sustainable jobs from cooperatives and micro- and small businesses that would make use of rehabilitated roads and better access to markets<sup>22</sup>.

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<sup>20</sup> Dr D.K. Twerefou (2008) op. cit.

<sup>21</sup> Official summary of the ECOSOC Development Cooperation Forum 2008: [http://www.un.org/ecosoc/newfunct/Summary\\_of\\_the\\_President.pdf](http://www.un.org/ecosoc/newfunct/Summary_of_the_President.pdf). National ownership was a core principle of the post-World War II Marshall Plan, which now called for African reconstruction and development.

<sup>22</sup> "Technical Assistance to National Secondary and Feeder Roads Rehabilitation and Maintenance Programme" Proposal by Government of Liberia and ILO, 2008

Experience from other countries shows that labour-intensive methods (as opposed to equipment-intensive or capital-intensive methods) not only generate more jobs and promote more inclusive growth through increased household consumption and greater multiplier effects on other sectors of the economy: they are typically less costly, generate more tax revenue, and their reliance on local materials and endogenous maintenance increases their sustainability and reduces dependence on imported inputs, which is a key consideration in a country like Liberia afflicted by an already large balance of payments deficit<sup>23</sup>.

### 4.3 Labour-intensive revival of agriculture

Nearly half of Liberia's surveyed labour force is involved in farming activities. Over 80 percent of the rural population is found to be moderately or highly vulnerable to food insecurity. Smallholder farmers constitute the majority of the rural population. A major issue (to avoid a repeat of past unequalizing patterns of development), is securing access to and security of tenure so as to enable smallholders to move beyond subsistence farming into more profitable and sustainable livelihoods. This will require mechanisms to resolve difficult land disputes as planned for during the PRS period. A key issue in this regard is overcoming gender discrimination, including in customary law that prevents women to own the land they cultivate. While women are predominant in the provision of labour and subsistence agriculture, men increasingly control the marketing of produce and cash proceeds.

As the Government seeks to refine the role of the State and create space for private sector-led agriculture (with smallholder production at the core), it needs to review carefully the sequencing of its plans aimed at limiting the role of the public sector in production and marketing functions. Growth in the crop sector has to be based on increasing investments to boost productivity, remunerative employment and incomes through downstream value-added chains. Targeted interventions should be based on methods that identify areas that have both high returns on investment and high labour intensity. A joint study undertaken for the Ministry of Agriculture, the Food and Agriculture Organization (FAO) and the ILO has begun to identify where priorities would lie when combining these twin objectives. It shows how this analysis can serve as the basis for targeted programmes for vulnerable groups at different stages of the production and distribution chains - such as offering sustainable entrepreneurial opportunities for youth to reintegrate rural and peri-urban areas, training ex-combatants in the use of upgraded technical inputs, and new marketing opportunities for women<sup>24</sup>. Seasonal unemployment and underemployment in agriculture could also be reduced by way of public investments in labour-intensive construction of small-scale irrigation

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<sup>23</sup> Eric Norbert Ramilison et Jean Gabriel Randrianarison 'Cadrage macro-économique et potentiel des approches fondées sur l'emploi et les ressources locales', B.I.T.; Samuel Yemene 'Modèle de Simulation pour la mesure des impacts macro économiques des travaux de réhabilitation routière à haute intensité de main d'œuvre au Cameroun', B.I.T.

<sup>24</sup> Priority crops that meet both labour intensive and efficiency criteria include rice, cassava, sweet potato, maize, cocoa, coffee, palm oil and rubber. "Comparative Study of the Job-Creating Capacity and Efficiency of Crops and Related Activities in Liberia" Submitted to FAO/ILO/MoA, September 2007

projects and storage facilities, which could be achieved through rural employment guarantee schemes<sup>25</sup>.

The Government is facing considerable capacity constraints in its ability to generate research, provide extension services, establish seed multiplication centres and export quality standard setting. NGOs play an essential role in this regard - as could international agro-companies investing in Africa with large value chains, by sharing their knowledge as to where government support to the quality and quantity of local production can contribute to greater exports. In addition, the Government's commitment to promote farmer-based organizations (FBOs), as representatives of farming communities, is a pivotal aspect of ensuring genuine local-level planning in defining the kinds of services to be provided and main mechanisms for building the productive and marketing capacity of small farmers.

For rural workers, such as those employed in the revived rubber plantations, a major issue is extremely weak wage rates and poor labour and living conditions. The international companies that have invested in these areas must take the necessary steps to abide by core labour standards and provide decent wages and living conditions to their employees - not least as an essential move towards ending the use of child labour that may be still taking place under their watch.

#### **4.4 A transparent and inclusive approach to timber and mining**

The lifting of the UN ban in timber and diamonds is expected to generate rapid increases in growth, government revenues and employment opportunities. In June 2008, Liberia has committed to the Extractive Industries Transparency Initiative for the mining and forestry sectors. This initiative is a compact between the government, civil society and the private sector to enable public scrutiny to ensure that revenues from these sectors are used in the public interest, and to avoid these sectors becoming a source of inequality and conflict as they had been in the past.

The Government is committed to ensuring that future exploitation of Liberia's very large forest reserves finds a balance between conservation, community and commercial uses. This involves using community forest management techniques to identify viable economic opportunities for local communities from value-added forest resources; and conserving protected and important biologically diverse areas, with an emphasis on providing sustainable livelihoods for communities living on the fringes of the forests.

Mining is plagued with poor working conditions. The Government is committed to support cooperative schemes in this area with the aim of formalizing their activities. It is planning to develop mining concessions that provide a better balance between investor returns, robust revenues and ensuring that local communities share in the benefits,

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<sup>25</sup> Dr D.K. Twerefou (2008) op. cit. suggests these schemes could be financed through deficit financing, but an alternative would be through sustained increases in budget support.

including through direct and indirect employment. There are many lessons that can be learned from/by extractive companies operating in West Africa. Liberia needs to apply good practices for sustainable and equitable growth in these sectors – and is *able to apply* these practices because the demand for extractives is robust and will become even greater with increasing world demand.

#### **4.5 Upgrading the informal economy and small scale enterprise development**

Liberia has an exceptionally large informal economy (with at least four times more employment than in the formal sector). The PRS identifies a huge potential for labour-intensive growth (especially through micro-, small-and-medium sized enterprise (MSME) growth) in value-added production, manufacturing, trade and services. These include agro-processing, furniture and downstream wood and rubber products.

The government is committed to implementing programmes and policies that help improve productivity and working conditions in the informal sector. It has also identified the need to correct credit market failures to ensure access to capital by actors in the informal economy and those that have just upgraded into the formal economy. LEAP Key Initiatives 2 (on skills training) and 3 (on informal economy and small enterprise and cooperatives development) are the primary vehicles towards achieving these goals.

In the aftermath of the war, most Liberians have been deprived of basic education and skills needed for them to access economic and decent employment opportunities as they gradually emerge. Most skills training is currently provided by international NGOs, or through individual apprenticeships in the informal economy (which currently provide only very limited technical knowledge)<sup>26</sup>. Key Initiative 2 envisages a two-pronged approach: (a) in the short-term, focus on flexible and targeted training that facilitate immediate income generation; and (b) a longer process of systematic institution-building, linked to access to micro-credit and business development support, and building on traditional apprenticeship schemes through upgrading the skills of master craftsmen and women. A major challenge is to ensure that future training programmes are adapted to existing economic opportunities, matching them with identification of skills shortages and occupations that are in demand. This is related to the challenge of generating reliable labour market information discussed below.

Key Initiative 3 envisages the creation of institutions to support MSMEs such as national productivity centers to upgrade competitiveness, small business development centers and local enterprise agencies. This includes the establishment, under the Ministry of Commerce and Trade, of a “one-stop-shop” to advise potential entrepreneurs of existing opportunities and provide them with technical support. The Initiative also emphasizes the key role played by local authorities, notably in facilitating dialogue with stakeholders to identify policy responses to opportunities and constraints facing actors in the informal economy.

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<sup>26</sup> Dr D.K. Twerefou (2008) op. cit.

A good illustration of an integrated approach at the local level is an ILO-supported programme for waste management through the development of small enterprises and cooperatives in Monrovia. At least 200 beneficiaries are selected from low and middle-income groups and small community-based service providers (existing or newly established) to start up business in this field. Community groups are contracted through the Monrovia City Corporation, which is tasked with monitoring progress. The groups receive loans from LEAD, Inc. (the microfinance institution that administers the fund) and base their business on the collection of waste fee payments. The programme, which aims to ensure balanced gender and youth participation, includes training in business skills for waste recycling and will feature training in occupational safety and health. It is developing a “training of trainers” course with a view to up-scaling activities beyond their current pilot phase. There is scope to extend this approach to other poorer sections of society in activities such as street vending and food processing.

#### **4.6 Governance and rights: strengthening social partners and reforming labour laws**

In the PRS, the Government outlined its commitment to involving civil society and the private sector in discussions on reforms and in developing policies and procedures for the various sectors. Tripartite social dialogue between the Government, workers’ and employers’ organizations has a major contribution to make in that effort, including towards the social healing process, peace education and negotiations on key economic and social issues. The contribution of social partners is essential to mitigate the adverse effects of the conflict on employment opportunities, workplace structures and relations, working conditions and labour-related institutions, and to the overall development of democratic accountability and recognition of the rule of law in the world of work (determining the “rules of the game” that everyone can agree with). Yet their capacities have been severely undermined, and as a result their voices are hardly heard in dialogue and decision-making around reconstruction.

Over the past two years, as part of LEAP Key Initiative 5 (on social dialogue and labour administration) the social dialogue process has accelerated greatly through the Ministry of Labour and with support from the ILO. The employers now have a single voice via the Liberia Chamber of Commerce and, in spite of difficult negotiations over leadership questions, the two previous national workers’ associations have merged into a single Liberia Labor Congress. A National Tripartite Committee was set up and a Memorandum of Understanding by tripartite partners was signed in June 2008.

Tripartite discussions are at the heart of on-going discussions on reforming the outdated labour code. The LEAP strategy document states under this chapter that revised labour legislation should be based on international labour standards, including the ILO conventions that Liberia has already ratified. It should acknowledge the key roles of the social partners and put forward strategies for the protection of workers, including through labour inspection and occupational safety and health.

The Government has also reconstituted the national Minimum Wage Board to determine the minimum wage for Liberian workers on a sectoral basis. However, trade unions and other stakeholders have reportedly expressed misgivings about the structure of the Board and procedures used. Their presence as observers does not allow them to be actively involved in minimum wage setting<sup>27</sup>.

Overall, despite these advances, progress is held back on all these fronts by a lack of capacities - among workers and employers but also within the Ministry of Labour.

#### **4.7 Towards social protection for all**

The PRS makes reference to the development of a "targeted social safety net program" in relation to food security and nutrition for those "vulnerable households unable to take advantage of emerging opportunities"<sup>28</sup>. Given the sharp rise in global food prices which has hit Liberia particularly hard, these measures take on an added urgency. However, in the medium and longer-term, food security-related safety nets are not enough. Steps should be taken to explore options for more comprehensive social protection programmes, beyond what already exists for workers in the formal sector.

The UN system policy paper on employment, income and reintegration in post-conflict settings recognizes the limits of a "social insurance" approach in the short-term. It suggests transfer financing from treasury resources; but this is conditional on improvements in the above-mentioned fiscal squeeze currently facing the Liberian Government. Donors may wish to explore budget support to this end as the Government sees it as a priority. Another complementary option is promoting financial services for protective purposes (including emergency loans, savings and micro-insurance) linked to micro-finance institutions - such as through the ILO social finance programme recently developed with funds from the Bill and Melinda Gates Foundation<sup>29</sup>.

#### **4.8 Generating credible labour market information and analysis**

Another area in critical need of funding is the generation of credible labour market information and analysis under LEAP Key Initiative 4. The Ministry of Labour is mandated to provide the detailed statistical information needed for effective planning and decision-making by government and other users in private and non-governmental institutions. However, accumulated labour statistics, documentation and equipment were destroyed during the war, and skilled staff fled overseas. During the formulation of the PRS, it was observed that employment issues were regarded as the driving force for the reduction of poverty and therefore serves as one of the major cross-cutting issues affecting all sectors. There is an urgent need to overcome the dearth of up-to-date and

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<sup>27</sup> Dr D.K. Twerefou (2008) op. cit.

<sup>28</sup> PRS 2008 p.62

<sup>29</sup> [www.ilo.org/microinsurance](http://www.ilo.org/microinsurance)

reliable indicators on the various aspects of vulnerable and informal employment, status in employment, hours of work, productivity and unemployment.

A National Labor Force Survey - still in need of financing - is planned under the PRS to help fill this gap. It will provide a valuable database for the evaluation and monitoring of the performance of the different employment creation activities undertaken under the PRS. There is also a need to develop efficient ways to collect information on the demand for labour; and to upgrade the skills of the personnel within the Ministry's Bureau of Research and Statistics through training on basic statistical methods for collecting, analyzing and presenting statistical information.

## **5. Conclusion and Next Steps**

The Monrovia High Level Forum provides an important opportunity for a multi-stakeholder discussion to take the reconstruction and development efforts forward by means of strengthening policies and programmes for employment and decent work in Liberia. The Ministry of Labour of Liberia has taken the lead and together with the country's social partners is providing a core group to sustain policy formulation and implementation. International development partners, NGOs and private sector representatives have a fundamental role to play in contributing ideas, resources and commitment. This paper has reviewed a number of key issues to help stimulate the discussion and sharpen its focus.

One key question is how to support the Government and social partners through the LEAP mechanism to ensure consistency, coordination and coherence of approaches, not only between ministries but also in terms of the support given by international partners. There is a need to ensure – as the Government has committed to – transparency and inclusive participatory governance at all levels in order to tailor policies and programmes to local conditions and needs, and manage expectations in the face of the challenging decent work deficits affecting the country.

The need to strengthen the capacities of social partners and Government authorities is a primary concern. What resources and capacities would be needed, for example, to adequately monitor the employment implications of investment decisions, to ensure that development programmes are pro-employment and pro-poor, and that national social and economic development policies are also employment intensive? A number of concept notes identifying immediate needs for financial support to upgrade the LEAP secretariat and its transition into an Employment Bureau - in line with its very demanding employment services and inter-ministerial functions - will be made available to Forum participants.

Among the ideas that have been put forward in recent tripartite discussions around a National Employment Policy is the establishment of a “National Cabinet-level Employment Council” and an “expert-level, inter-ministerial and multi-stakeholder partner employment creation committee,” which would incorporate the private sector,

employers, workers, NGOs and development partner representatives<sup>30</sup>. The exchange at the Forum could indeed explore the opportunities and challenges of a multi-stakeholder process towards mobilizing the resources and the knowledge that are needed to support the reconstruction and development of Liberia through Decent Work.

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<sup>30</sup> National Employment Policy (Draft)", Ministry of Labour, Monrovia, Republic of Liberia, April 2008.