




ULANDSSEKRETARIATET – DTDA
DANISH TRADE UNION DEVELOPMENT AGENCY



LABOUR MARKET PROFILE

2017

Sierra Leone



Danish Trade Union Development
Agency, Analytical Unit
Copenhagen, Denmark



PREFACE

The Danish Trade Union Development Agency (DTDA) presents this Labour Market Profile as a yearly updated report that provides a comprehensive overview of the labour market's situation.

The report is divided in eleven thematic sections including: trade unions, employers' organizations, tripartite structures, national labour legislation, violations of trade union rights, working conditions, situation of the workforce (with subsections such as unemployment, sectoral employment, migration, informal economy, child labour, gender, and youth), education (with subsection vocational training), social protection, general economic performance, and trade. Additionally, Appendix presents updated data of Sierra Leone Labour Congress (SLLC) trade union members, status of collective bargaining agreements, list of approved labour market related legislations in Sierra Leone and status of ratification of International Labour Organization (ILO) Conventions.

Estimations are based on data from international databanks (e.g. ILO's Key Indicators of the Labour Market (KILM) and NATLEX as well as the World Bank's World Development Indicators), national statistical institutions and ministries. Information is also collected from the International Trade Union Confederation (ITUC), U.S. Department of State, media sources (e.g. LabourStart, national news, etc.) along with trade unions centers, employers' organizations, NGOs, among others.

Several indexes such as the Global Rights Index, the Doing Business Index, the Governance Indicators, the Human Development Index and the Global Competitiveness Index are used as proxy indicators of the labour market's environment. The indexes' methodologies and the data quality can be followed by the sources' websites.

This report was published in October 2017.

ACKNOWLEDGMENT

The DTDA is the Danish trade union agency for international development co-operation. It was established, under a slightly different name, in 1987 by the two largest Danish confederations: the Danish Federation of Trade Unions (LO) and the Danish Confederation of Salaried Employees and Civil Servants (FTF). The organization activities are related to: i) support democratic development of the trade union movements in Africa, Middle East, Asia and Latin America; and ii) contribute to democratic development in the societies in which the unions operate.

This Labour Market Profile is prepared by the DTDA's Analytical Unit in Copenhagen. Our partner, Sierra Leone Labour Congress, provided information on the trade union movement status as well as statistical data of trade union membership and collective bargaining agreements. Trade union density and growth in membership were elaborated upon calculation and estimations from DTDA's Analytical Unit.

DTDA also produce labour market profiles in more than 30 other countries where the organization has implemented activities. All reports are available on our website:

<http://www.ulandssekretariatet.dk/content/landeanalyse>
[r](#)

Should any question arise about the profiles, please contact Kasper Andersen (kan@lofft.dk), Manager of the Analytical Unit.

Cover Photo: Carsten Snebjerg.



EXECUTIVE SUMMARY

The Republic of Sierra Leone is among the Least Developed Countries in the world. Four out of five (81%) are working poor living below US\$3.1 per day. Labour productivity increased during the 2000s and a fast economic growth spurred optimism in the beginning of the 2010s that mainly was due to a mining bonanza. However, the country's economic and social vulnerability was also demonstrated when international prices on mining products dropped rapidly and an Ebola virus epidemic hit the country in 2014 and 2015. Albeit the economic growth rebounded last year, it is still not easy doing business just as the governance effectiveness and regulatory quality are fragile.

Central labour legislations are outdated and with a wide range of flaws in terms of international standards of freedom of association, right to collective bargaining and right to strike. Only few, new labour related legislations were approved in recent years. This included that a reform of the Employment and Employed Act was debated during the last two decades, but an approval of the most recent draft Act from 2014 remained pending. Equally important, workers are experiencing systematic violations of their rights in Sierra Leone.

In the formal sector, collective bargaining is relatively widespread and many institutions operate with collective bargaining agreements (CBAs) on wages and working conditions. Six new CBAs were approved from 2015 to 2017 (March). A point often overlooked is that wage and salaried workers in the formal sector covers only 9.4% of the total employment. Consequently, almost nine out of ten of the self-employed in the non-agricultural sector operate in the informal economy just as workers in the agricultural sector are most often informal. Stated differently, a majority of the labour force is still not covered by CBAs. By the same token, the latest minimum wage, which was set in effect in 2015, is only benefitting the narrow segment of workers in the formal sector. Not to mention, all workers' income has a weakening purchasing power due to a relatively high inflation in consumer prices.

Labour force participation rate has basically been on a marginal growth during the last decade in Sierra Leone.

Labour market does not provide many new jobs in the formal sector; actually the rate of formal employees has declined in recent years due to the economic and social downturns. In practice, many workers either lost their jobs or ended up in underemployment while simultaneously taking pay cuts in order to keep their income, especially in the private sector. Although many workers were not unemployed, different surveys estimated that underemployment range from 31% to 70% in the informal economy. This is related to weak formal social protection system with low coverage and no access to unemployment insurance.

It is important to realize that the status of employment has only minimal aggregate sectorial changes during the last decade. Out of the total employment in Sierra Leone, three out of five stayed in the agricultural sector and established as smallholders in subsistence farming. The more regulated industrial sector had a narrow employment of 9% and it produced 6% of the total Gross Domestic Product (GDP). A slight development of employment in the service sector was related to an internal migration, especially by youth that was seeking better formal job possibilities in urban areas. With this in mind, youth is often lacking skills and insufficient education.

Albeit a very high net enrolment in primary school in Sierra Leone, child labour was widespread. Vocational education and training has been under-prioritized by the government and a majority of the youth. Women on the labour market were confronting patriarchal and traditional practices that made them vulnerable, e.g. wide gendered salary gaps and few women in firm ownership.

According to employers in Sierra Leone, the labour market is quite rigid and registers worker-employer cooperation with a low ranking. The trade union movement experienced an upsurge in membership of declared members due to a high influx of organized workers from the informal economy. Although the total trade union density dropped by 3 percentage points from 2014 to 2017, it remains high at 19%. This drop was a backlash of the abovementioned economic and social downturns, especially among informal affiliated workers.



COUNTRY MAP



Source: Google



Table of Contents

Preface.....	ii
Acknowledgment	ii
Executive Summary	iii
Country Map	iv
Trade Unions	1
Employer's Organizations	2
Central Tripartite Structures.....	3
Collective Bargaining Agreements	3
National Labour Legislation.....	4
Other labour related legislations	4
Observations on the labour legislation.....	4
Ratified ILO Conventions.....	5
Trade Union Rights Violations.....	5
Working Conditions	6
Workforce	7
Unemployment.....	9
Sectoral Employment	9
Migration.....	11
Informal Economy	12
Child Labour	12
Gender	13
Youth.....	13
Education.....	14
Vocational Training	15
Social Protection.....	15
General Economic Performance.....	17
Trade	19
Trade agreements.....	20
Special Economic Zones (SEZ)	21
Appendix: Additional Data	23
SLLC trade union declared members, 2017 (October).....	23
Status of Collective Bargaining Agreements in Sierra Leone, 2015-2017 (May).....	24
List of approved labour related legislations in Sierra Leone, 2014-2017 (September)	24
Ratified ILO Conventions in Sierra Leone.....	25
References	26



Tables

Table 1: Trade Unions in Sierra Leone, 2017	1
Table 2: SLLC declared and affiliated trade union members, 2012-2017 (September).....	1
Table 3: Labour market efficiency in Sierra Leone, 2016-2017	3
Table 4: Status of CBAs in Sierra Leone	4
Table 5: Number of approved national labour, related legislations in Sierra Leone, 2014-2017 (September)	4
Table 6: Global Rights Index, Sierra Leone ranking, 2014-2017	5
Table 7: ILO Complaints Procedure Freedom of Association Cases, 2017 (September)	6
Table 8: Monthly Wages in Sierra Leone, 2016	6
Table 9: Working Conditions in Sierra Leone.....	7
Table 10: Employment-to-population ratio, 2016, Age and Sex distribution	7
Table 11: Inactivity rate in Sierra Leone, 2016.....	8
Table 12: Unemployment in Sierra Leone and Western Africa, 2016, %.....	9
Table 13: Employment sector distribution in Sierra Leone, 2015	10
Table 14: GDP share by sector and GDP per worker in Sierra Leone, 2015	11
Table 15: Migration status in Sierra Leone and sub-Saharan Africa.....	11
Table 16: Informal economy and informal employment in Sierra Leone	12
Table 17: Working children Proportion of all children	13
Table 18: Gender gaps among workers in Sierra Leone, 2016	13
Table 19: Public spending on social protection schemes in Sierra Leone and sub-Saharan Africa (SSA), 2006/09	16
Table 20: Pension Benefits, Coverage and Contributions in Sierra Leone and sub-Saharan Africa (SSA), %.....	16
Table 21: Key Facts on General Economic Performance in Sierra Leone, 2016.....	17
Table 22: Working poor and middle-class trends in Sierra Leone, 2003-2011	18
Table 23: Sierra Leone's Ease of Doing Business.....	19
Table 24: Sierra Leone's Governance Indicators, 2011-2016.....	19
Table 25: Trade and Foreign Direct Investment (FDI) in Sierra Leone, 2016.....	19
Table 26: SLLC trade union declared members, 2017 (October).....	23
Table 27: Status of Collective Bargaining Agreements in Sierra Leone, 2015-2017 (May).....	24
Table 28: List of approved labour related legislations in Sierra Leone, 2014-2017 (September).....	24
Table 29: Ratified ILO Conventions in Sierra Leone	25

Figures

Figure 1: SLLC declared and affiliated informal members, 2007-2017.....	1
Figure 2: Trade union density trend, 2014-2017, %	2
Figure 3: Minimum Wage Trends in Sierra Leone, 2013-2016	6
Figure 4: Labour force participation rate in Sierra Leone and Western Africa (WA), 1995-2015, Total & youth, %	8
Figure 5: Labour productivity trend, 1995-2015.....	8
Figure 6: Status of employment in Sierra Leone, 2004-2015, %.....	8
Figure 7: Unemployment rates in Sierra Leone and Western Africa, 2007-2016, %.....	9
Figure 8: Employment by aggregate sector in Sierra Leone, 2004-2015.....	9
Figure 9: Sierra Leone sectors' value added, % of GDP, 2007-2016	10
Figure 10: Sierra Leone and sub-Saharan Africa sectors' value added, % of GDP, 2016	10
Figure 11: Net migration trend in Sierra Leone, 1993-2012.....	11
Figure 12: Women in Management and Ownership.....	13
Figure 13: Gender gaps in youth unemployment in Sierra Leone and the Western Africa, 2007-2016, %	14
Figure 14: Standard and Structural Youth Unemployment rates of Selected African Countries (%).....	14
Figure 15: Enrolment in Primary, Secondary and Tertiary schools	15
Figure 16: Health-care expenditure not financed by Private Household's out-of-pocket Payments, 1995-2011	16
Figure 17: GDP growth per capita in Sierra Leone and sub-Saharan Africa (SSA), 2006-2015, Annual growth, %.....	17
Figure 18: GDP per capita in Purchasing Power Parity (current international \$) and Gini Index, 2005-2015	18
Figure 19: Inflation in consumer prices trend, 2007-2016, %.....	18
Figure 20: Gross Fixed Capital Formation trend, 2007-2016	19
Figure 21: Trade and Foreign Direct Investment (FDI) trends, 2007-2016	20
Figure 22: Sierra Leone's main products share of exports, 2015.....	20
Figure 23: Sierra Leone's main export markets, 2016.....	20



TRADE UNIONS

Sierra Leone has one of the oldest trade union movements in Africa. In fact, their earliest strikes were recorded in 1874.¹ Today, the government generally respects the freedom of association of workers and the right to collective bargaining. Even though all unions maintain their independence from government and political parties, certain unions, such as the Sierra Leone Teachers' Union, have close ties to the government.

Close to 479,000 workers were members in trade unions in 2017. This means that almost one out of five in employment (19%) was organized in a trade union as either declared member or affiliated from the informal economy. By the same token, close to one out of three (29%) of employees in the formal sector were registered as declared trade union members (i.e. 'employees' is understood as paid employment jobs with stable contracts).² It is important to note that employees were estimated at 9.6% in 2017 of the total employment. Instead a broader estimation of the total trade union members (declared) share of total employment was estimated at 14% in 2017 (Table 1 and Table 26).

Table 1: Trade Unions in Sierra Leone, 2017

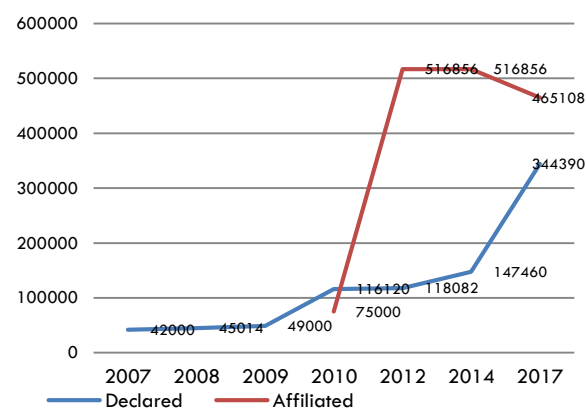
Number of trade unions with declared members (SLLC)	35
Dues per month (minimum) (SLLC)	US\$0.07
Total members of trade unions, incl. affiliated from the informal economy	478,824
Declared members of trade union, employees and informal workers	344,390
Trade union members (declared in formal sector and informal affiliated) share of total employment	14 %
Trade union members (declared in formal sector) share of total employees	29 %
Trade union members (declared and affiliated) share of total work force	19 %
Women member share of trade unions	N/a

Note: 'Employment' covers employees, own-account workers and contributing family workers. Declared members are those who pay dues. Sources: Danish Trade Union Development Agency estimations based on data from SLLC and ILO.

The trade union movement had around 150,000 declared members before the Sierra Leone Civil War (1991–2002). As an aftermath of the crisis, the number of members plummeted; around 42,000 members were registered by Sierra Leone Labour Congress (SLLC) in 2007. Afterwards, based on innovative and effective campaigning strategy, the number of members rebounded and peaked of 344,390 declared members in 2017 with an estimated growth of 183% from 2012 to 2017 (Figure 1 and Table 2). A key point was that

SLLC opened up for organized self-employed informal workers as affiliated members in 2010. The membership rate grew very fast. On the negative side, the enrolment of members in trade unions was affected by an economic downturn and a negative impact of the Ebola virus disease (EVD) epidemic in the period from 2014 to 2015 (Figure 1 and Table 2). Among others, several workplaces were affected; causing the fold-up or scaling-down of enterprise operations and the segment of formal employees plunged.³

Figure 1: SLLC declared and affiliated informal members, 2007-2017



Source: SLLC, Danish Trade Union Development Agency and TUC.

A large majority (84%) of the organized trade union workers in Sierra Leone are members from the informal economy. And it was especially the affiliated organized workers from the informal economy that were affected by the mentioned downturns. In contrast, declared members from the formal sector actually increased at 6% in the period from 2012 to 2017 (Table 2).

Table 2: SLLC declared and affiliated trade union members, 2012-2017 (September)

	2012	2017	Change, %
Employees (declared)	59,836	63,534	6.0 % *
Informal affiliated (declared)	61,856	280,856	354 % *
Total (declared)	121,692	344,390	183 % *
Affiliated informal members	455,000	406,950	-11 % *
Ratio of total affiliated informal members to all members	88 %	86 %	-2.0 % **

* Mean percentage. ** Percentage points.

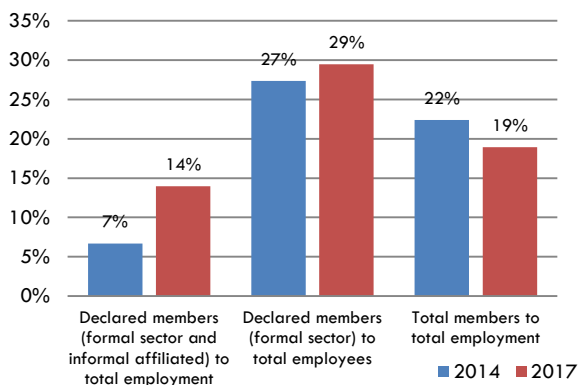
Source: Danish Trade Union Development Agency assessment and calculations based on data from SLLC.

Data reveal that the trade union density dropped from 22% in 2014 to 19% in 2017 in terms of the total labour force. This remains as a high level in comparison with many other countries in Africa, though. On the



positive side, the trade union density grew for both the formal sector's employees with trade union membership along with total declared (formal sector and informal affiliated) members in terms of the total employment (Figure 2).

Figure 2: Trade union density trend, 2014-2017, %



Source: Danish Trade Union Development Agency calculations based on data from SLLC and ILO

Sierra Leone Labour Congress (SLLC)

SLLC was founded in 1976 and it is the main umbrella organisation of trade unions in Sierra Leone. It covered 33 affiliated unions in 2017 (March), out of which 10 organizations were from the informal economy. Six new unions have been registered since 2012. SLLC is affiliated to the International Trade Union Confederation (ITUC).

The organization is the largest trade union federation in the country. The SLLC amended its constitution during its last congress in 2012 to include workers from the informal economy as legal members. A wide range of campaigning succeeded bringing an impressive influx into affiliated trade union members. In March 2017, a total of 470,884 members, both those paying dues and those affiliated, were members of the trade union. Out of these 122,000 (26%) were declared members (64,000 from the formal sector and 58,000 from informal economy). The number of affiliated trade union members from the informal economy was much higher at 407,000 workers (74%). The drop in declared and affiliated trade union members from the informal economy was, among other reasons, due to the 18 % decline in the bike riders' union membership in the period from 2014 to 2016, falling to 120,000 members. On the same token, the latter organization aggrieved that members recently impeached the national president of that union for reasons of inaction over their plights and impropriety. More information of the trade unions is available on Appendix Table 26.

The largest trade union with members paying dues is the Sierra Leone Teachers' Union (SLTU) with 36,000 members. The organization has complained that the last collective bargaining agreement is from 1966 and the law hampers them from renewing it. During 2016, SLLC focused on lobbying state authorities for the provision of social security coverage, health insurance, access to friendly micro-credit and vocational/technical skills training for informal economy workers in Sierra Leone. Programs and policies that take care of informal economy operators in terms of occupational health and safety and social security coverage were crafted. In collaborating with the National Social Security and Insurance Trust (NASSIT), the Ministry of Labour and Social Security and other social partners, the SLLC continued to work towards the completion of the Social Security Act. This includes the incorporation of the informal sector in the draft Act.⁴

During 2016, the SLLC organized applications for affiliation of the Artisanal Fishermen's Union and the Truck (Omolanke') Pushers Union. This will increase its membership and scope of coverage, according to SLLC.

According to SLLC, internal democracy in the organization is improving, especially informal sector unions are progressively getting entrenched in their day-to-day operations. This is related to the union leaders increasingly coming under membership spotlight and audit for delivering service as expected from them.

The Central Confederation of Trade Unions (CCOTU)

CCOTU is affiliated to ITUC. There are very limited information and news of the organization which includes data of the number of trade unions. Based on the limitations of data availability, there were around 8,340 members in 2012.⁵

EMPLOYER'S ORGANIZATIONS

The Global Competitiveness Index provides employers' view of a wide range of aspects, including labour market efficiency. The latter is elaborated upon surveys among employers in Sierra Leone. They considered the labour market as rigid; scoring with a ranking 110 out of 138 countries (1st is the best). Based on information from the surveys, some of the main issues were redundant costs, pay and productivity (see also Figure 5), reliance on professional management, flexibility of wage determination, and cooperation in labour-employer relations. The labour market efficiency highest scoring is in women participation in the labour force along with hiring and firing practices (Table 3).



Table 3: Labour market efficiency in Sierra Leone, 2016-2017

Indicator	Rank	Value
Total	110	3.8
Cooperation in labour-employer relations	104	4.1
Flexibility of wage determination	105	4.4
Hiring and firing practices	77	3.7
Redundancy costs (weeks of salary)	135	75.5
Effect of taxation on incentives to work	90	3.7
Pay and productivity	121	3.3
Reliance on professional management	105	3.7
Country capacity to retain talent	96	3.0
Country capacity to attract talent	89	3.1
Women participation in the labour force	9	0.97

Note: Rank from 1 to 135 (1 is highest). Value is estimated: 1 = lowest, 7 = highest.

Source: [The Global Competitiveness Report, 2016-2017, 7th pillar: Labour market efficiency](#)

Sierra Leone Employers Federation (SLEF)

SLEF is the main employers' organization in Sierra Leone. Limited data was available, but SLEF appeared to have a relatively small membership base. It has collaborated with ILO for institutional development as well as SLLC and the National HIV and AIDS Secretariat on other occasions. SLEF is present in the board of the National Social Security and Insurance Trust.

CENTRAL TRIPARTITE STRUCTURES

Joint National Negotiation board (JNNB)

The tripartite Joint National Negotiation Board sets the minimum wages in Sierra Leone. The Board is composed by nine members with representation from employer's organisation SLEF, and employees are represented by SLLC. The board has not reviewed the minimum wage frequently: The only recorded effort by the JNNB to review the national minimum wage was in 2014 with an increase in the monthly minimum wage from 21,000 Leones to 500,000 Leones, which represents a 2,281% increase.⁶ However, employers asked for a delay in the implementation of the new minimum wage as an impact of the Ebola crisis in May 2014. It finally came to effect in January 2015 (see also the section: Working Conditions).⁷

Mediation and Arbitration

Individual grievances at workplaces are first handled by the shop steward and the sectional head, if that fails then the head of Personal affairs tries to resolve it, but if not then it is transferred to the Secretary General of the relevant union. This procedure takes 13 days, if that fails the parties can report it to the Commissioner of Labour and the Minister of Labour.⁸ No statistical data of the handling of collective labour disputes was

available. Sources have noted that most industrial actions were taken against the government, primarily to protest unpaid salaries and reduced benefit packages.⁹ In practice, the mediation and arbitration institutions cover the formal sector. It is important to note that employment in the formal sector covers only 9.4% of the total employment. Thus, a large majority of workers are operating outside the formal mediation and arbitration structures.

Other bi/tripartite organs

- Trade Group Negotiating Council (TGNC)
- Joint Consultative Committee (JCC)
- Trade Group Negotiating Council (TGNC)
- Joint National Negotiating Board (JNNB)
- National Social Security and Insurance Trust (NASSIT)
- Women's Vocational Training Centre
- National Budgetary Committee
- Regulating Committee on Fuel and Transport Fares councils.

Collective Bargaining Agreements

The Regulation of Wages and Industrial Relations Act from 1971 provides for collective bargaining. According to sources, the government generally protected the right to bargain collectively. In the formal sector, collective bargaining was widespread and a majority of enterprises were covered by collective bargaining agreements (CBAs) on wages and working conditions.¹⁰ However, just as the formal mediation and arbitration structures narrow coverage, a large majority of the labour force operate in the informal economy and not protected by CBAs (see also Table 4).

Collective bargaining must take place in trade group negotiating councils, each of which had an equal number of employer and worker representatives. International Trade Union Confederation (ITUC) has registered a wide range of weaknesses of the collective bargaining system in Sierra Leone, for example:¹¹

- Previous authorization or approval by authorities required to bargain collectively.
- Absence of criteria or discretionary, unclear or unreasonable criteria for determining representative organizations.
- Prohibition or limitation of bargaining at a certain level (local, regional, territorial, national; enterprise, industry, sector or general).



- Imposition of fixed and unreasonable procedural requirements (e.g. short time-limits for reaching an agreement).
- Authorities' power to intervene in the preparation of collective agreements.
- Prohibition or limitation of collective bargaining.

The International Labour Organization (ILO) Committee of Experts on the Application of Conventions and Recommendations noted in 2016 with regret that Sierra Leone government's report did not receive information of the Right to Organize and Collective Bargaining Convention, 1949 (No. 98). The Committee expressed 'deep concern' in this respect. Among others, there were noted restrictions to collective bargaining in the mining sector.

From 2015 to 2017 (May), 6 Collective Bargaining Agreements (CBAs) were signed; 5 are still in on-going negotiations (Table 4 and Appendix

Table 27). Other data from 2009 registered seven CBAs that protected 45,000 workers. This estimates that 2.2% of the total labour force and 26% of wage and salaried workers (employees) were covered by CBAs. Stated differently, CBAs had a relatively high coverage among employees in comparison with many other African countries. On the negative side, employees remained as a minority of the total labour force.

Table 4: Status of CBAs in Sierra Leone

Number of approved CBAs (SLLC)	6 *
Workers covered by CBAs	45,000 **
Share of total labour force covered by CBA	2.0 % **
Share of employees (wage and salaried workers)	26 % **

* Period from 2015 to 2017 (May). ** Data from 2009.
Source: [TUC](#) and SLLC.

NATIONAL LABOUR LEGISLATION

Constitution¹²

The constitution of Sierra Leone was established in 1991. It protects the freedom of association, health and safety at work, fair working conditions, equal pay for equal work and fair compensation.

The constitution has so far no amendments after the civil war (1991-2002), but has been under review since 2013. In January 2017, the Constitutional Review Committee submitted a report to the Cabinet for review, after which a White Paper on the report will be

submitted to the Parliament in the form of the Constitutional Bill. A Constitutional Review process is well underway and preparations for a national registration and the next election in early 2018 are being advanced.¹³

Employers and Employed Act¹⁴

Many of the important laws regulating the labour market in Sierra Leone date back to 1960s, a year before independence from the United Kingdom. These include the Employers and Employed Ordinance and the Trade Unions Ordinance of 1960. Stated differently, significant parts of the current labour laws are obsolete. Reforms were initiated back in 1996, which was stalled, and restarted several times afterwards. The latest initiative was expected to be concluded at the end of 2014, but it still remains on-going. The trade union movement in Sierra Leone has especially advocated to incorporating into the national labour laws that guarantees right protection of workers from the informal economy.

Other labour related legislations

Several other legislations and acts exist that regulate and set standards and restrictions for the labour market. ILO registered a total 164 national labour related legislations in Sierra Leone in September 2017. Out of these, thirteen new legal pieces were approved in the period from 2014 to 2017 (September) (Table 5). More details of the legislations are available on Appendix Table 28. These new approved legislation reforms have a quite limited impact on the core labour market legislations that remain in review.

Table 5: Number of approved national labour, related legislations in Sierra Leone, 2014-2017 (September)

	2014	2015	2016	2017
Number of new legislations	6	1	6	0

Source: [ILO, NATLEX, Sierra Leone](#)

Observations on the labour legislation

ILO Conventions 87 and 98 on Freedom of Association and the Right to Organise and Collective Bargaining, as well as labour laws are generally respected in practice. Apart from the already mentioned observations of the regulations of collective bargaining, several other issues of protections of trade union rights are present in terms of freedom of association and freedom of strike:¹⁵

- Prior authorization or approval by authorities required for the establishment of a union.



- Power to refuse official registration on arbitrary, unjustified or ambiguous grounds.
- Absence of recourse to an independent body in the event of administrative refusal to register a trade union.
- Sanctions imposed for organizing or joining an organization not officially recognized.
- Excessively long prior notice / cooling-off period.
- Restrictions with respect to the objective of a strike (e.g. industrial disputes, economic and social issues, political, sympathy and solidarity reasons).
- Absence of specific protection for workers involved in lawful strike actions (e.g. against dismissal).
- Discretionary determination or excessively long list of “essential services” in which the right to strike is prohibited or severely restricted.
- Absence of compensatory guarantees for categories of workers deprived of the right to strike.

The above mentioned observations of the legislation are most often related to outdated labour laws as well as the labour market is dominated by an informal labour force. Many reforms are in progress but most wait being approved.

Ratified ILO Conventions

In reference to Sierra Leone’s ratification of international labour standards, a total of 35 of International Labour Organisation’s (ILO) Conventions are ratified:

- Fundamental Conventions: 8 of 8
- Governance Conventions (Priority): 2 of 4
- Technical Conventions: 25 of 177
- Out of 35 Conventions ratified by Sierra Leone, of which 30 are in force, 5 Conventions have been denounced; none have been ratified in the past 12 months.¹⁶

The latest ratified conventions were the Worst Forms of Child Labour Convention (1999) and the Minimum Age Convention (1973), both ratified on June 2011.

Albeit Sierra Leone has ratified 35 of ILO labour conventions, including the two core freedom of association and collective bargaining in 1961, the national legislations have flaws that suffer from insufficient reviews and updates.

Report of the Committee of Experts on the Application of Conventions and Recommendations from 2016 registered observations on Conventions Nos 17, 26, 81, 88, 95, 98, 119, 125, 144; and with direct requests on Conventions Nos 87, 94, 100, 101, 111, 126. Employers’ and workers’ organizations list of observations registered only observations from the International Organisation of Employers (IOE) with reference to Convention No 87.¹⁷

TRADE UNION RIGHTS VIOLATIONS

It was demonstrated above that legal provisions undermine some freedom and action of the trade unions. ITUC Global Rights Index 2017 ranked Sierra Leone as 4 out of 5+ ranking (Table 6). Workers in countries with the ranking of 4 have reported ‘systematic violations’.¹⁸ Sierra Leone has stayed on this ranking since 2014.

Table 6: Global Rights Index, Sierra Leone ranking, 2014-2017

	2014	2015	2016	2017
Ranking on the Global Rights Index	4	4	4	4

Note: Five clusters in total with ratings from 1 to 5. A country is assigned the rating 5+ by default, if the rule of law has completely broken down.

Source: ITUC, Global Rights Index

ITUC’s latest registered trade union rights violation was from 2014. The case was related to the Sierra Leone Seamen’s Union (SLSU) that reported intensive threats against trade unionists by the management of a company. Workers were told they would be dismissed and blacklisted if they continued to demand the negotiation of a collective agreement.

Other sources noted with concern that employers did not always respect the workers freedom of association. In addition, the government failure to adopt effective penalties against antiunion discrimination and acted of interference by employers increases the risk for the violation of this freedom.¹⁹

Other reports of labour rights violations were identified in the mining industry. In 2015, workers of the Shandong Steel’s iron ore mine went on an unlimited strike citing unfair treatment as the reason for the strike.



Shandong Steels, which was formerly a minority partner with the then African Minerals, had sought to reorganize the activities of the mine which it hoped will lead to some cost savings. The workers' union leaders contended that some workers were paid just two months' salary as severance pay regardless of how long they have worked for the company. Union leader also alleged that some social security benefits had not been paid.²⁰ Communications Director of Shandong Steel however assured workers that the company will pay any benefit that is due them.²¹

The country is also suffering from the aftermath of the EVD crisis in 2014 which have particularly affected the country's health workers. Reports estimated that 5% of medical doctors and 7% of nurses lost their lives during the epidemic. The dire situation was exacerbated by inadequate supply of Personal Protective Equipment to healthcare workers during the crisis. The surviving health workers also face stigma from the public which has led to some health workers being evicted by landlords.²²

ILO Committee of Freedom of Association has no active or follow-up Freedom of Association cases (Table 7).

Table 7: ILO Complaints Procedure Freedom of Association Cases, 2017 (September)

Freedom of Association cases	Number
Active	0
Follow-up	0
Closed	3

Source: [ILO, NORMLEX, International Labour Standards country profile, Sierra Leone](#)

WORKING CONDITIONS

The Joint National Negotiation Board agreed to raise the minimum wage in the private sector in 2014. The Ebola crisis outburst in 2014 delayed the implementation of the new minimum wage until January 2015 when it finally came into effect set at 500,000 Leones (US\$88) per month (Table 8). Minimum wage has not been reviewed since the 2014 adjustment. The former minimum wage was from 1997 that was set at 21,000 Leones (US\$4.8 per month, current 2014).

Since the review of the minimum wage in 2014, there were some concerns about employers in the private sector failing to comply with the new rates. This situation is most prevalent in the informal economy where it most frequently is not applied.

Minimum wage in Sierra Leone is still quite low ranking of 120 out of 197 countries (1 is highest). It is

interesting to observe that the country has a higher minimum wage in comparison with neighbouring countries such as Benin (US\$64), Ghana (US\$55), and Niger (US\$51).

Table 8: Monthly Wages in Sierra Leone, 2016

	Leone Current	US\$ Current
Nominal minimum wage (2015-2016)	500,000	88
Real wage growth from 2015 to 2016, %	1 %	
Growth of real minimum wage (2014-2015)	2,344 %	
Ratio of minimum wage to value added per worker *	1.0	
Minimum wage applicable to workers **	US\$ 90.8	

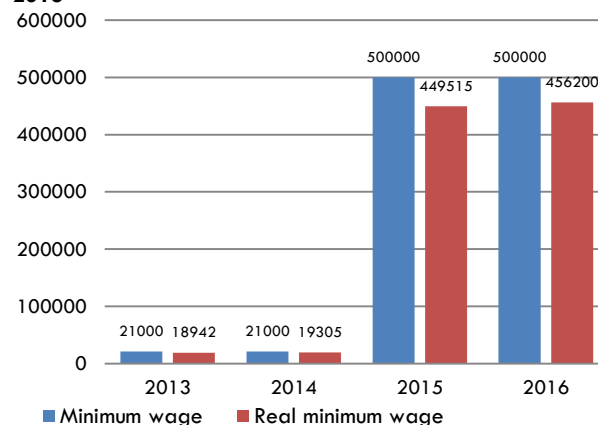
* The average value added per worker is the ratio of an economy's GNI per capita to the working-age population as a percentage of the total population.

** The case study assumption that the worker is 19 years old with one year of work experience is considered only for the calculation of the minimum wage.

Source: [Sierra Leone News](#), [World Bank, Doing Business, Labour Regulation in Sierra Leone](#) and calculations of wage changes.

The inflation in consumer prices has been relative high, hovering above the region average. It points towards a loss in purchasing power for the workers of around 9.4 % on average in terms of real minimum wage from 2015 to 2016 (Figure 3). This rise in food prices have been attributed to low production of food after the Ebola crisis. Instead Sierra Leone imports a high proportion of its food needs. Furthermore, the current depreciation of the Leone currency against major foreign currencies adversely contributes to the rising food prices. The fluctuations in food prices further exacerbate the problem of workers especially because minimum wages are not reviewed frequently to reflect current needs.²³

Figure 3: Minimum Wage Trends in Sierra Leone, 2013-2016



Source: [Sierra Leone News](#)



In April 2016, the Ministry of Labour and Social Security embarked on a nationwide inspection and sensitization of various employers to ensure compliance with the new minimum wage and also to assess other working conditions infringements. However, the implementation was affected by lack of resources which reduces the ministry's monitoring function.²⁴

Standard working hours per week is 40 hours and an upward of 60 hours for security workers. This implies 8 hour per day for non-security workers, but in reality the average working hour amounts to 12 hours per day. This especially applies in the informal economy. Workers are permitted to have a mandatory two consecutive days off per week with the law providing 100% pay premium for work done on the rest days (see more on Table 9). Sources have noted that violations of overtime are frequent. For example, violations are common among street vendors and market stall workers, rock crushers, and day labourers.²⁵ There have been numerous complaints of unpaid wages and lack of attention to injuries caused by the job. Unfortunately many victims do not know where to turn for recourse, or their complaints are unresolved. Not to mention, only 34% of young wage and salaried workers have a written agreement.²⁶

Table 9: Working Conditions in Sierra Leone

Fixed-term contracts prohibited for permanent tasks	Yes
Maximum length of a single fixed-term contract (months)	12 months
Maximum number of working days per week	5.5 days
Premium for work overtime work (% of hourly pay)	50 %
Paid annual leave (average for working days with 1, 5 and 10 years of tenure)	19, 22 and 28 days
Minimum length of maternity leave	84 days
Amount of maternity leave benefits	100% of wages
Source of Maternity leave Benefits	Employer

Source: [World Bank, Doing Business, Labour Market Regulation in Sierra Leone](#)

The government did not effectively enforce these labour standards in any sectors. As of August 2016, the Ministry of Labour and Social Security reported having 15 labour officers and 6 factory inspectors who worked to ensure labour law compliance across the country. It equals 1 inspector per 122,000 workers of the total workforce and 11,000 of employees. In contrast, the ILO recommends one inspector per 40,000 workers in less developed countries.²⁷

The government of Sierra Leone, in collaboration with SLLC, launched the National Employment Policy and Strategy and Implementation Plan for 2015-2018. The main objective of the policy framework is to address and improve labour relations and conditions among service workers in Sierra Leone especially workers in the informal economy.²⁸

WORKFORCE

Based on the latest Population and Housing Census from 2015, the total population of Sierra Leone was 7.1 million and an employed population 10 years and above accounted for 2.8 million workers. Around 41% of the population was less than 15 years and only 3.5% were 65 years and above. The population is growing fast from 4.6 million in 2000 to 7.1 million in 2015. Around 100,000 new workers seeking for jobs are entering the labour market each year. The population density also grew fast from 63 people per square kilometre of land area to 103 during the same period.

The country is undergoing urbanization with an influx of young people into larger cities. However, the urban areas are not able to generate the supply of jobs needed in the formal sector and many thus lack employment opportunities.

The working age population (15-64 years) represented 56%. Other estimations illustrated that Sierra Leone's total employment-to-population ratio was higher than the Western Africa average rate. It was mainly due to a higher employment ratio for women in Sierra Leone. There was a significant employment-to-population gender gap between young women and men (Table 10). This was related to that more young men were enrolled in the education system than young women as well as with higher inactivity and unemployment rates.

Table 10: Employment-to-population ratio, 2016, Age and Sex distribution

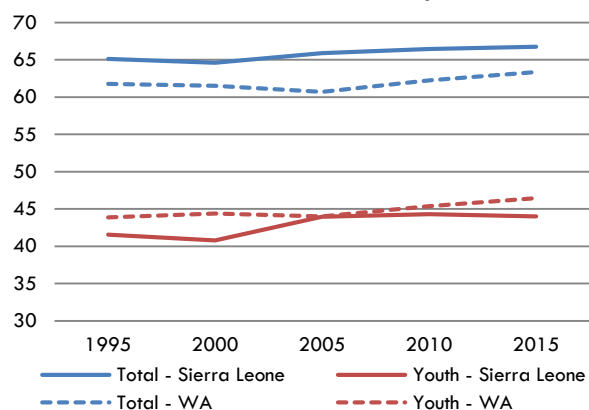
Sex	Age		Sierra Leone	Western Africa
Men & women	Total	15+	65 %	59 %
	Youth	15-24	42 %	42 %
Men	Total	15+	66 %	68 %
	Youth	15-24	37 %	47 %
Women	Total	15+	64 %	51 %
	Youth	15-24	46 %	38 %

Sources: [ILO, Key Indicators of the Labour Market \(KILM\), 9th Edition](#)



The labour force participation rate in Sierra Leone experienced a narrow increase from 65% in 1995 to 67% in 2015. This trend was similar among the youth staying on a flat growth during the last decade reaching at 44%. Sierra Leone's total participation rate was hovering above the Western Africa average while it was slightly lower among the youth (Figure 4).

Figure 4: Labour force participation rate in Sierra Leone and Western Africa (WA), 1995-2015, Total & youth, %



Sources: [ILO, Key Indicators of the Labour Market \(KILM\), 9th Edition](#)

In contrast, one out of three (33%) of the working age population (WAP, 15+) and slightly more than one out of two (56%) of the youth population (15-24 years) were estimated as inactive on the labour market in 2016. There were limited gender gaps between men and women (Table 11).

Table 11: Inactivity rate in Sierra Leone, 2016

	Total	Men	Women
Inactivity Rate	33 %	31 %	35 %
Inactivity Rate, youth	56 %	60 %	52 %

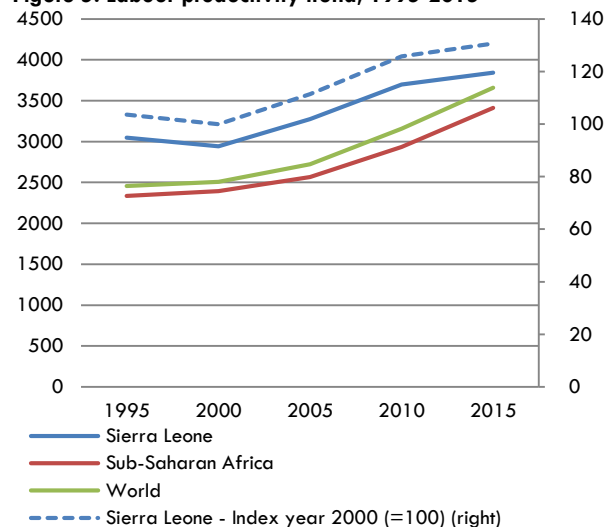
Note: Inactivity is measured as the proportion of a country's working-age population that is not engaged actively in the labour market, either by working or looking for work.

Source: [ILO, Key Indicators of the Labour Market \(KILM\), 9th Edition](#).

Labour productivity

Sierra Leone's labour productivity among low income segments is relatively higher in comparison with the Western Africa and World average (Figure 5). The productivity was growing during the 2000s after the Sierra Leone Civil War (1991-2002). There have been improvements in agricultural production, services, construction, and access to electricity. The tempo of the increases stalled in 2014-2015 owing to the the Ebola epidemic and falling commodity prices.

Figure 5: Labour productivity trend, 1995-2015



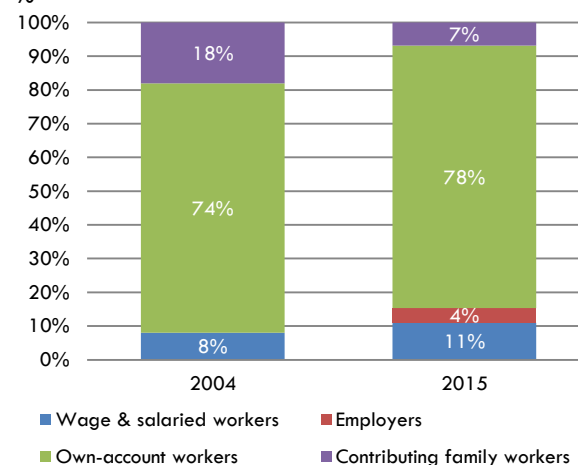
Note: Labour productivity is estimated by 'low income' segments. Sierra Leone labour productivity is defined as output per worker (i.e. GDP constant 2011 international US\$ in Purchasing Power Parity (PPP) while sub-Saharan Africa and World apply constant 2011 international US\$ in PPP; and indexed year 2000 (=100).

Source: [ILO, Key Indicators of the Labour Market \(KILM\), 9th Edition](#)

Status of employment

It has been observed that the status of employment has some small changes from 2004 to 2015. First of all, a large majority of the employed population was dominated by own-account workers: 78%. Compared with surveys from 2004, this segment was on a rise. In contrast, the number of unpaid contributing family workers dropped. Waged and salaried workers were also on a rise peaking at 11% in 2015 just as employers, for the first time, were registered at 4% (Figure 6). Around 3 out of 5 of those with wage employment worked in the public sector.²⁹

Figure 6: Status of employment in Sierra Leone, 2004-2015, %



Note: Wage and salaried workers included 'paid apprentice' and contributing family workers with 'unpaid apprentice' in 2015.

Source: Population Census 2004 and 2015 Population and Housing Census



Unemployment

ILO estimated that 87,000 workers were unemployed in Sierra Leone in 2016, which equals 3.4% of the labour force. This was more or less in line with the latest Sierra Leone Labour Force Survey Report from 2015 that estimated slightly higher at 4.3%. The Population and Housing Census from 2015 estimated that 0.8% of the employed population was registered as 'worked before but currently looking for work'. Around 30,000 youth were unemployed with a youth unemployment rate at 5.1%. More men than women were unemployed both for total population and youth. Overall, Sierra Leone had lower unemployment rates than the Western Africa average (Table 12).

Table 12: Unemployment in Sierra Leone and Western Africa, 2016, %

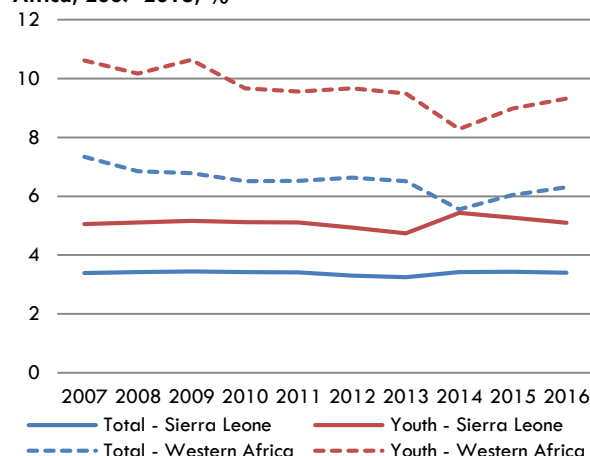
	Sexes	Sierra Leone	Western Africa
Unemployment	Total	3.4 %	6.3 %
	Men	4.6 %	5.8 %
	Women	2.2 %	6.9 %
Youth Unemployment (15-24 years old)	Total	5.1 %	9.3 %
	Men	7.3 %	7.9 %
	Women	3.3 %	11 %
Underemployment	Total	31 %	N/a
	Men	35 %	N/a
	Women	28 %	N/a

Source: ILO, *Key Indicators of the Labour Market (KILM), 9th Edition* and *Sierra Leone Statistics, Sierra Leone 2014 Labor Force Survey Report, September 2015*

It has been argued that youth unemployment was a major cause of the civil conflict in Sierra Leone back in the 1990s. Today, youths' employment situation in Sierra Leone continues to be critical. Approximately 70% of youth (age 15-35) are technically not unemployed but underemployed. Other estimations suggest that about 400,000 youths are jobless (not working or studying). In 2013 the youth unemployment was projected to reach over 70% during the upcoming years.³⁰ This latter estimation diverges methodically from the abovementioned more strictly definition of unemployment in Table 12. Based on an approximation there was a need to create over 300,000 jobs to engage different categories of unskilled and skilled youths.³¹

As already mentioned, Sierra Leones' unemployment rates were lower than the Western Africa averages. This was following the trends during the last decade (Figure 7).

Figure 7: Unemployment rates in Sierra Leone and Western Africa, 2007-2016, %



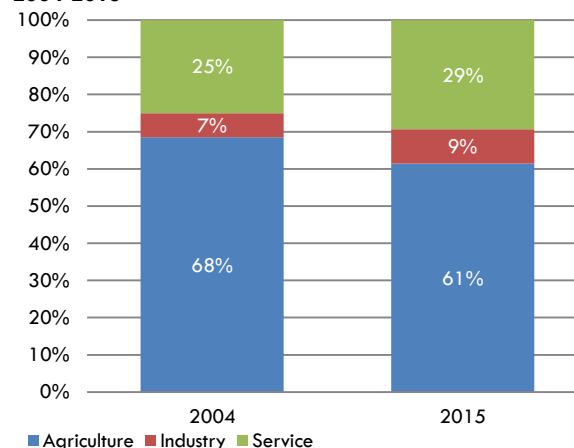
Note: Estimations based on lower-middle income level.

Source: ILO, *Key Indicators of the Labour Market (KILM), 9th Edition*.

Sectoral Employment

Employment in Sierra Leone went through marginal structural changes from 2004 to 2015. Employment in the agricultural sector dropped from 68% to 61%. Instead, the industry and the service sector increased: from 6.5% to 9.2% and from 25% to 29%, respectively (Figure 8).

Figure 8: Employment by aggregate sector in Sierra Leone, 2004-2015



Source: 2004 Population Census and 2015 Population and Housing Census

As indicated, the agricultural sector had the highest employment share at 61% of total employment, which equals 1.7 million workers. Not to mention, there were slightly more women than men in this sector: 52% vs. 48%, respectively. Overall, agriculture is dominated by smallholders, mainly in subsistence farming with very limited value added.



The next highest employment distribution per sector share was the trade, restaurants and hotels sector that covered 17% (460,000 workers) followed by the community, social and personal services sector of 7.1% (195,000 workers). In the former, women were more present (66%), while in the latter there were more men (70%). Men were dominated the rest major sectors.

Employment in the manufacturing sector covers just 3.2 %, and is dominated by informal small and medium sized enterprises using simple technologies (see more on Table 13).

The mining sector contribution to the Gross Domestic Product (GDP) was growing extremely fast in the beginning of the 2010s, but this sector collapsed in 2014 along with many jobs. Surveys have reflected a negative employment growth in the mining sector: estimations suggest that it dropped from 3.6% of total employment in 2004 to 3.0% in 2015.

Table 13: Employment sector distribution in Sierra Leone, 2015

Sector	Total sector employment	Sector employment share, %	Ratio of men in sector employment, %
Agriculture	1,694,803	61%	48%
Mining & quarrying	82,252	3.0%	77%
Manufacturing	89,512	3.2%	57%
Electricity, gas & water	28,073	1.0%	78%
Construction	54,057	2.0%	92%
Trade, restaurants & hotels	459,724	17%	33%
Transport, storage & communication	71,726	2.6%	93%
Finance, real estate & business services	14,090	0.5%	56%
Community, social and personal services *	195,096	7.1%	70%
Other services **	69,539	2.5%	48%
Total	2,758,872	100%	51%

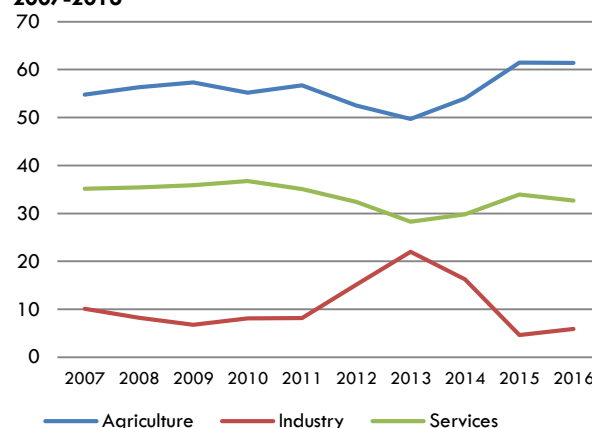
* This sector include: Professional, scientific and technical activities; administrative and support service activities; public administration and defence; compulsory social security; education; human health and social work activities, and arts, entertainment and recreation.

** Other services include: other service activities, activities of households as employers, and activities of extraterritorial organizations and bodies. Source: LO/FTF calculations based on data from the 2015 Population and Housing Census.

The agricultural sector contributed with 61% of GDP in 2016 followed by 33% in the service sector and 6% of

industry sector. As pointed out, the industry sector's value added of GDP was skyrocketing in the beginning of the 2010s, peaking at 22% in 2013; the agricultural sector and service sector were dropping. This was especially related to a mining bonanza of export of diamonds, iron ores and titanium ores (see also the section: Trade). The industry sector plummeted in 2014 and 2015. International commodity prices collapsed and the Ebola epidemic stalled economic activities. In 2016 the industry sector slowly recovered reaching 6% of GDP, but stayed below the level from 2009.

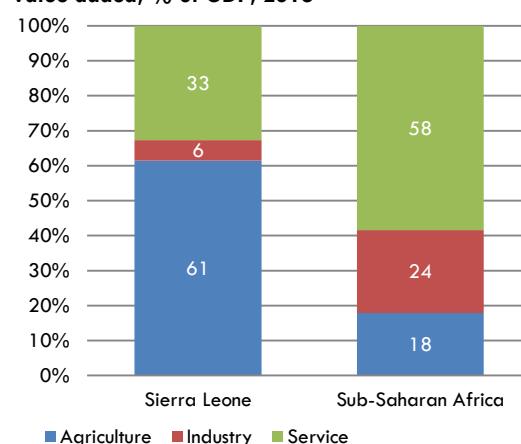
Figure 9: Sierra Leone sectors' value added, % of GDP, 2007-2016



Source: [World Bank, World Development Indicators](#)

Another contrast is that Sierra Leone sectors' value added was diverging significantly than the sub-Saharan Africa averages (Figure 10).

Figure 10: Sierra Leone and sub-Saharan Africa sectors' value added, % of GDP, 2016



Source: [World Bank, World Development Indicators](#)

On average, the GDP share by sector per worker was estimated at US\$1,541 per year. The agricultural sector constituted a GDP share of US\$1,530 per workers per year. It is interesting to observe that this latter number was higher than all industry sub-sectors'



GDP share per workers per year. For example, the manufacturing sector had a very low GDP share of 1.9% which equals US\$902 GDP share per workers per year. This is quite unusual, though. It points towards that Sierra Leone has a weak industry sector with a low productivity. The service sector had higher GDP share per workers per year: highest was from the finance and real estate segment (US\$8,751) followed by other services (US\$5,737). The trade, restaurants and hotel sector was the second largest segment of employment with a relatively high GDP share of 9.9% but quite low GDP share per workers of US\$916 per workers per year. This was related to the dominating informal economic activities and a relatively low productivity (see more on Table 14).

Table 14: GDP share by sector and GDP per worker in Sierra Leone, 2015

Sector	GDP share by sector, %	GDP share by sector per worker, US\$
Agriculture	61%	1,530
Mining & quarrying	2.7%	1,396
Manufacturing	1.9%	902
Electricity, gas & water	0.2%	303
Construction	1.0%	787
Trade, restaurants & hotels	9.9%	916
Transport, storage & communication	4.2%	2,490
Finance, real estate & business services	2.9%	8,751
Community, social and personal services *	6.9%	1,504
Other services *	9.4%	5,747
Total / average	100%	1,541

* See Table 13.

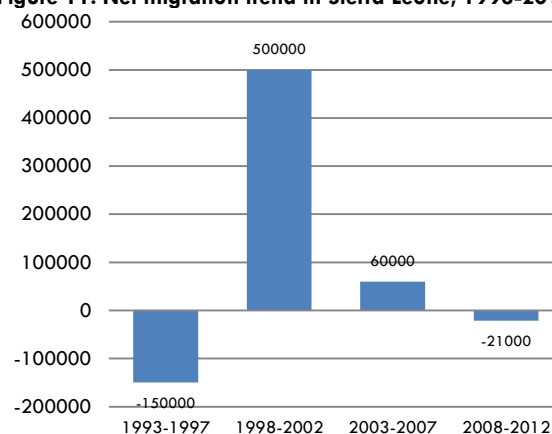
Note: GDP share by sector per worker is calculated by the total GDP (current US\$) divided by GDP share per sector origin which then is divided in number of workers per sector.

Source: LO/FTF calculations based on data from the [World Bank DataBank](#), [ILO, Key Indicators of the Labour Market \(KILM\), 9th Edition](#) and [AfDB, OECD & UNDP, African Economic Outlook 2016, Sierra Leone](#)

Migration

Migration flows are changing in Sierra Leone. Sierra Leone previously experienced a high influx of migrants when refugees returning after the civil war (1991-2002). More entered than leaving the country. In recent years, the migration trend is moving towards that more are leaving than entering the country (Figure 11).

Figure 11: Net migration trend in Sierra Leone, 1993-2012



Source: [World Bank DataBank](#)

In the period from 2008 to 2012 the net migration was minus 21,000, or stated differently, more were leaving than entering into the country. Based on estimations, the net migration ratio to the population was negative 1 out of 1,539 Sierra Leonean. This is a higher ratio than the sub-Saharan Africa average. There has not been access to updated net migration data in Sierra Leone of the impact of the Ebola outbreak. On the other hand, a survey from 2015 suggested that most migration was economic in nature rather than related to the fear of Ebola epidemic.³² Personal remittances played a limited role in Sierra Leone's economy: providing 1.6% of the country's GDP in 2016, which is lower than the regional average (Table 15).

Table 15: Migration status in Sierra Leone and sub-Saharan Africa

Net migration (2008-2012)	Sierra Leone	-21,000
Net migration to average population per year (2008-2012)	Sierra Leone	-1 : 1,539 inhabitants
	Sub-Saharan Africa	-1 : 2,145 inhabitants
Remittances received, % of GDP (2016)	Sierra Leone	1.6 %
	Sub-Saharan Africa	2.3 %

Note: Net migration is the net total of migrants during the period, i.e. the total number of immigrants less the annual number of emigrants, including both citizens and noncitizens.

Source: [World Bank DataBank](#) and calculations from Danish Trade Union Development Agency.

As already mentioned, Sierra Leone has experienced an internal rural-urban migration. According to sources, this has given a negative impact on the agriculture sector's production.³³ Often, those who migrated to Freetown to seek employment did it out of desperation.



This segment has been vulnerable to exploitation in order to earn enough for a day's meal.

Due to a critical shortage of skilled workers, companies in Sierra Leone were frequently seeking foreign workers in managerial and technical positions. However, the immigrations policy operated with cumbersome and costly procedures to obtain the permits. Data also revealed that international migration was a minor phenomenon: the share of international migrants has not exceeded 8% of all migrants.³⁴ During 2016, the government initiated reviews of a draft Labour Migration Policy that was directed towards strengthen national capacity to manage labour migration and curb illegal labour migration.³⁵ The policy is still not approved by the cabinet.

Informal Economy

The labour market in Sierra Leone is dominated by the informal economy. There exist different measurements of its share of the GDP, going from around 45% to 70%. With a view of the number of informal workers, informality was also pervasive in the country: over 35% of wage jobs and over 88% of non-agricultural self-employment were informal in 2014 (Table 16). On another view, employees (i.e. formal wage and salaried workers) were most often formal because employers offer written contracts. This latter segment constituted only 9% of the total labour force, though.

Table 16: Informal economy and informal employment in Sierra Leone

Gross Domestic Product	45 % - 70 %
Informality of wage jobs	35 %
Informality of non-agricultural self-employment	88 %

Source: [Sierra Leone Statistics, Sierra Leone 2014 Labor Force Survey Report, September 2015](#); [Awoko, Sierra Leone News: Strengthen Freetown's economy - stakeholders engage on formal and informal development, august 28, 2017](#); [The Sierra Leone Telegraph, Education and inequality in Sierra Leone, August 11, 2017](#); and [IMF, The informal economy in sub-Saharan Africa: size and determinants, 2017](#)

As in most developing countries, the workers from the agricultural sector, mining, transport service, construction and services delivery workers are operating in the informal economy. In addition, a large part of the population has a lack of higher education or training (see also the section: Education). On the positive side, the government has re-introduced civic education into the country's educational curriculum. Among others, the National Commission for Democracy (NCD) was working on developing a national, non-formal curriculum on Civic Education.

A central challenge for the labour market in Sierra Leone is recognizing and formalizing workers from the informal economy. In practice, the labour legislations and regulations cover only one out of ten workers, i.e. employees in the formal sector are more secure of receiving the minimum wage, written employment contracts, and access to health and old age pensions. Albeit there are some improvements in attempts to formalise enterprises, e.g. in terms of starting a business (Table 23). According to SLLC, the government did not implement programs and strategies to curb the evolution of the informal economy along with the flawed current labour legislations. By the same token, the current National Social Security Act excludes workers from the informal economy (see also the section: Social Protection).

Child Labour

Sierra Leone has ratified the ILO core Convention on the Worst Forms of Child Labour and the Convention on Minimum Age. The Government has several policies, programs and actions that cover child labour issues. A National Action Plan against the Worst Forms of Child Labour was drafted, but it has not yet been approved. However, according to sources, Sierra Leone's laws do not adequately protect children from involvement in hazardous work, and the country has not implemented the national action plan on child labour.

The Ministry of Labour and Social Security employed 20 labour inspectors that address child labour. They lack training, though. As previously indicated, the government did not effectively enforce child labour-related laws. This is related to lack of funding and untrained inspectors in areas where child labour is prevalent.³⁶

There was widespread child labour in Sierra Leone. Around 50% of children were involved in child labour, which was more than double the sub-Saharan Africa average (Table 17). Child labour was more common among the poorest quintile of households (57%) compared to the richest (34%); just as more common in rural areas (53%) than urban (42%). Many children ages 7 to 14 were combining work and school, estimated at 43%.



Table 17: Working children Proportion of all children

Region	Age	Year	Type	Proportion
Sierra Leone	5-14	2010	Child labourers	50 %
Sub-Saharan Africa	5-14	2008	Children in employment	28 %
			Child labourers	25 %
			Hazardous work	13 %

Note: Children in employment include all children who conduct some kind of work, whereas child labourers are a narrower term without mild forms of work. Hazardous work is the worst form of child labour as defined in ILO C182.

Source: UNICEF, *Sierra Leone Multiple Indicator Cluster Survey 2010, 2011* and ILO, *Accelerating action against child labour, International Labour Conference, 99th Session 2010*

Child labour is most prevalent in the age group 5-11 years (63%). This is largely due to the measurement as more than one hour of economic work a week for 5-11 year olds is considered child labour, while the age group 12-14 has to do more than 14 hours of economic work for it to be considered child labour. Lower child labour numbers for the age group 12-14 does therefore not necessarily reflect economic inactivity.

Many children in Sierra Leone perform dangerous tasks in agriculture. Many others are engaged in the worst forms of exploitive child labour activities, including diamond mining, petty trading, carrying heavy loads, breaking rocks, harvesting sand, begging, deep-sea fishing, domestic work, commercial sexual exploitation as well as scavenging for scrap metal and other recyclables.³⁷ However, school attendance is also high among children in Sierra Leone which indicates that although many children do work, most are not full time labourers, and thus less exposed to harm than what is common among child labourers.

Gender

There is a narrow gender gap in terms of labour participation in Sierra Leone, which was estimated at 4.0 percentage points in 2016. On the other hand, more men were in unemployment than women (Table 18).

Table 18: Gender gaps among workers in Sierra Leone, 2016

% in total labour force and gender percentage point gap

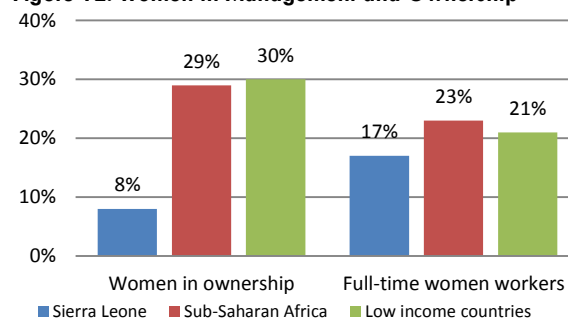
	Men	Women	Men/women, percentage point
Participation rate	69 %	65 %	4.0 %
Unemployment rate	4.6 %	2.2 %	2.4 %

Source: ILO, *Key Indicators of the Labour Market (KILM), 9th Edition*

Although the country has made progress in mitigating the vulnerabilities for women and girls, women continue to experience discriminatory practices. Among others, their rights and position are largely contingent on customary law and the ethnic group to which they belong.³⁸ In practice, patriarchal and traditional practices make women, especially young women, vulnerable. This explains why the labour market still has several inequalities. For example, there are more men than women in wage employment, 16% vs. 4.5%; and salaried men earned nearly three times as much as women in wage employment.³⁹ Furthermore, women have little or no access to credit facilities, improved technologies, extension services and post-harvest technologies.

The latest Enterprise Survey from 2009 reported that 8% of firms had women participation in ownership, which is considerably lower than the sub-Saharan Africa average; and 17% of full time employees were women, again lower than the region average.

Figure 12: Women in Management and Ownership



Source: World Bank, *Sierra Leone Enterprise Survey - 2009*

Youth

The youth unemployment was a leading factor in the prolongation of the ten-year conflict. In the 1990s, young people with few job prospects joined rebel groups and engaged in criminal activities and armed conflict.⁴⁰ A report from 2013 argued that the country was making strides to reverse negative development trends, but the structural underemployment remains quite high, also in terms of regional comparison.⁴¹ Illiteracy remains a persistent challenge and youth lacking skills and education find it extremely difficult to compete for the limited formal jobs available.⁴²

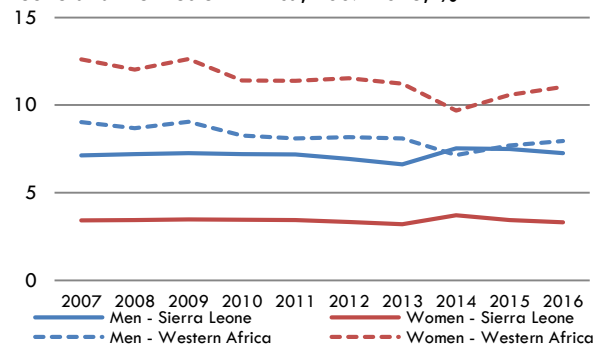
The government has recently implemented new legislation for youth-friendly initiatives that aim to provide youth development, employment, and empowerment (see also Appendix Table 28).



Evaluations of the results of these legislations are not yet available. .

Youth population (15-24 years) was 23% of the total labour force in 2016. Youth unemployment rates have been stable and relatively low in comparison with the Western Africa average. Men supersede women's rate (Figure 13).

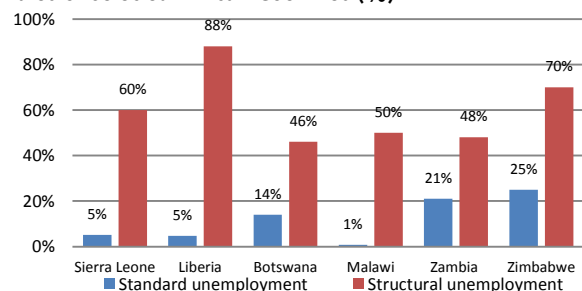
Figure 13: Gender gaps in youth unemployment in Sierra Leone and the Western Africa, 2007-2016, %



Source: [ILO, Key Indicators of the Labour Market \(KILM\), 9th Edition](#)

The above unemployment measurement is somewhat skewed. Taking into consideration the dominance of the informal economy, Sierra Leone has a much higher disguised youth unemployment reaching up to 60%, i.e. when people do not have productive full-time employment but are not counted in the official unemployment statistics (see more on Figure 14). Stated differently, youth unemployment is a challenging social problem in the country. This age group faces high rates of inactivity, underemployment and poor working conditions such as long working hours and low pay. The youth have fewer opportunities for salaried employment compared with those above the age 35 bracket. Employment opportunities are significantly lower for youth, regardless of their qualifications. Some sources argue that public sector employment opportunities tend to exclude youth on the basis of age and experience.⁴³

Figure 14: Standard and Structural Youth Unemployment rates of Selected African Countries (%)



Source: [NAYCOM & MYES, Youth Development, Sierra Leone Youth Report 2012, 2013](#)

Another key point is that many young women are often pulled out of the formal sector due to starting a family. Based on a survey from 2016, 39% of girls below 18-years were married and 13% of girls under 15-years were married.⁴⁴

Skill mismatches between job requirements and qualifications is confronting some challenges on the labour market in Sierra Leone. As an indication, around 64% of young workers were operating with under-qualification while only 4% with over-qualification.

EDUCATION

The education system has demonstrated improvements: Based on the latest survey data from 2014, literacy rates were higher among youth than older people (36-64 age group), 52% vs. 22%, respectively. This change has been a positive trend in the aftermath of the Civil War (1991-2002). It also explains that many in the age group 15-35 had no schooling background. The gap is not only among ages, but also gender: young men had a higher literacy rate than young women, 65% vs. 41%, respectively.⁴⁵

Net enrolment in primary education is very high, close to 100% for both males and females (Figure 15). It has stayed much higher than the sub-Saharan Africa average. Other data outlined that many young people have not finished their schooling; youth who completed primary school is low at 18%.⁴⁶

Gross secondary education was hovering above regional averages, but it has dropped in recent years, and is now reaching the region levels among both males and females. Again a gender gap is present favouring males.

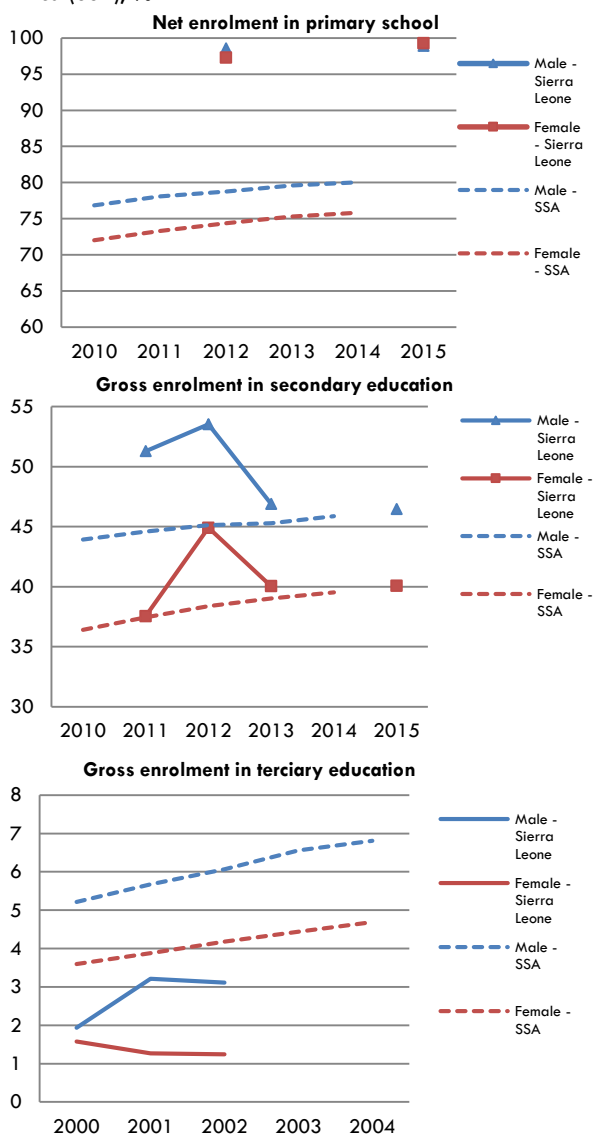
There are no updated data on the gross tertiary school enrolment (Figure 15). During the beginning of the 2000s, Sierra Leone enrolment in tertiary education was extremely low. And based on the Sierra Leone 2014 Labour Force Survey Report, 0.4% of youth had tertiary degrees. More data is available on Figure 15.

Another recent survey from 2015 investigated the levels of education and young people's labour market transition. It suggested that the higher the educational attainment, the more likely a young person was to complete his or her labour market transition to stable and/or satisfactory employment. Instead, with relatively low levels of educational attainment; around three out of four (75%) of employed youth in Sierra Leone were



undereducated for the job they were doing in 2015. Overqualified occupation was rare (2.9%).⁴⁷ This signals clear challenges of matching the labour market and the education system demands.

Figure 15: Enrolment in Primary, Secondary and Tertiary schools
2000-2015, male and female, Sierra Leone and sub-Saharan Africa (SSA), %



Note: Net enrolment is the ratio of children of official school age, who are enrolled in school to the population of the corresponding official school age. Gross enrolment is the ratio of total enrolment, regardless of age, to the population of the corresponding official school age.
Source: [World Bank, DataBank, Education Indicators](#)

Vocational Training

Vocational training in Sierra Leone has low coverage. According the recent Sierra Leone 2014 Labour Force Survey, only 5% of youth had participated in vocational training and only 6% had ever served

apprenticeship. Among youths who had undertaken vocational training, the average number of years spent in training was 2.1 years. Data also showed that young people with no certified formal education (no schooling or only incomplete primary) tend to undergo vocational training for more years than people with at least some certified formal education. Youths who participate in vocational training have more years of formal education than youths who serve in apprenticeships.⁴⁸ To point out, the education system, which includes the vocational training, has some clear weaknesses to prepare a young population for entering a labour market which provides more formalized decent jobs with minimum wages and higher productivity.

It has been registered that many young people have low interest in technical and vocational education and training (TVET). They consider that this sector is using outdated equipment, poor funding for TVET programs, and the general lack of strategic thrust and quality. The public budgetary allocation to the education sector is lowest for TVET, declining from 4.2% in 2008 to only 2% of the sector budget in 2010.⁴⁹

As an answer to the growing youth population, formal job creation and economic growth require a stronger emphasis on upgrading and expanding TVET. Debates in the media in Sierra Leone during 2017 argued that the National Schools Curricula must be geared towards making our students 'employable', which includes a realignment of curricula in the current Government's Agenda for Prosperity, Local Content Policy and even the Agriculture Development Policy.⁵⁰

SOCIAL PROTECTION

Numerous labour regulations that seek to balance job creation and social protection do exist. They remain weakly enforced and with very low coverage, though. Based on limitations of data availability, the latest registered of the total public social protection expenditure covered at 2.0% of GDP, which was half of the sub-Saharan Africa average. Public health care expenditure is also quite low at 1.5% of GDP, but on a noteworthy rise. Health social protection coverage of the population was practically at 0% (Table 19). The low health protection coverage is reflected in the fact that Sierra Leone has one of the world's highest rates of child and maternal mortality. Notwithstanding, health systems in the country are undergoing considerable changes, including health sector reforms and decentralization of health services.



Table 19: Public spending on social protection schemes in Sierra Leone and sub-Saharan Africa (SSA), 2006/09

Indicator	Measure	Sierra Leone	SSA
Total social protection expenditure	% of GDP	2.0 %	4.3 %
Public health care expenditure	% of GDP	1.5 %	2.6 %
Health social protection coverage	% of total population	0 %	25 %*
Trends in government expenditure in health	% change per year	15 %	N/a

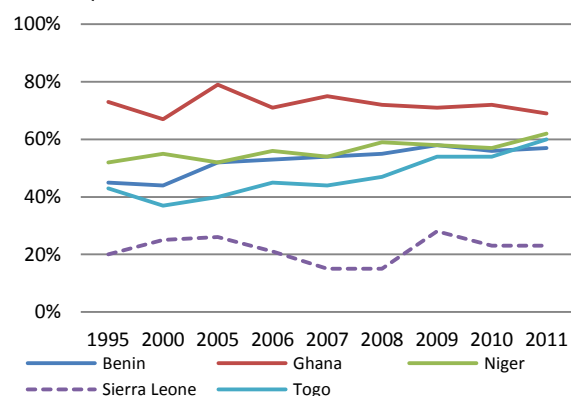
* The average covers the entire Africa region.

Source: [ILO, Social Protection, Statistics and indicators](#)

Other gathered data outlined that the health-care expenditure not financed by private household's out-of-pocket payments has more or less stayed on a flat growth during the 2000s and remained far below other Western Africa countries. Surveys exemplified that many people in Sierra Leone seek services from health care providers only once every two years, and many public health facilities were under-used and lacked finance.

Figure 16: Health-care expenditure not financed by Private Household's out-of-pocket Payments, 1995-2011

Public & private expenditure, Selected West African countries, %



Source: [ILO, Addressing the Global Health Crisis: Universal Health Protection Policies, 2014](#)

The retirement age is 60 for both men and women (and 55 for the military and police personnel), with at least 180 months of contributions. However, a large majority of poor elderly in Sierra Leone do not have an old age pension and must depend on family members, service institutions, government social assistance programs, or begging for their daily survival. The pension schemes are still relatively new, which also explains, to some extent, low coverage of the older population. In terms of the population aged 60 years and older, the number of pensioners covered grew from 5.7% in 2006 to 7.0% in 2011.⁵¹ Other data estimated the country's

receivers and contributors of pension schemes were lower than the sub-Saharan Africa average (Table 20).

Table 20: Pension Benefits, Coverage and Contributions in Sierra Leone and sub-Saharan Africa (SSA), %

Theme	Measure	Sierra Leone	SSA
Social benefits for active age (2010)	% of GDP	0.14%	0.3 %
Pensionable age receiving an old age pension (age 60+) (2007)	Proportion of total	0.9 %	22 %*
Active contributors to a pension scheme (2007)	15+	6.6 %	8.4 %
Active contributors to a pension scheme (2007)	15-64 years	4.6 %	5.9 %

* The average covers the entire Africa region, which is most likely to be higher than the SSA average.

Source: [ILO, Social Protection, Statistics and indicators](#)

In 2001, at the end of the civil war, Sierra Leone established a social security scheme and the National Social Security and Insurance Trust (NASSIT), with a tripartite board of trustees. The institution provides pensions to old age, disability, and survivors. NASSIT is voluntary for self-employed or informal workers. The organization's pension members have increased their insured population from 179,000 in 2011 to 223,000 in 2014. Of these, 39% were in the public sector and 61% in the private sector.⁵² On average, each pensioner received 961,000 Leones a year (US\$220).⁵³ Recently it was revealed that there were many shortcomings and flaws in the payment of retirement benefits to pensioners of the NASSIT.⁵⁴ The Trust lacks a file tracking and retrieving system. Not to mention, the Ministry of Finance and Economic Development (MoFED) remains to be the largest provider of pensions.

As previously mentioned, few systematic health care services exist and those that do are largely donor funded and supported by NGOs. However, a free and universal health care service for pregnant and breastfeeding and children under the age of five was introduced in 2010.⁵⁵ Several cash transfer programs also exist, e.g. the government runs several Social Safety Net (SSN) programs. A study from 2013 argued that such programs risk crowding-out resources for existing programs and the traditional welfare services.⁵⁶

The traditional 'osusu' savings mechanisms provide income, which can be used in times of illness, unemployment or maternity. The arrangement focuses mostly on microfinance savings and credit schemes rather than broad social security coverage schemes. They provide very little protection for individuals and



families that face recurring life risks.⁵⁷ The rotating savings scheme operates not only among informal sector operators, but also among formal sector workers. In addition, SLLC has established relations with micro-finance institution and secured informal economy members possibility of accessing loans.

The social protection programs depend heavily on external financing. It is estimated that 85% of social assistance expenditures are financed by external resources.⁵⁸ The Cabinet adopted a National Protection Policy in March of 2011. This policy opens up for a broader coverage including workers from the informal economy. SLLC is a strong proponent of the system and was actively engaged in policy discussions. The government plans to pilot two districts for informal economy workers, but a date has not yet been set.

The latest Labor Force Survey Report from 2014 displayed that only 1.9% youth reported they had benefitted from employment-related social protection programs in the previous 12 months. There were no noticeable differences across gender or location of residence show up in the responses on this issue.⁵⁹

GENERAL ECONOMIC PERFORMANCE

Sierra Leone is a low income country. As previously demonstrated, the country appeared to be going through an economic transformation in the beginning of the 2010s, but it was a very vulnerable bearing that no structural change in the status of employment had occurred. The state has only a narrow tax revenue of the GDP. Although the government received external assistance to support its budget, it has gradually become more independent (see more on Table 21).

Table 21: Key Facts on General Economic Performance in Sierra Leone, 2016

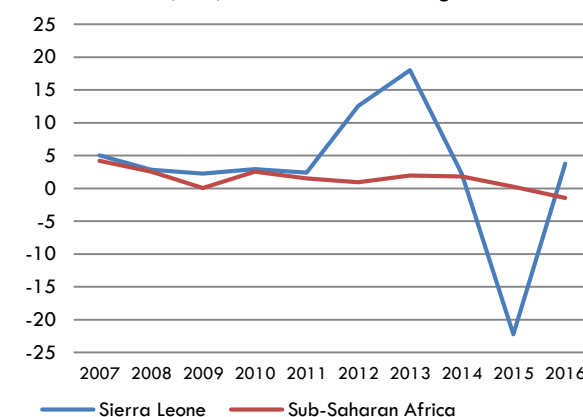
GDP	US\$8.7 billion
GDP per capita (current US\$)	US\$496
GDP real growth (2007-2016, av.)	5.4 %
Budget deficit (% of GDP)	- 4.2 %
Tax revenue (% of GDP) (2014)	8.6 %
Doing Business * (2017)	↓ 3 change in rank 148 of 190 countries
Human Development Index (2015) **	↑ 3 change in rank 179 of 188 countries
Gini Index *** (2010)	34.0 101 of 150 countries

* A high ranking on the Ease of Doing Business Index means the regulatory environment is more conducive to the start-up and operation of a local firm.⁶⁰ Doing Business ranking change is in the period 2016-2017. ** The Human Development Index (HDI) measures the average of a long and healthy life, access to knowledge, and a decent standard of living. HDI ranking change is in the period 2010-2015. *** A Gini coefficient of 1 (or 100 percent) expresses maximal inequality among values. This Gini Index ranks the first country with the highest inequality while the number 145 has the highest equality.

Sources: [CIA, The World Factbook, Sierra Leone](#); [World Bank, World Development Indicators](#); [World Bank & IFC, Ease of Doing Business 2016/2017 in Sierra Leone](#); and [UNDP, Human Development Index trends](#)

Economic growth per capita was rising very fast in the beginning of the 2010s, far above the sub-Saharan Africa average. This was driven by a boost in iron ore production, government investment in infrastructure along with activities in agriculture, tourism, and services. However, the economy plummeted in 2014 and 2015 as an impact of the Ebola epidemic and a collapse of iron ore prices. On the positive side, the economic growth has stayed resilient and rebounded in 2016 (Figure 17).

Figure 17: GDP growth per capita in Sierra Leone and sub-Saharan Africa (SSA), 2006-2015, Annual growth, %

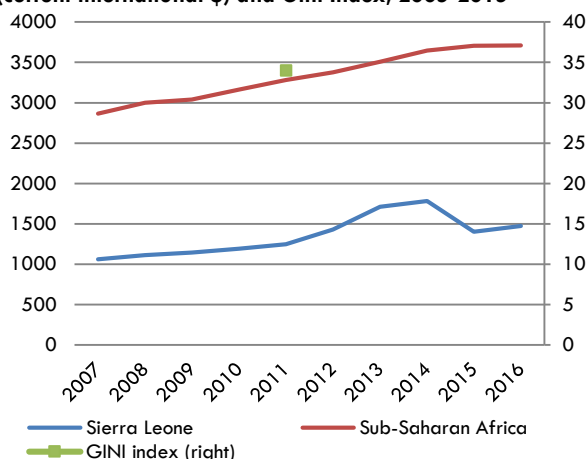


Source: [World Bank, World Development Indicators](#)

On a different perspective, Sierra Leone's GDP per capita measured in Purchasing Power Parity (PPP) is far below the sub-Saharan Africa average; the country is ranking 157 out of 229 countries (1 is highest). In terms of inequality in the distribution of family income, the country experienced some improvements: the Gini Index registered a drop of inequality from 40.2 in 2003 to 34.0 in 2011, currently ranking 101 out of 150 countries situated next to Portugal and Niger (Figure 18 and Table 21). Similarly, human development has improved slightly in recent years, but remains a very low ranking: 179 out of 188 countries (Table 21). The human development is confronting poor infrastructure, low social protection coverage and school attainment.



Figure 18: GDP per capita in Purchasing Power Parity (current international \$) and Gini Index, 2005-2015



Note: Gini index of 0 represents perfect equality, while an index of 100 implies perfect inequality.

Source: [World Bank, World Development Indicators](#)

Poverty remains widespread in Sierra Leone. The latest measurements of working poor in Sierra Leone were from 2011. Data revealed that close to one out of two (49%) were 'extremely poor' living with less than US\$1.9 per day. One out of three (32%) were 'moderately poor' living between US\$1.9 and US\$3.1 per day. Stated differently, 81% of workers were living below US\$3.1 per day. The relatively high working poor rates were, among other reasons, a reflection of the high underemployment, relatively few formal employees with low minimum wage as well as narrow social protection coverage. In comparison, 78% were living below US\$3.1 per day in the sub-Saharan Africa average. On the positive side, Sierra Leone's working poor living below US\$1.9 per day experienced a fall of 11 percentage points in the period from 2003 to 2011. This was an impact of an increasing employment in the industry and service sector.

The middle-class remains narrow in the country. There were limited increases: 'near poor' rose by 2 percentage points in the period from 2003 to 2011. Region average is slightly higher than the country's, 14% vs. 12%, respectively. 'Growing developing' middle-class segment dropped by 0.3 percentage points in the mentioned period, reaching 5.9% of the total workers in 2011. This latter segment is only slightly higher in the sub-Saharan Africa average that was estimated at 7% of workers (Table 22). As an aftermath of the economic downturn and Ebola crisis it is most likely that an evolution of a middle-class was stalled or even decreased in recent years.

Table 22: Working poor and middle-class trends in Sierra Leone, 2003-2011

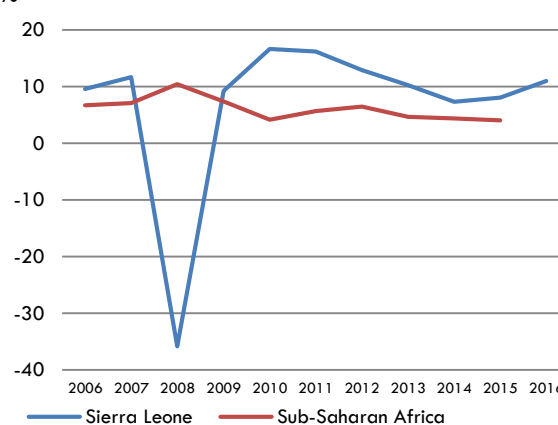
Estimated poverty line	2003	2011	Growth Percentage points 2003-2011
Extremely poor (<US\$1.9 a day)	60 %	49 %	↓ 11 %
Moderately poor (≥US\$1.9 & <US\$3.1 a day)	23 %	32 %	↑ 9 %
Near poor (≥ US\$3.1 & <US\$5 a day)	10 %	12 %	↑ 2 %
Developing middle class (≥US\$5 & <US\$13 a day)	6.2 %	5.9 %	↓ 0.3 %
Developed middle class and above (≥US\$13 a day)	0.8 %	0.7 %	↓ 0.1 %

Note: "Working poor" presents the proportion of persons living with their families below the poverty line.

Source: [ILO, Key Indicators of the Labour Market \(KILM\), 9th Edition](#)

Inflation in consumer prices has been 13% on average during the last decade which is above the regional average; except of a deep drop in 2008 due to a fuel crisis (Figure 19). Especially exchange rate depreciation generated inflation that turned into higher levels of food imports (see also the section: Trade). Not to mention, the inflation has negatively affected the purchasing power and poverty reduction in Sierra Leone.

Figure 19: Inflation in consumer prices trend, 2007-2016, %

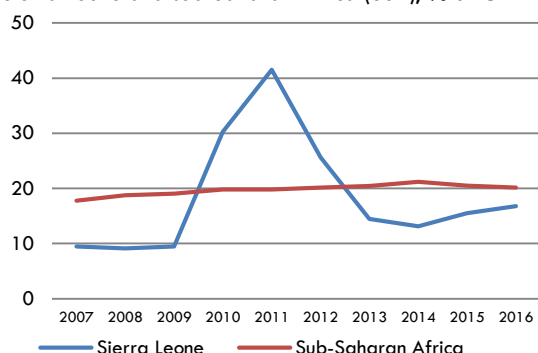


Source: [World Bank, World Development Indicators](#); and [KNOEMA](#)

Sierra Leone's capital formation was skyrocketing in 2010 as part of a mining bonanza. It plummeted in 2012; rebounded in 2015, staying below the region average, though (Figure 20). Since capital formation signals how much of the new value added in the economy is invested rather than consumed, it points towards that insufficient investments are promoted to increase the current small domestic market and create new jobs in the formal sector.



Figure 20: Gross Fixed Capital Formation trend, 2007-2016
Sierra Leone and sub-Saharan Africa (SSA), % of GDP



Source: [World Bank, World Development Indicators](#)

Doing business milieu is not easy in Sierra Leone. First of all, the country's ranking was 148 out of 190 countries in 2017, with a negative change in rank from 145 in 2016 (1 is highest) (Table 21). Examples show that the country is scoring in line with the sub-Saharan Africa average; better than Niger (150) and Benin (155), but lower than Ghana (110). Out of the ten indicators, the country still scores quite low on getting electricity (176 out of 190), trading across borders (169), registering property (163) and getting credit (157). Starting a business (87), paying taxes (87) and protecting minority investors (87) have the highest rankings. Especially starting a business experienced a high ranking change (Table 23).

Table 23: Sierra Leone's Ease of Doing Business

Topics	2017	2016	Change
Starting a Business	87	99	↑ 12
Dealing with Construction Permits	132	134	↑ 2
Getting Electricity	176	176	No change
Registering Property	163	163	No change
Getting Credit	157	152	↓ 5
Protecting Minority Investors	87	85	↓ 2
Paying Taxes	87	84	↓ 3
Trading Across Borders	169	169	No change
Enforcing Contracts	100	99	↓ 1
Resolving Insolvency	148	149	↑ 1

Note: Ease of doing business index (1=most business-friendly regulations). Doing Business 2016/17 indicators are ranking from 1 (top) to 190 (bottom) among other countries. The rankings tell much about the business environment, but do not measure all aspects of the business surroundings that matter to firms and investors or that affects the competitiveness of the economy. Still, a high ranking does mean that the government has created a regulatory environment conducive to operating a business. This Doing Business Index has been controversial due to flawed data in some sections, e.g. undervalued paying taxes.⁶¹
Source: [World Bank & IFC, Ease of Doing Business 2016/2017 in Sierra Leone](#)

There were not many changes on the governance indicators in Sierra Leone during the last five years, except a slight downturn in terms of regularly quality (i.e. perceptions of the ability of the government to formulate and implement sound policies and regulations that permit and promote private sector development). The country scores best with reference to voice and accountability as well as political stability. Government effectiveness has the lowest ranking. By the same token, rule of law and control of corruption continue to face challenges (see more on Table 24).

Table 24: Sierra Leone's Governance Indicators, 2011-2016
Score, Percentage and Change

Year	Voice & Accountability	Political Stability	Government Effectiveness
2011	-0.20/41%	-0.17/40%	-1.19/9.5%
2016	-0.13/42%	-0.16/41%	-1.20/10%
Year	Regulatory Quality	Rule of Law	Control of Corruption
2011	-0.71/26%	-0.85/22%	-0.84/21%
2016	-0.93/17%	-0.79/22%	-0.82/20%

Note: The Governance Indicators score from -2.5 to 2.5 while the percentage ranks from 0 (lowest) to 100 (highest).⁶²
Source: [World Bank, Worldwide Governance Indicators](#)

TRADE

Sierra Leone was exporting US\$864 million (24 % of GDP) and imported US\$2.0 billion (54% of GDP) in 2016 ranking as the 160th largest export economy in the world. This shows a high negative trade balance of 30 percentage points. On the positive side, the foreign direct investment (FDI) has been quite high reaching 12% of GDP (Table 25).

Table 25: Trade and Foreign Direct Investment (FDI) in Sierra Leone, 2016

Exports	US\$864 million 24 % of GDP
Imports	US\$2.0 billion 54 % of GDP
FDI Flow (2015)	US\$519 million 12 % of GDP
FDI Stock	US\$1.6 billion 41 % of GDP

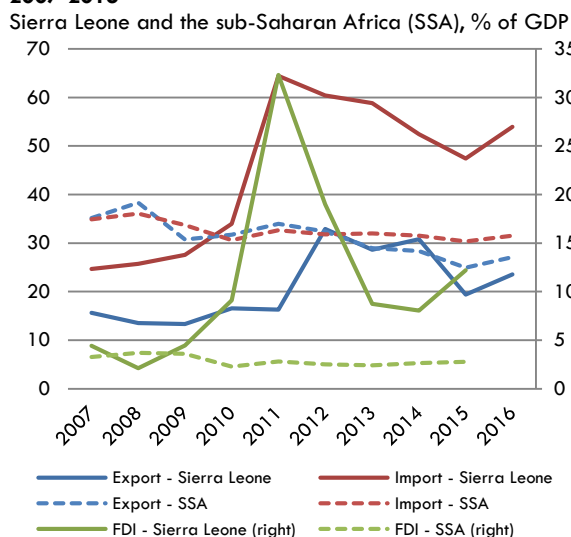
Source: [CIA, The World Factbook, Sierra Leone](#); [World Bank, World Development Indicators](#)

Fluctuations in international prices have made the country's economy very vulnerable. A fast upsurge in import and export were initiated in the beginning of the 2010s. Export levels reached the region average but it lost its tempo in 2015 due to drop in international prices in iron and diamonds as well as an impact of the



Ebola epidemic. Import skyrocket and was hovering far above the regional average. Inflow of FDI also rose steeply in 2011, falling afterwards; but stayed high during the 2010s, so far, in comparison with the region average (Table 25 & Figure 21).

Figure 21: Trade and Foreign Direct Investment (FDI) trends, 2007-2016

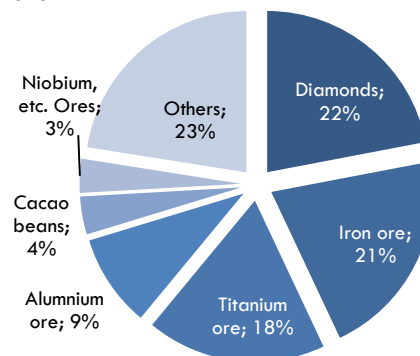


Source: [World Bank, World Development Indicators](#)

As mentioned, the mining sector economic contribution grew rapidly from 2012. This triggered an internal migration from rural areas to mining areas in search of employment and livelihoods. First of all, the capital and skill-intensive sector makes only limited contribution to job creation with few backward and forward linkages with the rest of the economy. Secondly, those who found jobs in this sector were lost rapidly when the mining bonanza collapsed; e.g. iron ore and diamonds shrank by 96% and 19%, respectively in 2015. Thirdly, since the mining and quarrying sector was a key source of foreign exchange and tax incomes, it also affected negatively the economy. This illustrates that the economic growth was mainly driven by the mining sector, but very vulnerable to volatility in international commodity prices.

With this in mind, there were changes in the export flows in Sierra Leone that mainly came from cacao beans and glass bottles in 2012 to diamonds, iron and other metal ores in 2015 (Figure 22).

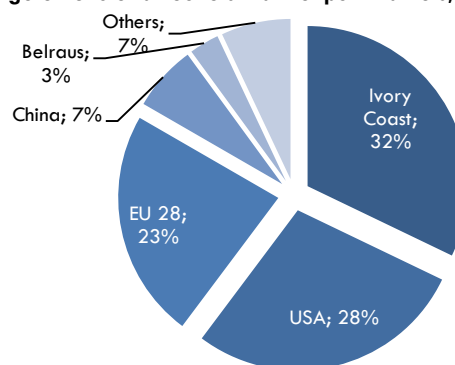
Figure 22: Sierra Leone's main products share of exports, 2015



Source: [MIT, The Observatory of Economic complexity, What does Sierra Leone Export?](#)

Ivory Coast, USA and the European Union (EU) are the main export markets (Figure 23).

Figure 23: Sierra Leone's main export markets, 2016



Source: [European Commission, DG TRADE, Bilateral Relations, Statistics](#)

Trade agreements

Sierra Leone is an original Member of the World Trade Organization (WTO). The country is neither a signatory nor an observer to any of the plurilateral agreements concluded under the WTO.

At regional level, Sierra Leone is a founding member of the African Union (AU), successor to the Organization of African Unity (OAU). The AU aims to become an economic and political union. The country is also a member of the Economic Community of West African States (ECOWAS). This organization's treaty contains labour provisions with the following: 1) cooperation regarding harmonization of labour law and social security, 2) promotion of women's, youth and professional organizations, and 3) consultation of the social partners.⁶³ ECOWAS members adopted a common external tariff (CET) in 2013; and Sierra Leone plans to implement the CET as from 2017. Moreover, the ECOWAS protocols establish the free movement of



persons; a Monetary Cooperation Program (EMCP) that calls for the creation of a single monetary zone in the sub-region; and Trade Liberalization Scheme (ETLS). The latter provides for products deemed of Community origin to be traded across borders duty free and without quantitative restriction.

Sierra Leone is eligible for the EU's "Everything But Arms Initiative", which provides Least Developed Countries (LDCs) with non-reciprocal, duty-free and quota-free access to the EU market. Sierra Leone is participating in the negotiations for an Economic Partnership Agreement (EPA) with the EU, through the ECOWAS group. As already mentioned, the EU is among Sierra Leone's major trading partners.

Since 2002 Sierra Leone has benefitted from the United States' African Growth and Opportunity Act (AGOA), which is a Generalised System of Preferences (GPS). It allows duty and quota free access to cane products, oil-palm products, lemon grass, ginger, tobacco, and bitter root.

Sierra Leone has signed some bilateral agreements, for example with: Angola, China, Ghana, Guinea, Cote d'Ivoire, Liberia, Morocco, Nigeria, and South Africa. These agreements are mostly on trade cooperation matters.⁶⁴

Special Economic Zones (SEZ)

Export Processing Zones (EPZ) and SEZ are still new schemes in Sierra Leone. A draft EPZ Authority Act was produced in 1999 but never enacted. No legislation is in force but regulations are currently being prepared. Among others, a draft SEZ Policy was crafted in 2013 that was inspired by other countries with success on these schemes, especially Ireland, United Arab Emirates, and China. The strategy is guided by both EPZ/FTZ. These zones offer low operating costs to attract investment that spill over to the rest of the country. In addition, it supports inflow of FDI, which would otherwise not have taken place; create more formal

employment and industrial development.⁶⁵ However, workers are often unaware about SEZ arrangements.⁶⁶

Under the ECOWAS Protocol, exports by EPZ enterprises to other ECOWAS countries are not eligible for preferential treatment. They are subject to customs duties at applicable rates.

Investors, especially from Chinese private enterprises, initiated their interest in starting EPZ/SEZ from 2005. Also the Islamic Corporation for the Development of the Private Sector (ICD) launched a SEZ Program in 2011. ICD and the government of Sierra Leone signed a memorandum of understanding (MoU) in 2014 that aimed at promoting cooperation and coordination in developing SEZ initiatives in Sierra Leone through international practices and experiences.⁶⁷

Currently, there are two SEZ operating. First, the Coffee Mills trains farmers' agronomic practices and have over 4,000 registered farmers who were UTZ and Organic certified 2016.⁶⁸

Secondly, First Step established a SEZ on 50 acres in 2011. The organization leases space to partner firms and assist them with networking, logistics support, and establishing their operations. This gives incentives due to import and export duty exemptions; three year corporate tax holidays; and expedited government services including customs, immigration, and registration. Sources argue that local farmers living in the area experienced increased earnings. For example, the first fruit processing plant, Africa Felix Juice (AFJ), went into production and was expected to employ 80 workers, earning between 80 euros a month for loaders and fruit sifters, while 300 euros a month for more skilled workers.⁶⁹ Other sources argued that this SEZ model supported more than 5,000 jobs through a mango program and over 100 jobs through a similar pineapples and papaya program in 2016. It remains successful with farmers who benefit from a steady and higher income, education, and training.⁷⁰



APPENDIX: ADDITIONAL DATA

Table 26: SLIC trade union declared members, 2017 (October)

No.	Trade unions	Number of members
1	National Union of Civil Servants	1,000
2	Sierra Leone Teachers Union	36,000
3	Hotel Workers Union	4,500
4	Artisans, Public Works and general Service Union	1,600
5	Sierra Leone Union of Postal Telecom. Employees	1,054
6	Sierra Leone Health Services Union	2,010
7	Sierra Leone Seamen's Union	1,000
8	Sierra Leone Dockworkers Union	1,014
9	Motor Drivers Union	1,000
10	Maritime & waterfrontworkers union	1,000
11	Electricity Employee's Union	1,200
12	Construction workers union	1,500
13	Municipal & general government employees union	1,000
14	Union of mass media, financial institutions, chemical industries & generalworkers	500
15	Clerical banking insurance accounting petroleum union	2,010
16	Skilled & Manual Productive Workers Union	510
17	United Mine Workers Union	1,804
18	Sierra Leone Fishermen's Union	400
19	National Union of Forestry & Agricultural Workers	1,100
20	Sierra Reporters Union	450
21	Sierra Leone Ports Authority Senior Staff Association	82
22	Union of Railway, Plantation, Minerals, Industry and Construction Employees	300
23	Sierra Leone Union of Securities, Watchmen and General Workers	2,500
24	Indigenous Petty Traders Union	55,000
25	Indigenous Photographers' Union	500
26	Sierra Leone Artisanal Fishermen's Union	17,106
27	Sierra Leone Traders Union	105,000
28	Sierra Leone Musicians Union	500
29	Bike Riders Union	45,000
30	Commercial Tricycle Riders Association	500
31	Union of Technicians	500
32	Home and General Workers Union	250
33	Union of Timber Factory Owners & Workers	1,500
34	Omolakay & Wheel Barrow Riders Union	5,000
35	Sierra Leone Motor Drivers Union	50,000
Total		344,390

* Affiliated organization from the informal economy.

Note: Other data suggest a total trade union membership at 470,884 in 2017 (March), including declared and affiliated organized workers from the informal economy.

Source: SLIC



Table 27: Status of Collective Bargaining Agreements in Sierra Leone, 2015-2017 (May)

Collective Bargaining Agreements	Signed Year or on-going
The hotel and tourism, Agriculture and Industrial sectors	2015
Commercial Collective Agreement	2015
Banking Collective Agreement	2016
Fishermen Collective Agreement	2016
Public Utility Collective Agreement	2017
Mine Collective Agreement signed	2017
Services Collective Agreement	On going
Agriculture Collective Agreement	On going
Industrial Collective Agreement	On going
Construction Collective Agreement	On going
Teaching Collective Agreement	On going

Source: SLLC, Template for SRO data-collection for verification of Global Key Indicators and input to Labour Market Profiles, Danish Trade Union Development Agency, 2016

Table 28: List of approved labour related legislations in Sierra Leone, 2014-2017 (September)

Type of legislation	Legislation
2014	
General provisions	Sierra Leone Correctional Service Act, 2014 (No. 5 of 2014).
	Companies (Amendment) Act, 2014 (No. 9 of 2014).
Education, vocational guidance and training	Polytechnics (Amendment) Act, 2014 (No. 7 of 2014).
	Universities (Amendment) Act, 2014 (No. 6 of 2014).
Specific categories of workers	Petroleum Regulatory Act, 2014 (No. 3 of 2014).
	Petroleum (Exploration and Production) (Amendment) Act, 2014 (No. 2 of 2014).
2015	
General provisions	National Commission for Social Action (Amendment) Act, 2015 (No. 3 of 2015).
2016	
General provisions	National Civil Registration Act, 2016 (No. 14 of 2016).
	Local Government (Amendment) Act, 2016 (No. 11 of 2016).
	Constitution of Sierra Leone (Amendment) Act, 2016 (No. 10 of 2016).
	Sierra Leone Small and Medium Development Agency Act 2016 (No. 2 of 2016).
Elimination of child labour, protection of children and young persons	National Youth Service Act 2016 (No. 4 of 2016).
Social security (general standards)	National Social Security and Insurance Trust (Amendment) Act, 2016 (No. 7 of 2016).
2017	
N/a	N/a

Source: [ILO, NATLEX, Sierra Leone](#)



Table 29: Ratified ILO Conventions in Sierra Leone

Subject and/or right	Convention	Ratification date
Fundamental Conventions		
Freedom of association and collective bargaining	C087 - Freedom of Association and Protection of the Right to Organise, 1948	1961
	C098 - Right to Organise and Collective Bargaining Convention, 1949	1961
Elimination of all forms of forced labour	C029 - Forced Labour Convention, 1930	1961
	C105 - Abolition of Forced Labour Convention, 1957	1961
Effective abolition of child labour	C138 - Minimum Age Convention, 1973	2011
	C182 - Worst Forms of Child Labour Convention, 1999	2011
Elimination of discrimination in employment	C100 - Equal Remuneration Convention, 1951	1968
	C111 - Discrimination (Employment and Occupation) Convention, 1958	1966
Governance Conventions		
Labour inspection	C081 - Labour Inspection Convention, 1947	1961
	C129 - Labour Inspection (Agriculture) Convention, 1969	Not ratified
Employment policy	C122 - Employment Policy Convention, 1964	Not ratified
Tripartism	C144 - Tripartite Consultation (International Labour Standards) Convention, 1976	1985
Up-to-date Conventions		
Wages	C094 - Labour Clauses (Public Contracts) Convention, 1949	1961
	C095 - Protection of Wages Convention, 1949	1961

Note: Fundamental Conventions are the eight most important ILO conventions that cover four fundamental principles and rights at work. Equivalent to basic human rights at work.

Governance Conventions are four conventions that the ILO has designated as important to building national institutions and capacities that serve to promote employment. In other words, conventions that promote a well-regulated and well-functioning labour market.

In addition, there are 71 conventions, which ILO considers "up-to-date" and actively promotes.

Source: [ILO, NORMLEX, Sierra Leone](#)



REFERENCES

- [1 Mariama Jalloh, Country Report on Trade Unions and Social Security System in Sierra Leone](#)
- [2 ILO, Status in Employment Indicator Description](#)
- [3 International Growth Center, The economic costs of the Ebola crisis are falling most heavily on the informal sector in Sierra Leone, January 2015](#)
- [4 SLLC, Decent Work and Labour Market Integration in Africa Project, Report for year ending 2016](#)
- [5 ITUC, List of Affiliated Organizations, 2012](#)
- [6 Awoko, Sierra Leone News: National Minimum Wage out Soon, March 17, 2014](#)
- [7 SLLC, Trade Union Strategies on the use of ILS in Labour Law Reform](#)
- [8 Doing Business, Law Library, Services Trade Group Negotiating Council Agreement, 2001](#)
- [9 U.S. Department of State, Country Reports on Human Rights Practices for 2016: Sierra Leone](#)
- [10 U.S. Department of State, Country Reports on Human Rights Practices for 2016: Sierra Leone](#)
- [11 ITUC, Survey of violations of trade union rights, Sierra Leone](#)
- [12 ILO, NATLEX, The Constitution of Sierra Leone, 1991](#)
- [13 Awoko, Sierra Leone News: Government working on White Paper for referendum, February 2, 2017](#)
- [14 ILO, NATLEX, Country Profile Sierra Leone, Basic Laws](#)
- [15 ITUC, Survey of violations of trade union rights, Sierra Leone](#)
- [16 ILO, NORMLEX, Ratifications for Sierra Leone](#)
- [17 ILO, Application of International Labour Standards 2016 \(I\), Report of the Committee of Experts on the Application of Conventions and Recommendations, 2016](#)
- [18 ITUC, Global Rights Index, The World's Worst Countries for Workers, 2017](#)
- [19 U.S. Department of State, Country Reports on Human Rights Practices for 2016: Sierra Leone](#)
- [20 REUTERS, Sierra Leone workers strike at Shandong's iron ore mine, September 20, 2015](#)
- [21 AWOKO, Sierra Leone News: Shandong will pay all workers who want their AML benefit – Anthony Navo, July 10, 2015](#)
- [22 ALLAFRICA, Sierra Leone: Health Work Force Drops By 12 Percent, July 16, 2015](#)
- [23 FEWS NET Sierra Leone, SIERRA LEONE Food Security Outlook, June 2016 to January 2017](#)
- [24 Awoko, Sierra Leone News: Labour Ministry to monitor minimum wage compliance, April 7, 2016](#)
- [25 U.S. Department of State, Country Reports on Human Rights Practices for 2016: Sierra Leone](#)
- [26 ILO, W4Y, Sierra Leone: SWTS country brief, January 2017](#)
- [27 ILO, Press Release, ILO calls for strengthening labour inspection worldwide, 16 November 2006](#)
- [28 State House, President koroma launches national employment policy and strategy and implementation plan for sierra leone, May 2, 2016 & Concorde Times, As Sierra Leone Labour Congress awards President Koroma, May 6, 2016](#)
- [29 World Bank, Labor Profile for Sierra Leone, 2013](#)
- [30 World Bank, Sierra Leone: Social Protection Assessment, June 2013](#)
- [31 World Bank, Sierra Leone Overview](#)
- [32 World Bank, The Socio-Economic Impacts of Ebola in Sierra Leone, June 15, 2015](#)
- [33 Sierra Express Media, The Problem of Youth Unemployment In Sierra Leone, 2010](#)
- [34 Sierra Leone Statistics, Sierra Leone 2014 Labor Force Survey Report, 2015](#)
- [35 Awoko, Sierra Leone News: SaLone reviews draft migration Policy, April 26, 2016](#)
- [36 U.S. Department of State, Country Reports on Human Rights Practices for 2016: Sierra Leone](#)
- [37 U.S. Department of State, Country Reports on Human Rights Practices for 2016: Sierra Leone](#)
- [38 OECD, Social Institutions & Gender Index, Sierra Leone](#)
- [39 Sierra Leone Statistics, Sierra Leone 2014 Labor Force Survey Report, 2015](#)
- [40 AfDB, African Economic Outlook, Sierra Leone Country Note, 2012](#)
- [41 National Youth Commission & Ministry of Youth Employment and Sports, Sierra Leone, Youth Report, 2012](#)
- [42 UNDP, ABOUT SIERRA LEONE](#)
- [43 National Youth Commission & the Ministry of Youth Employment and Sports, Sierra Leone Youth Report 2012, 2012](#)
- [44 Awoko, Sierra Leone News: Growing up in Sierra Leone, June 15, 2017](#)
- [45 Sierra Leone Statistics, Sierra Leone 2014 Labor Force Survey Report, 2015](#)
- [46 Sierra Leone Statistics, Sierra Leone 2014 Labor Force Survey Report, 2015](#)
- [47 ILO, W4Y, Sierra Leone: SWTS country brief, January 2017](#)
- [48 Sierra Leone Statistics, Sierra Leone 2014 Labor Force Survey Report, 2015](#)
- [49 National Youth Commission & the Ministry of Youth Employment and Sports, Sierra Leone Youth Report 2012, 2012](#)
- [50 The Sierra Leone Telegraph, Sierra Leone needs to urgently upgrade and expand its technical and vocational education – says Dr Yumkella, August 7, 2017](#)
- [51 World Bank, Sierra Leone: Social Protection Assessment, Report No. 78195-SL, June 2013](#)
- [52 NASSIT, At a Glance: Facts and Figures, December 2014](#)



-
- ⁵³ [SEWA News, Social security and insurance - the harmony of investment with the public interest, december 22, 2013](#)
- ⁵⁴ [AllAfrica, Sierra Leone: accountant-general reveals flaws in payment of nassit retirement benefits, january 16, 2014](#)
- ⁵⁵ [The Economist, Health care in Sierra Leone; It's up to you, Feb 4th 2012](#)
- ⁵⁶ [World Bank, Sierra Leone: Social Protection Assessment, Report No. 78195-SL, June 2013](#)
- ⁵⁷ [ITUC-Africa, Social Protection Schemes in Africa, 2012](#)
- ⁵⁸ [World Bank, Sierra Leone: Social Protection Assessment, Report No. 78195-SL, June 2013](#)
- ⁵⁹ [Sierra Leone Statistics, Sierra Leone 2014 Labor Force Survey Report, 2015](#)
- ⁶⁰ [World Bank & IFC, Doing Business, Methodology](#)
- ⁶¹ [ITUC, World Bank's doing business makes unsubstantiated assertions, rewards countries that have not ratified ilo conventions, september 10, 2008, & ILO, Deregulating labour markets: how robust is the analysis of recent imf working papers?, conditions of work and employment series no. 47, 2014, and The Economist, The doing business report, pulling rank, September 2016](#)
- ⁶¹ [IPS, Sierra Leone: First fruit juice company adding value to farming, may 12, 2011](#)
- ⁶¹ [ILO, NORMLEX](#)
- ⁶² [World Bank, The Worldwide Governance Indicators, Methodology and Analytical Issues, Policy Research Working Paper 5430, 2010](#)
- ⁶³ [ECOWAS, Treaty of the ECOWAS](#)
- ⁶⁴ [WTO, Trade Policy Review, Sierra Leone, WT/TPR/S/303/Rev.1, January 10, 2017](#)
- ⁶⁵ [The Republic of Sierra Leone, Special Economic Zone Policy in Sierra Leone, Draft 2013](#)
- ⁶⁶ [IGC, Sierra Leone's National Export Strategy: Implementation Issues and Recommendations, 2012](#)
- ⁶⁷ [Business Today, ICD, Sierra Leone sign MoU to develop Special Economic Zones Initiatives, July 4, 2014](#)
- ⁶⁸ [Sierra Coffee Mills and WTO, Trade Policy Review, Sierra Leone, Minutes of the Meeting, WT/TPR/M/303/Add.1, May 16, 2017](#)
- ⁶⁹ [IPS, Sierra Leone: First fruit juice company adding value to farming, may 12, 2011](#)
- ⁷⁰ [HOFFPOST, Sierra Leone, One Year After Ebola, October 25, 2016](#)