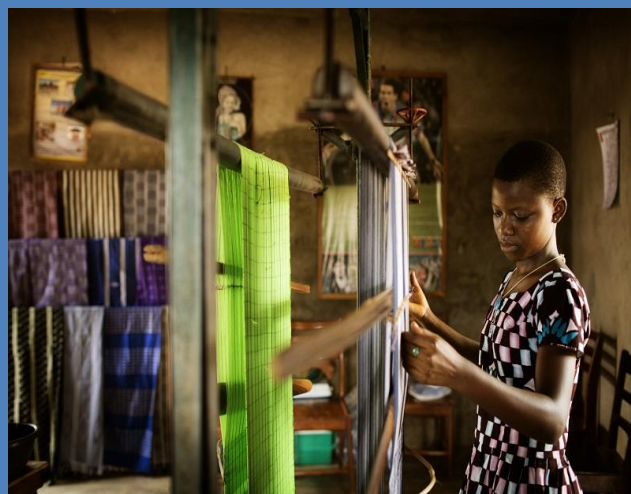


Labour Market Profile 2018



BENIN

LO/FTF Council
Analytical Unit



Ulandssekretariatet
LO/FTF Council

Danish Trade Union
Council for International
Development Cooperation

PREFACE

The LO/FTF Council is the Danish trade union council for international development co-operation. It was established by the two largest Danish confederations, the Danish Federation of Trade Unions (Danish acronym: LO) and the Danish Confederation of Professionals (Danish acronym: FTF). The organization's activities are related to support democracy and protect workers' rights via development programs of the trade union movements in Africa, Asia, Latin America, and the Middle East.

Labour Market Profile (LMP) provides a comprehensive overview of a country's labour market situation. The aim of publishing this report is to create awareness and understanding of the labour market's development, challenges and structural evolution in the countries where we implement development activities.

LMP is divided in several thematic sections: trade unions, employers' organizations, tripartite fora and institutions, national labour legislation, violations of trade union rights, wages and working conditions, status of the workforce, education, social protection, and economy.

LMP's format evolved from a presentation of statistical data from 2013 to a more analytical instrument today. Quality of data has been improved through a data-collection tool which is implemented in collaboration with the LO/FTF Council Sub-Regional Office and the national partner. This has made this report unique in the areas where unionism has a central role on the labour market, which include information of the trade union membership growth and trade union density trend, development of social dialogue and collective bargaining, status of central bi-/tri-partite mechanisms, impact of policy and legislation labour market reforms as well as the standing of the International Labour Organization (ILO) standards of informal economy workers.

Key sources of data-collection and information gathering for the LMP are particularly:

- As part of development program monitoring, national partners provide a yearly narrative report of the labour market's challenges and in collaborating with the LO/FTF Council Sub-Regional Offices updating a data-collection tool.
- National statistical institutions and international databanks are used to general data-collection, which

include the ILOSTAT and NATLEX, World Bank Open Data, ITUC Survey of violations of Trade Union Rights, the U.S. Department of State as well as other labour market related global indexes.

- Academia and media sources (e.g. LabourStart, national news, etc.) are also used in the general research on labour market issues.

This report was published in September 2018.

A wide range of labour market profiles are available on our website:

<http://www.ulandssekretariatet.dk/content/landeanalyse> [1].

ACKNOWLEDGMENT

Labour Market Profile was prepared by the LO/FTF Council Analytical Unit in Copenhagen. It could not compile information and data collection on key labour market indicators without the support from the LO/FTF Council Sub-Region Office in Togo along with the *Union Nationale des Syndicats des Travailleurs du Bénin* (UNSTB).

The front page photo of an apprentice was taken in a workshop from the National Union of Professionals in Weaving and Sewing (SYNAPROTIC), which is affiliated to UNSTB. It was photographed by Carsten Snejbjerg.

Should you have questions about the profiles, you can contact Kasper Andersen (kan@lofft.dk), Manager of the Analytical Unit and Liliane Wapondi Napoé (lwn@lofft.dk), International Advisor from the LO/FTF Council Sub-Region Office in Togo.

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EXECUTIVE SUMMARY

Benin's economy is going through structural reforms towards a liberalized market economy, which includes a privatization of the cotton sector and the public utility sector. Around 74% of all employed still live below US\$3.1 per day and a reduction of working poor is stalled. Income inequality is on a rise. Labour productivity remains on a very low level and it is not easy of doing business in the country. A majority (90%) of the workforce operates in the informal economy and are unprotected by the labour market regulations in practice, which includes minimum wage as well as formal health and pension schemes.

Benin has one of the highest population growth in the Western Africa. Over half is under the age of eighteen. Child labour remains rampant but with an indication of a slow declining trend. This is an impact of the promotion of free and compulsory primary education. Enrolment in the education system is on a rise on all levels, except some downturns on vocational training and tertiary level in recent years. The youth bulge still confronts a massive mismatch between job requirements and qualifications on the labour market. Those who complete their education end up in frustrations since they most often do not find jobs in the formal sector.

In the beginning of the 2010s, Benin was confronting political turmoil that affected negatively the social dialogue on the labour market. On the positive side, social dialogue was improved in 2016 on an initiative of signing a National Charter of Social Dialogue among the government, the National Employers' Association and six out of seven of the trade union centers. Few legal reforms on the labour market were approved in Benin in recent years; two of them from 2017 were controversial in terms of contractual procedures and restrictions on strikes in the public sector. This has created employment uncertainties for many workers and it triggered strikes. Albeit the social dialogue is slowed down, some of the key tripartite institutions are still to some degree active. The application of Collective Bargaining Agreements (CBAs) is evolving, but it continues to cover a very narrow segment of the employed. In addition, the country's labour legislations have flaws on the international standards of right to organize, right to collective bargaining and right to strike; and it is ranking very low on the Global Rights Index in 2018 described as 'no guarantee of rights'.

Benin has experienced structural transformations on the margin of the employment since 2000: A slight upsurge in the industry sector and some drops in the agricultural and service sectors. Only one out of ten workers is a more formal employee. The rest are in 'vulnerable employment' that is characterized as inadequate earnings, low productivity and difficult conditions of work that undermine workers' fundamental rights.

Many Beninese (40%) migrate to neighboring countries, only few reach Europe. Personal remittance contribution to the GDP remains limited in the country, which furthermore is related to that many migrant workers' informal activities. An urbanization (rural-urban migration) is slowly in progress which is interlinked to the limited sectoral employment changes.

The strict statistical total unemployment rate was estimated at 2.5% and 5.2% for youth in 2017. Low unemployment rates are usually considered as positive, but it can also be too low. Lack of job opportunities in the formal sector and not being covered by unemployment protection schemes are pushing most workers into informal employment as a survivor strategy. This dysfunctionality of Benin's labour market is reflected in that close to one out of three (31%) of the workforce is in underemployment (i.e. working less than 35 hours per week) and 27% are in excess work (working more than 48 hours per week).

Despite Beninese women's rights were protected by law, traditional attitudes and subordinate roles keep many women out of the labour market and girls from the education system. As an example of the inequality, women who operate on the labour market receive 73% of men's wages and with significant lower presence on the formal employment.

Privatizing the public sector provoked a drop of trade unions' formal members during the 2010s. Based on a case study, one of the changes of the unionism is that trade unions are instead receiving a high influx of organized workers from the informal economy, which a tad dominated by women. Trade union density is estimated at 13% of the total employment, which is relatively high in comparison to other Western Africa countries.

The table below on the Status of Key Labour Market Indicators in the Framework of the Decent Work Agenda (DWA) in Benin is based on a yearly data-collection by the LO/FTF Council Sub-Regional Office (SRO) in Togo in collaboration with UNSTB. This is part of the monitoring of global outcome indicators to measure the development program impact results. The selected key indicators are concentrated on areas where the trade union movement has a central role on the labour market. Two indicators,

the violation of trade union rights and the cooperation in labour-employer relations, are additional indicators of the data-collection tool as a value-added on the measurement of the unionism's status.

'Yes' and 'No' measurements are based on assessments from the LO/FTF Council Sub-Regional Office and partners accompanied by the data-collection tool.

Status of key labour market indicators in the framework of the Decent Work Agenda (DWA) in Benin, 2017

Creating decent jobs	
Policy reforms addressing creation of decent employment	No – There were no approved policy reforms addressing creation of decent employment.
ILO standard setting on improvement of status of workers from the informal economy	Yes - There is some policy addressing status of informal economy workers, but a Tri-partite National Informal Economy Forum or other national forums dealing with informal economy workers are present.
Guaranteeing rights at work	
Growth in trade union members from year 2016 to 2017 (%)	3.5% (UNSTB)
Violations of trade union rights	Ranking 5 out of 5 (5+ is worst). *
Labour legislation is improved according to ILO standards	No.
Partner organizations with minimum 30% women representation in decision-making bodies	Yes, registering of 33% representation in decision-making bodies.
Extending social protection	
Health social protection coverage as % of total population in partner countries	From 11% to 14%
Workers from the informal economy have access to national social security schemes	No, the National Health Insurance (RAMU) has been suspended.
Promoting social dialogue	
Trade union density of total employment (%)	13 %
Trade union density of employees (%)	63 %
Cooperation in labour-employer relations	Ranking 53 out of 137 (1 is best). **
Number of Collective Bargaining Agreements (CBAs)	Apart from a few branch agreements, no new/renewed CBAs were concluded in 2017.
Workers' coverage of Collective Bargaining Agreements to employees	No data available.
Bi-/tri- partite agreements concluded	Two tripartite meetings out of four sessions planned were held in 2017.

* This is interpreted as 'No guarantee of rights'; countries with the rating of 5 are the "worst countries in the world to work in" according to ITUC. While the legislation may spell out certain rights, workers have effectively no access to these rights and are therefore exposed to autocratic regimes and unfair labour practices (Source: ITUC, Global Rights Index).

** This indicator is based on data from the Global Competitiveness Index that represents employers' opinion from surveys (Source: World Economic Forum).

Sources: UNSTB; LO/FTF Council Sub-Regional Office data collection and LO/FTF Council research and calculations.

COUNTRY MAP



Source: Google

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TRADE UNIONS

The rights of workers to form and join independent unions are protected by the Labour Law. It excepts certain civil servants and public employees, though. The law stipulates that a trade union federation must be made up of at least five enterprise-level trade unions in the same sector. The law furthermore requires that a trade union confederation must be composed of at least three trade union federations of different sectors or branches of activities and that only trade union confederations may have affiliation at a national or international level. Sources have noted that the law has unclear rules with reference to either denying or approving a trade union.¹ Several other flaws of the labour legislation in terms of the freedom of association, rights to collective bargain and rights to strike are present (see also the section: National Labour Legislation).

Today, trade union centres collaborate and continue to flourish in recent years in the process of a National Charter of Social Dialogue. By the same token, in September 2017 six trade union centres out of seven issued a joint statement condemning the arrest of the acting general secretary of the Water, Forests, and Hunting Union of Benin.

In the beginning of the 2010s, 75% of government workers in the formal sector belong to a trade union.² But the membership profile has changed as a result of the liberalization of the economy, which includes a privatization of public companies, e.g. the National Agricultural Promotion Corporation, the Agricultural Input Purchasing Centre, the National Food Security Support Office and the National Board to Stabilize and Support Farm Income Prices.³ In addition, labour market reforms from 2017 have furthermore challenged unions and workers' rights in terms of contractual conditions and the right to strike in the public sector (see more in the sections: National Labour Legislation and Social Dialogue).

As a case-study of the changes in the Beninese trade union movement, the *Union Nationale des Syndicats des Travailleurs du Bénin* (UNSTB) has experienced a growth in membership of 9% in the period from 2014 to 2017. This upsurge was primarily due to organizing workers from the informal economy; 10 unions from the informal economy were recently created with more than 10,000 workers. This was a compensating solution to the loss of members from the formal sector as a consequence of the mentioned economic deregulations. Not to mention, formal employment represents only 11% share of the

total employment in Benin. According to data from UNSTB, 71% of membership was from the informal economy in 2017. The organization's membership has a gender gap of 10 percentage points that favor women (Table 1). However, women are more present among the informal members (59%) while there are fewer among formal members (35%) in 2017.⁴ One reason is that men are dominating the employment in the formal sector (see more on the section: Workforce).

Beninese enterprises in the private sector are to a large degree dominated by micro or small enterprises. According to data, the vast majority of firms, 98%, are owned by individual entrepreneurs.⁵ This illustrates some challenges in organizing workers on firm level in the private sector.

There are registered 331 trade unions and 7 centres. Around 581,000 workers are affiliated in unionizing (Table 1). A dataset of all trade union centres membership is not fully updated, but Table 2 below still provides an indication of the status of unionism per centre. The trade union density of total employment is estimated at 13%, which is relatively high in comparison with other Western Africa countries.

Table 1: Status of Trade Unions in Benin

Number of trade unions	331
Total members of trade unions (incl. affiliated organized workers from the informal economy)	581,026
Trade union density of total employment	13 %
Women member share of trade unions (UNSTB)	57 %
Informal members (UNSTB)	71 %

Source: UNSTB and LO/FTF Council research; own calculations of trade union density based on data from ILO KILM.

A fast overview of the 7 trade union centres' membership is available below and Table 2:

- The *Confédération des Syndicats des Travailleurs Bénin* (CSTB) has around 150,000 members within 150 organizations.⁶
- The *Confédération Générale des Travailleurs du Bénin* (CGTB) has around 110,500 members.⁷ This organization was established in 1991 and it is affiliated to the International Trade Union Confederation (ITUC).
- The *Confédération des Syndicats Autonomes du Bénin* (CSA) has around 95,000 members and based on 136 organizations.⁸ The organization is affiliated to ITUC.
- The *Union Nationale des Syndicats des Travailleurs du Bénin* (UNSTB) has 84,526 members and composed of 58 affiliated local unions. The

organization has 11 unions that represent organized workers from the informal economy with two women secretaries-general. The organization is affiliated to ITUC.

- The *Confédération des Organisations Syndicales Indépendantes du Bénin* (COSI) has around 67,000 members. The organization is affiliated to ITUC.
- The *Centrale de Syndicats du Privé et de l'Informel du Bénin* (CSPIB) has around 50,000 members.
- The *Centrale des Syndicats Unis du Bénin* (CSUB) has around 24,000 members.

Table 2: Membership in Trade Union Centres in Benin

Trade Union Centre	Total Members	Paying Dues	Not-Paying Dues
UNSTB	84,526 (2017)	56,685	24,841
CGTB	110,500	90,751	19,749
CSA	95,000	60,000	35,000
CSPIB	50,000	36,000	14,000
CSTB	150,000	-	-
COSI	67,000	53,470	13,530
CSUB	24,000	-	-
Total	581,026	296,906 *	107,120 *

* Aggregation of Paying Dues and Not-Paying Dues is not in line with the total members due to data collection gaps for CSTB and CSUB.
Source: UNSTB and LO/FTF Council research.

EMPLOYER'S ORGANIZATIONS

Based on estimations from the International Labour Organization (ILO), around 1.3% of the total employment in Benin consisted of employers in 2017 (see more on Figure 1). The Global Competitiveness Index provides the Benin employers' view on a wide range of aspects, including the labour market efficiency. The latter is elaborated upon surveys among employers and other statistical data. Employers considered the labour market as effective on a high-medium level, ranking 50 out of 137 countries (1st is the best).⁹

Out of the 10 labour market efficiency indicators, the highest scorings were women participation in the labour force and flexibility of wage determination (i.e. relatively high level of a centralized bargaining process). Pay and productivity, country capacity to retain talent and reliance on professional management have very low rankings. In addition, cooperation in labour-employer relations had a relatively high-medium ranking of 53 (see more on Table 3).

Table 3: Employers' view of the labour market efficiency in Benin, 2017-2018

Indicator	Rank
Total	50
Cooperation in labour-employer relations	53
Flexibility of wage determination	17
Hiring and firing practices	54
Redundancy costs (weeks of salary)	43
Effect of taxation on incentives to work	58
Pay and productivity	132
Reliance on professional management	126
Country capacity to retain talent	128
Country capacity to attract talent	109
Women participation in the labour force	8

Note: Rank from 1 to 137 (1 is highest).

Source: [The Global Competitiveness Report, 2017-2018, 7th pillar: Labor market efficiency](#)

National Council of Employers (CNP-Bénin)

CNP-Bénin was established in 1984 and is a federation of various industry and employers organisations. The organization's mission is to enhance the development of entrepreneurial activity and promote healthy and balanced relationships with social partners and its government. They are dedicated to improve the business environment through advocacy and efficient participation in the development and monitoring of economic and social policies. CNP-Bénin is known to participate in various bi- and tripartite institutions in the social dialogue framework.

In recent years the Executive Board of CNP-Bénin focused mainly on lobbying activities and promote personalities in the private sector in order to give CNP-Bénin more visibility and reinvigorate it. Just as the trade union movement, the employers' organization has argued that the business environment and social dialogue were challenged during 2017. As an example, CNP-Bénin noted that it was excluded from the 2018 Finance Act process.¹⁰

Additional Employer Organizations

- Conseil National du Patronat de la Presse et de l'Audiovisuel (CNPA).
- La Groupement Professionnel des Acconiers du Bénin.
- Les Entreprises d'Acconage.

CENTRAL TRIPARTITE STRUCTURES

The National Labour Council

The National Labour Council is composed of equal number of members from the most representative workers' and employers' organizations, and experts

appointed by the Minister of Labour. The Council's mission is to investigate labour issues, and serve as adviser for labour legislation and minimum wages.

The Guaranteed Minimum Wage (SMIG) is fixed by Decree of the Council of Ministers on the report of the Minister of Labour after a reasoned opinion of the National Labour Council. The latest minimum wage was set back in 2014 and was valid until March 2017; a renewed SMIG was stalled as an impact of a deteriorating labour market milieu.

The National Permanent Commission for Consultation and Collective Bargaining

The National Permanent Commission for Consultations and Collective Bargaining was created by the government in 2009 to facilitate collective bargaining and enhance social dialogue. The institution is composed of the Minister of Labour and equal numbers of members from the most representative workers' and employers' organizations. It gives advice on the use and extent of collective bargaining agreements and the functioning of social partners. It can issue binding decisions on occupational classifications, minimum wages and other forms of compensation.

The commission held only two ordinary sessions out of four planned sessions with the government in 2017 to discuss workers' claims and propose solutions.¹¹

In June 2017, the government approved two decrees to establish a National Social Dialogue Council and to appoint its members. The council is intended to replace the National Permanent Commission for Consultation and Collective Bargaining.

Other Bi/tripartite Organs

- *Conseil Economique et Social.*
- *Comité Permanent de Concertation National.*
- *Commission Nationale de la Sécurité et Santé au Travail.*
- *Conseil d'Administration de la Caisse Nationale de Sécurité Sociale.*
- *Fonds de Développement de la formation Professionnelle Continue et de l'Apprentissage.*
- *Comité de gestion de NEPAD-DSRP.*
- *L'Agenced d'Exécution des Travaux Urbains (AGETUR).*
- *L'Association Nationale des Communes du Bénin.*
- *Le Centre de Promotion et d'Encadrement des Petites et Moyennes Entreprises (CePEPE).*

- *Le Centre du Perfectionnement du Personnel des Entreprises (CPPE).*
- *Le Fonds de Solidarité Nationale pour l'Emploi (FSNE).*
- *L'Institut de Formation Sociale et Civique (INFOSEC).*
- *L'Association de la Dimension Sociale du Développement (ADSD).*
- *Le Centre de Promotion des Investissements.*
- *Le Comité National de lutte contre le Sida (CNLS).*

Social Dialogue

Social dialogue covers several aspects: industrial relations, freedom of association and the right to organize, collective bargaining, consultation, examination of grievances and settlement of industrial disputes.

First of all, the Labour Code provides for the rights of workers to bargain collectively. By law collective bargaining agreements are negotiated within a joint committee including representatives of one or several unions and or representatives of one or several employers' associations. The minister of labour has the authority to determine which trade unions may be represented in the negotiation at the enterprise level. The minister has the power to extend the scope of coverage of a collective agreement.

The Labour Court arbitrates on individual labour matters and disputes. It is composed of at least one presiding magistrate, a clerk and two judges from the workers' and employers' organizations. Collective labour disputes have several consultation steps and can ultimately be settled by a tripartite arbitration council. The Labour Code imposes compulsory conciliation and binding arbitration in the event of disputes during collective bargaining in all sectors, "nonessential service" sectors included.

As mentioned, various consultation bodies are present and aimed at promoting collective bargaining in the country, namely: i) the sectoral committees for social dialogue at the ministries; ii) the Public Service Joint Advisory Committee; iii) the Standing National Commission for Consultation and Collective Bargaining Government–Trade Union Federations/Confederations; iv) the National Labour Council; and v) the National Occupational Safety and Health Commission. With this in mind, there are several legal flaws on the rights to collective bargaining. The International Trade Union Confederation (ITUC) registered several aspects such

as: i) previous authorization or approval by authorities required to bargain collectively; ii) excessive requirements in respect to trade unions' representativity or minimum number of members required to bargaining collectively; iii) absence of recourse to an independent body responsible for declaring whether an organization may negotiate or not; and iv) compulsory conciliation and/or binding arbitration procedure in the event of disputes during collective bargaining, other than in essential services (see more in the section: National Labour Legislation).¹²

In the beginning of the 2010s, Benin was confronting political turmoil that was triggered by economic reforms, which included a privatization of the cotton sector and the public utility sector. It turned into successive and multi-sectoral strikes. To improve the social dialogue environment, the government, the National Employers' Association, and six out of seven trade union centres signed the National Charter of Social Dialogue in August 2016. This charter was geared to promote collective bargaining between the stakeholders and to restore the labour market's milieu. Several measures were needed to be undertaken by the parties. On the negative side, two new labour market legislations were criticized by the trade union movement in 2017 that turned into a downturn on the social dialogue. It was noted that the National Permanent Commission for Consultation and Collective Bargaining and the Social Sector-based Dialogue Committee were still active in 2017 in each ministry to foster dialogue between the government and unions.

Collective Bargaining Agreements (CBAs) are not allowed to establish conditions less favourable than those of the labour code. They are generally respected in the formal sector, but not present in the informal economy. A total of 1 Inter-professional Collective Conventions, 4 Sectoral CBAs and 18 Enterprise CBAs are registered. Some of them are back from 1998/99 and outdated. Information of how many of them are active is not available. The latest approved CBAs were from 2015 covering 4 Enterprise CBAs (see more on Appendix Table 21). Apart from a few branch agreements, no new/renewed CBAs were concluded in 2017.¹³

Based on the limitations of data availability, the number of workers' coverage of CBAs, excluding inter-professional CBA, was estimated at 11,000 workers. Based on calculations, the CBAs coverage of trade union members (paying dues) was 3.8%; and 2.4% among employees (Table 4).

Table 4: Status of Collective Bargaining Agreements in Benin

Number of CBAs	23 *
Workers covered by CBAs	11,000 **
Share of trade union members (paying dues) covered by CBAs	3.8 %
Share of CBA coverage to employees	2.4 %

* A total of 1 Inter-professional Collective Conventions, 4 Sectoral CBAs and 18 Enterprise CBAs were registered.

** Estimations, excluding inter-professional CBA.

Source: WageIndicator.org, [Collective Agreements, Benin](http://CollectiveAgreements.Benin), WageIndicator.org, [Country Profile, Benin, 2015](http://CountryProfile.Benin), and own calculations on share of CBA coverage to employees.

Benin wage survey from 2012 assessed that 10% of workers were covered by CBAs.¹⁴ It was a significant higher ratio than the above-mentioned CBA coverage estimations on Table 4. These divergences were related to different data availability and focus groups. The survey also suggested that the more highly educated workers were more likely to be covered by agreements where as those working for small firms were less likely to be covered.

Another study of comparative CBAs from development countries from 2015 showed that 46% of CBAs in Benin were extended to employers who did not sign the agreement, i.e. the agreements that were legally not extended to apply to all employers in a sector. This was the highest share among the ten other surveyed countries, which was estimated at 9% on average. It was interesting to observe that Benin has a very high share of CBAs signed by one or more employers' associations, which was assessed at 92% in contrast to the total average at 26%. The share of CBAs covering the private sector was estimated at 85%. All CBAs in Benin have wage clauses but only 23% refer to pay scales. This is common in other Western Africa countries. Not to mention, one out of two (54%) of the CBAs were tied to skills and 77% with employer contributions to pension fund.¹⁵

NATIONAL LABOUR LEGISLATION

The latest registration of labour market related legislations in Benin counted 236. Only a few legislations were approved in recent years: There were no labour legislation reforms in 2016; but in 2017 three legislations were approved. They were related to fixing the Special Economic Zones scheme; the Protection and Promotion of the Rights of Persons with Disabilities; and procedure of hiring, placement of labour and termination of the employment contract (see more on Appendix Table 22). It is worthwhile to mention that several labour market policy reforms were also

launched in 2017 in the areas of the employment policy, youth employment, skill development, minimum wages, and poverty eradication strategy.¹⁶

The mentioned law on employment contracts was pushed through without any consultation of the social partners. This legislation's aim was to create more flexibility on the labour market. Some of the changed provisions included allow fixed-term contracts without limitation. This has increased many employers' bargaining power and weakened the guarantee and work security for their employees. Articles have argued that this law was in contradiction with the Labour Code. Uncertainties among employees was flourishing. It triggered, among others, a strike in February 2018 by magistrates who claimed that employment contract now can be terminated with an indemnity that must not exceed nine months.¹⁷

On 30 December 2017, the Beninese Parliament approved a law amending the General Statute of the Civil Service prohibiting the exercise of the right to strike by certain civil servants, including health workers, paramilitaries and the judiciary. But the Constitutional Court declared this law unconstitutional and at the same time restored the right of police, customs and paramilitaries to strike. The Constitutional Court recommended to the National Assembly keeping the right to strike in accordance with the provisions of the Constitution. In the light of this judicial decision, all the trade union federations and confederations called a strike to protest against the violation of freedoms, the failure to respect the commitments of the National Charter of Social Dialogue and the application of teachers' statutes. However, in June 2018 with the advent of a new Constitutional Court and following a request for interpretation, the new Court abolished the right to strike for health, justice and paramilitary personnel, which raised concerns among union officials and observers. In September 2018, the parliament, on the basis of a draft law, again grants the right to strike but reduces it to 10 days a year for all workers except health workers who no longer have the right to strike at all.

Constitution¹⁸

Benin is considered a constitutional democracy. The Constitution from 1990 recognises the right to work and guarantees fair compensation. It also guarantees equal access to education and employment, the right to strike, and freedom of association.

There were attempts to organize a referendum to review the constitution in the beginning of 2018. The constitution review draft suggested a better representativeness of women in the National Assembly, the abolition of death penalty, creation of a Court of Auditors as well as a non-renewable 7-year presidential term. However, the move was controversial and it was not approved in the Parliament.

Labour Code¹⁹

The labour Code from 1998 regulates individual and collective labour issues such as trade unions and employers' organizations, working conditions, wages, among others. It also establishes and regulates the following institutions: i) the Labour Court, ii) the Labour Administration and Inspection, iii) the National Labour Council, iv) the Joint National Commission on Collective Bargaining Agreements, and v) the Salaries and National Commission for Occupational Safety and Health.

The law prohibits antiunion discrimination and provides for reinstatement of workers fired for union activity. Employers may not take union membership or activity into account in hiring, work distribution, professional or vocational training, or dismissal. In addition, to certain civil servants and public employees, domestic workers, agricultural workers, migrant workers, and those in export processing zones are excluded from relevant legal protections. In practice, the government does not effectively enforce the law due to lack of resources as well as a large majority of the workforce is operating in the informal economy.

Observations on the labour legislation

The International Trade Union Confederation (ITUC) has registered several observations of the legislations with reference to the international standards of right to organize, right the collective bargaining and right to strike. Some of the main observations are summarized below:²⁰

- 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.
- Restrictions on trade unions' right to establish branches, federation and confederation or to affiliate with national and international organizations.

- Previous authorization or approval by authorities required to bargain collectively
- Authorities' power to intervene in the preparation of collective agreements.
- Authorities' or employers' power to unilaterally annul, modify or extend content and scope of collective agreements.
- Compulsory recourse to arbitration, or to long and complex conciliation and mediation procedures prior to strike actions.
- Discretionary determination or excessively long list of "essential services" in which the right to strikes is prohibited or severely restricted.
- Absence of compensatory guarantees for categories of workers deprived of the right to strike.
- Discretionary determination or excessively long list of "services of public utility" in which a minimum operational service can be imposed in the event of strikes.

Ratified ILO Conventions

In terms of Benin's ratification of international labour standards, a total 31 ILO Conventions are ratified (see more details of the conventions see also Appendix Table 23):²¹

- Fundamental Conventions: 8 out of 8
- Governance Conventions: 2 out of 4
- Technical Conventions: 21 of 177
- Out of 31 Conventions ratified by Benin, 26 are in force, 3 Conventions have been denounced; 2 instruments; none have been ratified in the last 12 months.

The latest ratified Conventions were the Maternity Protection Convention (No. 183) and the Collective Bargaining Convention (No. 154), both from 2012.

Trade agreements

Benin is part of the Economic Community of the West African States (ECOWAS). The treaty from 1993, which was revised in 2005, contains labour provisions with cooperation regarding harmonization of labour law and social security, promotion of women's, youth and professional organizations, and consultation of the social partners (see also the sub-section: Migration).²²

Benin is a member of the West African Economic and Monetary Union (WAEMU), which establishes a common

currency and a custom union between several ECOWAS countries. Apart from affirming that migrant workers of the member states can enjoy equal benefits as nationals, the WAEMU treaty has no mentioning of labour matters.²³

The country is a member of the Community of Sahel-Saharan States (CEN-SAD) that was founded in 1998 as a framework for African integration in the Sahel region. It is furthermore part of the 2000 Cotonou Agreement on development cooperation between EU and African, Caribbean and Pacific (ACP) countries, which reaffirms commitment to ILO's Fundamental Conventions and includes provisions on cooperation on various labour and social issues.²⁴

Benin operates with several bilateral trade agreements, e.g. with the United States, the European Union, and China. No recent trade policy review of Benin was available.

TRADE UNION RIGHTS VIOLATIONS

Benin was ranking 5 out of 5+ of ITUC's Global Rights Index in 2018, which was characterized as 'No guarantee of rights'; i.e. while the legislation may spell out certain rights, workers have effectively no access to these rights and are therefore exposed to autocratic regimes and unfair labour practices.²⁵ ITUC furthermore registered two particularly cases of trade union right violations in 2017. These were related to: i) two trade union leaders detained; and ii) ban on student union activities.²⁶

Other sources have mentioned that Labour Law does not establish clear grounds on which registration of a trade union may be denied or approved, and official registration may be denied without recourse to a court. In addition, the government did not effectively enforce the law, particularly in the informal economy and with regard to the provisions on antiunion discrimination and reinstatement. There were reports that employers threatened individuals with dismissal for union activity.²⁷

Benin is ranked 66 out of 167 countries on the Global Slavery Index from 2018.²⁸ This index measures "modern slavery", i.e. slavery-like practices (such as debt bondage, forced marriage, and sale or exploitation of children), human trafficking and forced labour. The main challenges in Benin are related to women and children who are trafficked internally or from abroad for the purpose of sexual exploitation, domestic work or forced labour. Moreover, women and

children are trafficked within Benin from rural areas to the cities, and children are trafficked into countries in the region. It should be mentioned that this index should be interpreted with reservations.²⁹

With reference to the ILO's Freedom of association cases, the latest was from 2014. All nine registered cases are closed.

WORKING CONDITIONS

According to the General Labour Collective Agreement no salary can be less than the Guaranteed Minimum Wage (SMIG). The Council of Ministers sets the only minimum wage, approved by law and used as reference in all categories. Government bodies, the CNP-Benin and trade union federations were usually involved in the minimum wage settings and in compliance procedures.

There have only been two minimal wage increases in the last decade: The latest guaranteed minimum wage was increased from 31,625 CFA (US\$64) per month from 2006-2013 to 40,000 CFA (US\$68) covering the period from April 2014 to March 2017. Next revision of minimum wages is not announced by the Government (per August 2018).

Table 5: Minimum wage, Monthly average in Benin

	Current West African CFA Franc	Current US\$
Minimum wage (2014-2017)	40,000	64
Growth of real minimum wage (2006/13 – 2014/17)	28 %	

Source: [WageIndicator Foundation, Benin](#) and own calculation on real minimum wage growth.

The guaranteed minimum wage is roughly four times higher than the monetary poverty line, which is estimated at 120,839 CFA (US\$241) per year / per person.³⁰ Both foreign workers and a large majority of the workforce, which operates in the informal economy, are not covered by the minimum wage. This has curbed the reduction of working poor.

The Ministry of Labour and Civil Service is responsible of enforcement of the minimum wage, workweek, and the Occupational Safety and Health (OSH) standards. Sources have noted that the ministry does not effectively enforce these standards.³¹ In practice, the authorities generally enforce legal limits on workweeks in the formal sector, but a majority of the workforce is not included since they operate in the informal economy

(see more on the section: Workforce). Sources argues that the violations of OSH standards mostly occur in the informal economy for trades, including hairdressing, dressmaking, baking, mechanics, and carpentry, where workers faced biological, chemical, physical, and psychological risks.³²

The authorities had officially 75 labour officers, out of which 56 were labour inspectors, 15 were administrators, and four were labour controllers. These labour inspectors cover 1 per 79,000 employed in 2017; if focusing only on the more formal workers it would cover 1 per 8,600 employees. The ILO recommends 1 inspector per 40,000 workers in less developed countries and 1 per 20,000 workers in transition economies.³³ These 56 inspectors' resources were limited which affects the necessary conducted inspections fully.³⁴

A fast overview of the working conditions regulations in Benin is available by Table 6 below.

Table 6: Status of Working Conditions in Benin

Fixed-term contracts prohibited for permanent tasks	No
Maximum length of a single fixed-term contract (months)	24
Standard workday	8 hours
Premium for night work (% of hourly pay)	0 %
Premium for work overtime work (% of hourly pay)	12 %
Paid annual leave (average for working days with 1, 5 and 10 years of tenure, in working days)	24
Minimum length of maternity leave	98
Receive 100% of wages on maternity leave	Yes
Five fully paid days of sick leave a year	Yes
Unemployment protection after one year of employment	No

Source: [World Bank, Doing Business, Labor Market Regulation in Benin](#)

WORKFORCE

The total population in Benin was estimated at 11.0 million people in 2017, out of which 4.3 million were actively on the labour market. Around a quarter of Benin's population lives along the coastline, where most of the formal employment opportunities exist. The country has a large youth bulge; almost 65% of the population is under the age of 25. This has been driven by high fertility and population growth rates. Benin's total fertility rate was declining from almost 7 children per women in 1990 to 4.8 in 2016; thus, despite it was falling over time it remains a high rate.

The latest national statistics on employment was from 2011, which revealed that the total employment-to-

population ratio dropped from 77% in 2007 to 71% in 2011; just as the youth segment fell from 49% to 41%, respectively.³⁵ Based on estimations, the drop has continued slightly in recent years reaching for total at 69% and for youth at 40%, respectively (Table 7). There was a total employment-to-population ratio gender gap that favours men by 6 percentage points; it reverted among youth, though, which was backing up women with a 6 percentage point gender gap. Among the youth's employment-to-population gender gap was triggered by the relatively higher school enrolment rates for men (see also the section: Education). Employment-to-population ratios in Benin were higher in comparison with the Western Africa average (see more details on Table 7).

Table 7: Estimations of employment-to-population ratio in Benin and the Western Africa, Age and Sex distribution, 2017

Sex	Age		Benin	Western Africa
Total	Total	15+	69 %	58 %
	Youth	15-24	40 %	33 %
Men	Total	15+	72 %	63 %
	Youth	15-24	37 %	36 %
Women	Total	15+	66 %	53 %
	Youth	15-24	43 %	30 %

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

Benin experienced only some structural changes on the margin on the status of employment since 2000. First of all, close to three out of four (72%) of Beninese workers were located among own-account workers (i.e. self-employment and not engaged as 'employees' on a continuous basis). Contributing family workers (i.e. self-employment in an establishment operated by a related person) were the second highest segment of around 16% of the total employment (Figure 1).³⁶ These two segments were operating under 'vulnerable employment', i.e. they were less likely to have formal work arrangements, and were therefore more likely to lack decent working conditions, adequate social security and 'voice' through effective representation by trade unions and similar organizations. Vulnerable employment is often characterized by inadequate earnings, low productivity and difficult conditions of work that undermine workers' fundamental rights.³⁷ Employees, which were workers who get a basic remuneration, were close to one out of ten workers (11%). Employers are a very small group of around 1% of the total employment in Benin.

Figure 1: Estimations and projections of status of employment in Benin, %, 2000-2020

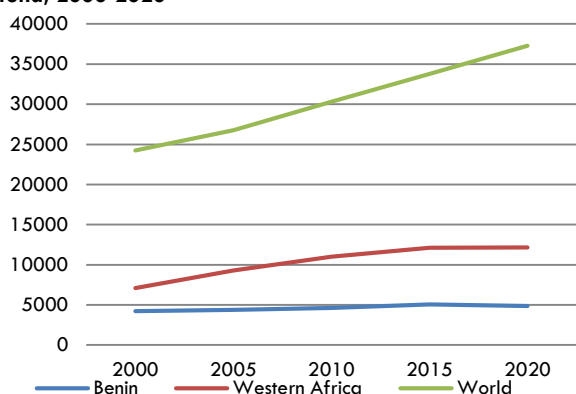


Sources: [ILO, Key Indicators of the Labour Market \(KILM\)](#)

The urbanization rate (i.e. share of urban population in the total population) increased slightly from 40% in 2006 to 44% in 2016.³⁸ This rate is quite similar as Senegal, Mali, Sierra Leone and Togo; but far below Ghana, Cote d'Ivoire and Nigeria while far above Niger. Despite the medium urbanization rate in Benin, it is important to realize that the formal sector, which most often engages employees in urban zones, is not creating many jobs. Instead a large majority of the workforce is operating in the informal economy and as own-account workers (see also the sub-section: Informal Economy).

There is a clear linkage in the status of employment and labour productivity. As mentioned, employees are often more present in the formal sector with more access to capital, finance and training while own-account workers and contributing family workers often operate in more informal micro enterprises with low productivity activities. The segment of employees is narrower in Benin than the Western Africa average (20% of total employment); this is even much higher on the World average at 54% in 2017. This is mirrored in the labour productivity on Figure 2 below that places Benin far below the Western Africa and the World average. This is without a doubt related to the dominance of informality and micro enterprises on the labour market. Labour productivity rate trend is projected to basically stay on a flat growth towards 2020. The relatively low labour productivity is furthermore related to, that the educational system is not doing enough to endow workers with the skills their employers need in the formal sector along with a high rate of 'less than basic' education (see also the section: Education).

Figure 2: Estimations and projections of labour productivity trend, 2000-2020



Note: Labour productivity is defined as output per worker (GDP constant 2011 international \$ in Purchasing Power Parity (PPP))

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

Unemployment and Underemployment

Unemployment rate does not appear to be an issue in Benin: the latest estimation was 2.5% of the workforce in 2017 (Table 8). This was in line with the result of the latest national Integrated Modular Survey on Household Living Conditions from 2011 (French acronym: EMICoV 2011) in Benin that measured an unemployment rate at 2.7% in 2011. This survey furthermore revealed that unemployment is mainly in urban areas and it has been on an upsurge. This was related to the transition from an increasing enrolment on higher education levels to the labour market are confronting insufficient decent jobs in the formal sector in the urban zones. Still the youth unemployment rate was quite low at 5.2% (see more on the sub-section: Youth and Education). Benin's unemployment rates have only small gender gaps on the margin. Not to mention, the country has much lower unemployment rates on all levels than the Western Africa averages (Table 8).

Table 8: Unemployment and underemployment in Benin and Western Africa average, 2017

Type	Gender	Benin	Western Africa
Unemployment	Total	2.5 %	5.3 %
	Men	2.3 %	5.4 %
	Women	2.7 %	5.1 %
Youth Unemployment	Total	5.2 %	8.8 %
	Men	4.7 %	8.0 %
	Women	5.6 %	9.8 %
Underemployment * (2010)	Total	31 %	-
	Men	24 %	-
	Women	37 %	-

* Visible underemployment rate: The ratio of the number of working people working involuntarily less than 35 hours per week to the total employed.

Source: [Institut National de la Statistique et de l'Analyse Economique, Les indicateurs de EMICoV Suivi 2010](#) and [ILO, Key Indicators of the Labour Market \(KILM\)](#)

The strict statistical definition of the unemployment rate indicator (i.e. captures persons that altogether lack employment)³⁹ is misleading the reality of the labour market in a developing country like Benin. In practice, unemployment should be understood in relation to the strength of social safety nets, the prevalence of informal employment and underemployment. First of all, unemployment protection schemes are not present in the country and there is limited social safety net coverage (revisit Table 6 and the section: Social Protection). Instead, work of some sort has to be found to survive, which is most often in casual and informal activities. It was observed in the statistically register that almost one out of three (31%) of workers was confronting more precarious working conditions in a visible underemployment (i.e. working less than the 35 hours per week). This was found primarily among young people under 24 and people over 60; and it was more as a rural phenomenon than urban: One out of three active workers was underemployed in rural areas, compared to one out of five active workers in the city of Cotonou. As a contrast, excess work (i.e. anyone working more than 48 hours a week) was also an issue, containing 27% of the total employment. This latter group had particularly job insecurities in terms of earnings. The excess of work is more centered in urban zones than rural areas. The phenomenon of underemployment is particularly severe when observing through earnings. The majority of employed individuals (58%) earned less than the minimum monthly wage, which was approximately equivalent to the poverty line; and a high gender and youth gap (Table 9). It gives a glimpse of why many people remain as working poor in Benin (see also the section: Economy Performance).

Table 9: Underemployment and earnings by gender and age group, 2009/2010, %

	Total	Age group				
		15-24	25-34	35-54	55-64	
By hours:*	13%	13%	15%	13%	11%	
	Men	11%	10%	12%	11%	10%
	Women	15%	16%	16%	14%	13%
By earnings:**	58%	85%	62%	49%	46%	
	Men	41%	83%	38%	31%	33%
	Women	74%	87%	76%	68%	67%

* Willing and able to work full-time, but only working part-time.

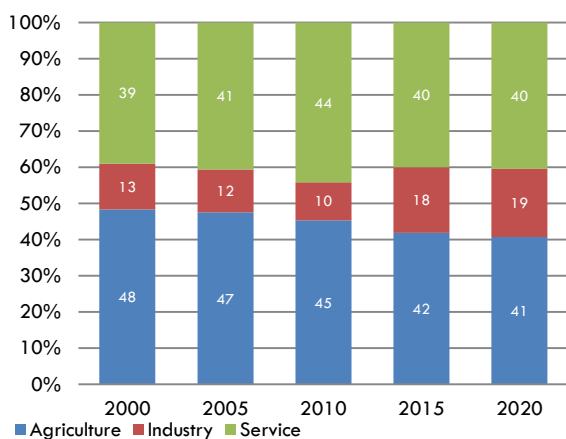
** Working full-time but earning less than the minimum wage.

Source: [Institut National de la Statistique et de l'Analyse Economique, Les indicateurs de EMICoV Suivi 2011](#)

Sectoral Employment

Just as the mentioned marginal structural changes on the status of employment in Figure 1, it was similarly reflected in the employment by aggregate sector trends. The latest Integrated Living Standards Survey (French acronym: EMICoV 2011) from 2011 revealed that 45% of the total employment was in the agricultural sector, 10% in industry and 44% in the service sector.⁴⁰ According to estimations, the proportion of employment in the agricultural sector dropped by 5 percentage points since 2010 reaching around 42% of the total employment in 2017. The industry sector employment rate appeared to be on an increase by 8 percentage points while the service sector fell slightly by 4 percentage points in the same period (see more on Figure 3).

Figure 3: Estimations and projections of employment by aggregate sector in Benin, 2000-2020



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

Based on EMICoV 2011, a total of 2.2 million workers were employed. There was a narrow gender gap on the margin on the total employment that was favouring women. As just mentioned, the agricultural sector was the main employer of the workforce. The trade, restaurants and hotels sub-sector in the service sector was the second largest employer of 29%. This is followed by the manufacturing sub-sector in the industry sector (7.6%) followed by the 'other services' (6.7%) in the service sector. Men were dominating the industry sector and some aspects of the service sector (i.e. transport and communication, finance and the broader administration sector). On the other hand, women were much more active in trade and restaurant/hotels in the service sector and to some extent among 'other services'. It is interesting to observe that women were furthermore dominating the mining sector; however, it was an extremely narrow sector of the total employment (see more details on Table 10).

First thing to remember was that most sub-sectors were totally dominated by the informal economy. The formal private sector was most present in transport and communication, construction and several other smaller sub-sectors in the service sector. The public sector was basically only in the service sector (see more in the sub-section: Informal Economy).

Table 10: Employed per sector in Benin, 2010

Sector	Total sector employment	Sector employment share, %	Share of men in sector employment, %
Agriculture	993,406	45 %	56 %
Mining & quarrying	1,974	0.1 %	28 %
Manufacturing	166,825	7.6 %	51 %
Electricity, gas & water	4,028	0.2 %	95 %
Construction	56,616	2.6 %	98 %
Trade, restaurants & hotels	633,924	29 %	17 %
Transport, storage & communication	93,885	4.3 %	96 %
Finance, real estate & business services	6,264	0.3 %	72 %
Administration, public admin., education and health	98,251	4.5 %	76 %
Other services *	146,813	6.7 %	44 %
Total	2,201,986	100 %	47 %

* Other sources: Arts, entertainment and recreation; Other service activities; Activities of households as employers, undifferentiated goods- and services-producing activities of households for own use; and Activities of extraterritorial organizations and bodies.

Source: [Institut National de la Statistique et de l'Analyse Economique, Les indicateurs de EMICoV Suivi 2011](#)

Economically, the agricultural sector contributed with around 25% of the Gross Domestic Product (GDP), 23% in industry sector and 52% in the service sector in 2012 in Benin (Table 11). When this was compared to the employment in aggregated sector on Figure 3, it suggested that the majority of workers in the agricultural sector had a relatively low labour productivity. On the other hand, both the industry sector and the service sector had relatively higher GDP shares to the employment share, which was related to a higher capital formation and more interlinked to the urbanized formal sector.

On average, GDP share by sector per worker contributed by US\$3,165 per year. However, there were noteworthy differences between the sub-sectors. For example, both the two largest employment sectors, agricultural sector and the trade, hotel and restaurant

sub-sector had the lowest sub-sector GDP share per worker. This points towards the dominance of the informal economy and the relatively low labour productivity. Some more marginalized employment in sub-sectors such as administration and transportation had relatively high GDP share by sector per worker (see more details on Table 11).

Table 11: GDP share by sector and per worker in Benin, 2010/2012

Sector	GDP share by sector, %	GDP share by sector per worker, US\$
Agriculture	25 %	1,754
Mining & quarrying	0.6 %	21,186
Manufacturing	14 %	5,849
Electricity, gas & water	1.3 %	22,496
Construction	6.9 %	8,495
Trade, restaurants & hotels	14 %	1,539
Transport, storage & communication	13 %	9,652
Finance, real estate & business services	0.7 %	7,789
Diverse services	10 %	6,740
Other sources	15 %	7,122
Total	100 %	3,165

Note: GDP share by sector per worker is calculated by the total GDP (current US\$) divided by GDP share per sector origin from 2012, which is then divided in number of workers per sector.

Source: [African Economic Outlook, Benin 2018](#); and own calculations on GDP share by sector per worker.

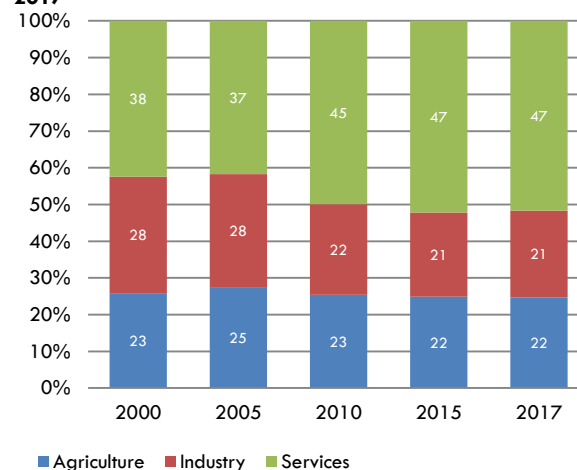
A point often overlooked of the GDP measurements is that activities of the informal economy are not included in the equation. This could to some degree complicate the assessment of the interlinked trends of the employment structure and the GDP share per worker measurements. This suggests that the presented GDP share by sector per worker could be somewhat underestimated.

It is interesting to observe that the estimations of narrow structural changes on the aggregate sector employment had some contrast with the sectors' share of GDP. As an example, the employment in the service sector was estimated of a declining share trend on Table 3, but its share in GDP was on an increasing trend. Instead, it was suggested, many workers' employment was moving towards the industry sector; however, this sector's GDP share has stayed on a flat growth since 2010, so far (Figure 4). It proposes two issues: first, the estimations of

the real aggregate sector employment in the 2010s are not fully realized as expected and/or employment in the industry sector is not succeeding in an improved labour productivity.

On the other hand, estimations of status of employment on Figure 1 stood on limited changes in the 2010s, which is more in line with the aggregate sector share in GDP trend. It proposes that the slowly growing urbanization rate has supported a dawdling movement towards urban zones and jobs were most often available for contributing family workers in the service sector from the informal economy, not as employees in the formal industry sector. This latter sector, which generates about 21% of GDP, is still poorly developed and remains dominated by cotton ginning and the small-scale processing of agricultural products. In addition, it has been on a slow declining trend the last decade (Figure 4).

Figure 4: Aggregate sector share in Benin, % of GDP, 2000-2017



Note: Data diverges slightly from the GDP share by sector on Table 11 from the African Development Bank's register.

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

Migration

Since the 2000s, Benin has experienced a higher outflow than inflow of people in terms of the external migration. This was expressed in the net migration indicators that registered a number of (minus) 42,270 people in 2015, often as an impact of native Beninese seeking for better labour opportunities outside of the country. This has been triggered by the demographic pressure, poverty, increased living costs, and dwindling natural resources. An estimated 4.4 million, more than 40%, of Beninese live abroad. However, personal remittances remained relatively low and contributing to around 2.8% of GDP; these money had a mainstream

from African countries (Table 12). The top destinations are neighbouring countries such as Nigeria, Côte d'Ivoire, Togo, and Gabon; less than 1% of Beninese emigrants settle in Europe.⁴¹

It was worthwhile to mention that Benin hosted many refugees from conflict riddled neighbouring countries in the end of 1990s. Many of those have returned home, which has contributed to the high negative net migration flow (Figure 5).

Table 12: Status of Migration in Benin

Net number of migration (2015)	Benin	- 42,270 *
Net migration rate	Benin	- 1.14 ** (2010)
		- 0.86 ** (2015)
Personal remittance (received), % of GDP (2013-2017, av.)	Benin	2.8 %
	Sub-Saharan Africa	2.4 %

* Net migration is the net total of migrants during a period of five years, i.e. the total number of immigrants less the annual number of emigrants, including both citizens and non-citizens. ** One migrant per thousand of the population.

Source: [World Bank DataBank](#) and [KNOEMA](#)

Figure 5: Net migration trend to average population in Benin, 1993-2012



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

A migration policy and a labour migration policy do not exist, but the authorities have legislative and regular texts governing migration issues in line with sub-regional agreements.⁴² The Government launched in 2015 to facilitate migration from analogue to digital migration. The authorities do not effectively monitor or control foreign or migrant workers' conditions of work.⁴³ Moreover, the parliament approved in March 2018 the authorization to ratify the International Convention on the Protection of the Rights of All Migrant Workers and Members of Their Families.

ECOWAS has established the main strategic framework regulating migration in West Africa. In regards to the right of residence, a specific residence permit for ECOWAS citizens is granted only in Benin (and Burkina Faso, Côte d'Ivoire, Gambia, and Nigeria). Benin has established an agency mandated to facilitate the matching of labour demand and supply in the country. However, the labour legislation lacks precision concerning the conditions and procedural steps to grant a work permit in the country. This could give room to arbitrary decisions by the authorities appointed to decide on the entry of foreign workers.⁴⁴ It was observed that Beninese authorities seem to return foreign nationals more often than most other ECOWAS countries on the grounds of absence of visa, fraudulent travel documents, and irregular entry/stay.

Generally, diplomatic initiatives concerning labour emigration are quite advanced in the West Africa. Benin has concluded bilateral labour agreements facilitating nationals' access to the labour market of partner countries that are not ECOWAS Member States. The country is part of the Inter-African Conference on Social Insurance (CIPRES) Multilateral Convention on Social Insurance, a regional social security convention. It has not yet been ratified. At the bilateral level, social security agreements have been concluded by Benin with France, Niger, Côte d'Ivoire, Burkina Faso, Senegal, and Togo.⁴⁵

Internal (rural-urban) migration has slowly evolved in Benin. As previously mentioned, the urbanization rate increased from 40% in 2006 to 44% in 2016.⁴⁶ This was relatively in line with many other countries in the Western Africa. This internal migration has been driven by the 'youth bulge' that was pushing them towards urban zones looking for better job possibilities than rural areas. Albeit the urbanization was an economic power engine in Asia, it has so far not triggered much change in the employment structure in Benin (see more on the section: Economy Performance).

Informal Economy

The informal economy could roughly be interpreted as the part of the economy that is neither taxed nor monitored by any form of government. Activities of the informal economy are not included in a country's gross domestic product (GDP) and accounts along with a more 'grey' labour market, which is most often among vulnerable employment, i.e. the sum of the employment status groups of own-account workers and contributing family workers.

Informal economy has contributed significantly to Benin's economy as well as overtaking a large majority of the workforce. Based on the most recent estimations, the informal economy represents 65% of the total economy. Furthermore, the country's economy relies heavily on its informal re-export and transit trade to Nigeria, which makes up roughly 20% of GDP, and on agriculture.⁴⁷

Among the workers, nine out of ten (90%) operated in the informal economy. Although it remained very high, it was interesting to observe that this segment was on a declining trend: from 96% in 2006 to 90% in 2011. Instead workers from the private formal sector increased from 1% to 6% in the same period; and with a smaller increase from 3% to 5% in the public sector (Figure 6). Men were more present in both the private and public formal sectors than women; stated differently, there were registered 86% of men and 95% of women in the informal economy. The latest survey data from 2011 furthermore illustrated that the higher the level of education, the lower the range of informality employment: No education with 98% of informal workers, tertiary level with 22%.⁴⁸

Figure 6: Evolution in the type of employment, 2006-2011



Source: [Institut National de la Statistique et de l'Analyse Economique. Les indicateurs de EMICoV Suivi 2011](#)

Still the informal workers face numerous challenges and vulnerabilities. Despite often long working hours, these workers have no social security coverage and are exposed to occupational risks. They furthermore have less access to productive resources such as capital. Conventional banks are reluctant to lend to the informal workers due to perceived high risks. On the positive side, microfinance/microcredit institutions have opened up for possibilities of extending such schemes that have potentials of employment creation, women empowerment, and group formation. These schemes face challenges of high interest rates and

embezzlement is common since informal micro-credit schemes have no legal base.

A pilot project was launched in 2015 to formalize informal small enterprises.⁴⁹ It entails free registration of the enterprises, strengthening capacities of its establishment, and the access to the fiscal system. It also provides mentoring to help youth address problems that may confront them as they try to establish their business, to market their products, and to identify opportunities. An impact of this project has not yet been available, but at least it was noted that the procedures of 'starting a business' formalization has reached a high-medium level on the Doing Business Index (see also Appendix Table 24).

The trade union movement has recently opened up for affiliated organized workers from the informal economy. It has led to a high influx of new members in recent years. On the other hand, neither a Tri-partite National Informal Economy Forum nor other national forums are addressing status of informal economy workers in Benin. In addition, the country does not have a special policy dealing with the status of workers in the informal economy. However, Benin is one of the 17 countries signatory to the Organisation for the Harmonization of Corporate Law in Africa (French acronym: OHADA), that operates with a policy on the status of workers in the informal economy that directs towards the transition of actors from the informal economy to the formal sector.⁵⁰ A result of this policy has not yet been available.

Child Labour

The Prohibition of Child Labour and Minimum Age for Employment Law prohibits the employment or apprentices of children that are under 14 years of age in any enterprise; children between ages 12 and 14, however, may perform some domestic work and temporary or light seasonal work if it does not interfere with their compulsory schooling. In practice, the labor laws were not effectively enforced. First of all, the government enforces the labour code only in the narrow formal sector with an insufficient labour inspector's coverage. Secondly, the national action plan pertaining to the worst forms of child labour remains unfunded and social programs to combat child labour are insufficient to adequately address the extent of the problem.⁵¹

Children in employment are widespread in Benin. 32% of all children in Benin were in employment, which is slightly higher than the sub-Saharan Africa average

(Table 13). Especially rural children were more than twice as likely to be engaged in child labour as urban children. There was very little gender difference.

The term 'child labour' is often defined as work that deprives children of their childhood, their potential and their dignity, and that is harmful to physical and mental development.⁵² It was thus worrying to observe that a large majority of children in employment were child labours (Table 13). Other data suggested that the working population between the ages of 7 to 14 dropped down to 21% in 2012.⁵³ A declining rate of the children in employment was assessed as an impact of the fast growing enrolment at primary education level (see also the section: Education). However, attending primary school is relatively low at 71%, which signals the continuously high child labour rate. The number of children combining work and school was estimated at 16% in the 7 to 14 age.⁵⁴

Table 13: Status of working children, proportion of all children in Age Group

Region	Year	Type	Proportion
Benin ⁵⁵ (Ages 5-13)	2008	Children in employment	32 %
		Child labours	30 %
		Hazardous work	21 %
Sub-Saharan Africa ⁵⁶ (Ages 5-17)	2008	Children in employment	28 %
		Child labours	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.

Sources: [Institut National de la Statistique et de l'Analyse Economique, ENQUETE NATIONALE SUR LE TRAVAIL DES ENFANTS AU BENIN – 2008, Rapport final](#) and [ILO, Accelerating action against child labour, International Labour Conference, 99th Session 2010](#).

Children in employment were often in the agricultural sector, particularly in the production of cotton. Many other children worked as laborers with adults in quarries, including crushing granite. Other worst forms of child labour were related to domestic work, industry, construction, trade and vending, food and beverages, transportation, and even some public work.⁵⁷

Gender

The rights of women in Benin through the Constitution and the Personal and Family Code in 2004 legally overrode various traditional customs that systematically treated women unequally. However, still inequality and

discrimination persist in practice: women often experience social and employment discrimination owing to traditional attitudes about sex roles. As an example, women in rural areas often play subordinate roles and women work around 17 hours a week more than men.⁵⁸

The Global Gender Gap Index – measuring gaps rather than gender equality and women's empowerment – was ranking Benin 116 out of 144 countries (1 is highest).⁵⁹ What kept the country on a relatively low gender ranking was related to low education attainment, health and political empowerment. The other international Gender Inequality Index – measuring health, empowerment and economic status – ranked Benin 144 of 159 countries (1 is highest).⁶⁰

Some of the stark gender gaps and inequalities were reflected in some of the key labour market indicators. As an example, men as employees in the formal public sector were 7.6% while women only covered 1.9% of the total employment; and 6.9% vs. 3.1%, respectively, among employees in the formal private sector.⁶¹ As a matter of fact there was registered a clear difference of wages between gender in the country: Women receive 73% of men's wages for work of equal value (see more on Table 14).⁶²

Table 14: Workforce key indicators gender gaps in Benin, 2017

	Men	Women	Gender gap, percentage point (p.p.)
Employment	71 %	67 %	- 4 p.p.
Unemployment	2.3 %	2.7 %	+ 0.4 p.p.
Underemployment *	30 %	44 %	+ 14 p.p.
Employees	17 %	5.1 %	- 12 p.p.
Vulnerable employment **	82 %	94 %	-12 p.p.

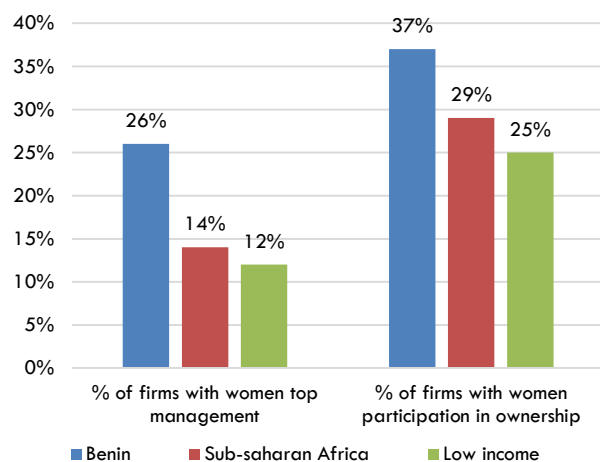
* Time-related underemployment. ** Aggregate own-account workers and contributing family workers.

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

The abovementioned gender gaps on the labour market mirror women's insufficient full economic empowerment. Women, especially those in the rural areas, spend much of their time on households' care activities that make them unable to focus on income generating activities. As in many other sub-Saharan African countries, high illiteracy rates among women had a negative effect on their participation in formal employment opportunities, which resulted in high dependency and subordination dependence position on family and husband revenues. In contrast, women's employment was slightly more dominant in the informal economy as unskilled

labourers, traders, artisans or subsistence farming. Be as it may, Enterprise Survey from 2016 revealed that more women were in ownership as well as management of firms in Benin than the sub-Saharan Africa and Low Income countries averages (Figure 7).

Figure 7: Women in management and ownership, %, 2016



Source: [World Bank and IFC, Enterprise Surveys, Benin Country Profile 2016](#)

Youth

Beninese youth confront a precarious transition from the education system to the labour market. It is estimated that 40% of workers in Benin were between the ages of 15 and 24 years old in 2017.⁶³ The fast growing youth population is creating a higher pressure on the education system and the creation of jobs in the labour market.

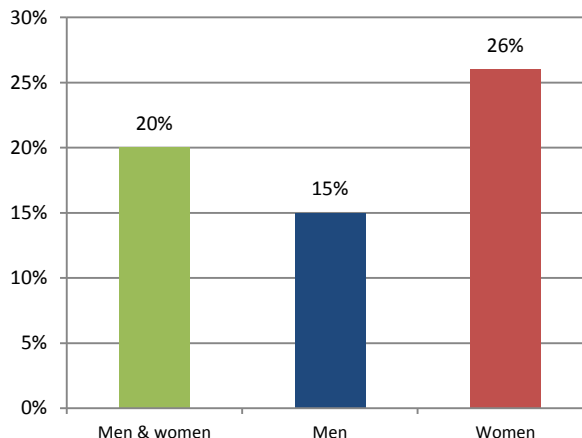
Youth employment evolution in Benin has been on a declining trend from 68% in 2007 to 56% in 2011 based on the latest survey (EMICoV 2011). This was to some extent an impact of an increasing enrolment rate on the higher education levels (see more on the section: Education). Around 38% of youth were inactive on the labour market. Those who worked were mostly (94%) in private enterprises; only 2.9% in public administration or 0.8% in public/semi-public enterprises. Only one out of ten (11%) of the youth population had some kind of contract (written or oral). Data furthermore suggested that only 8% of young workers hold a salary-based position.⁶⁴ Around 33% of young people between 15 and 35 in Benin succeed in finding paid employment.⁶⁵

As already mentioned, the relatively low youth unemployment rate at 5.2% appeared not a vital (statistically) problem on the labour market in Benin. In case they cannot find a formal job, they do not receive

unemployment protection; many instead stay in inactivity or in vulnerable informal activities where they often earn less than the minimum wage compared to the non-youth groups and have very limited social security.

A clear weakness of the labour market is the overwhelming mismatch between job requirements and qualifications: only 14% of youth were well matched on the labour market; 84% were under-educated.⁶⁶ This points towards that the education system did not produce adequate skills and created a huge mismatch to the labour market.⁶⁷ It places the country in a weaker position in shaping the economic and labour market outcomes, labour productivity and competitiveness. This is moreover exemplified by the proportion of unemployed, education or training (i.e. the NEET rate), a broad measure of untapped potential of youth who are neither improving their future employability through investment in skills nor gaining experience through employment. Figure 8 shows that one out of five (20%) of Beninese young people were not in employment, education or training. Young women had a much higher NEET share than young men.

Figure 8: NEET share in Benin, 2012, Age 15-29, %



Note: The NEET's share covers Benin's youth not in education, employment, or training.

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

EDUCATION

Benin's economy, labour market and social development are interwoven into the education system. The country demonstrated impressive increases on enrolment rates on all levels during the last decade. The state's budget enhanced investments on the education sector and introduced free and compulsory primary education. However, this high influx of students has created challenges on the education system. Worrying data outlined that up to 43% of students were not learning,⁶⁸

more than three out of five (61%) have less than basic education, 21% with basic education, 14% in intermediate and 3% in advanced level. These had stark gender gaps (see more on Table 15).

Table 15: Employment by education, % of employment distribution, 2011

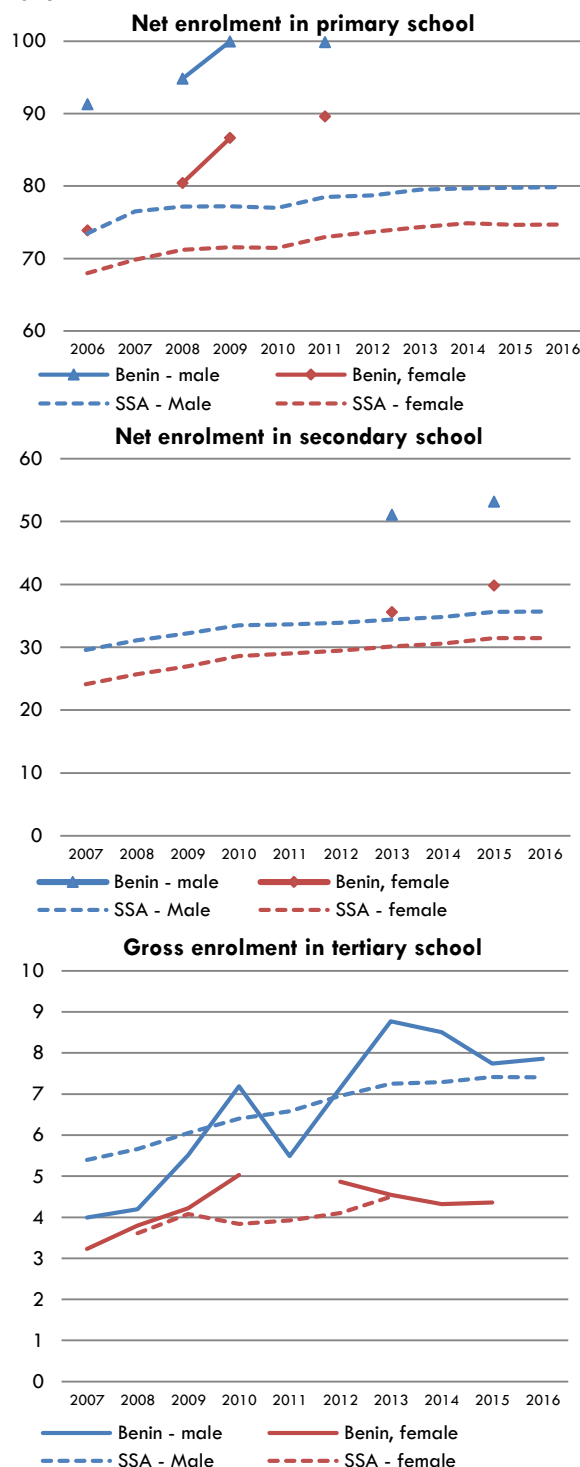
	Less than basic	Basic	Intermediate	Advanced
Total	61 %	21 %	14 %	3 %
Men	50 %	26 %	19 %	5 %
Women	72 %	17 %	9 %	1 %

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

Other data revealed that the net enrolment in primary school was relatively high compared to the sub-Saharan Africa average. Based on the limitations of data availability, males peaked at 100% in 2009, which stayed on a flat growth afterwards; female's enrolment rate also grew fast but continued to be lower at 88% in 2011. These data supported a drop in the number of child labours, but it also signalled that despite the high net enrolment in primary education it has not stopped child labour enough. Often it is the lack of qualified teachers, limited funding, and unequipped and overcrowded classrooms which are explained as factors of the low proportion of children not learning basic literacy and skills; and a relatively low average of schooling at 3.4 years. Curriculum is often outdated and do not provide the students with the skills and matches needed towards a more modernized economy.

At least lower secondary education is considered as important in the development of foundation and core employability skills.⁶⁹ On the positive side, net enrolment in secondary school was high and growing fast in Benin; and hovering above the region average. By the same token, the tertiary (university) level was also on an upsurge, but since 2012 it was stalled (see more on Figure 9). It is important to realize that despite these relatively high enrolment rates, when students complete their educations, they most often do not find jobs in the formal sector. In practice, low level of education is often related to work more than 48 hours a week while those with a higher level of education are in a situation of visible underemployment.

Figure 9: Enrolment in Primary, Secondary and Tertiary Schools in Benin and sub-Saharan Africa (SSA), %, 2006-2016



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. Gross primary enrolment is therefore sometimes higher than 100 %.

Source: [World Bank, DataBank](#)

Vocational Training

Technical and Vocational Education and Training (TVET) is aiming to create linkages between the education system and the labour market. This system is covered by formal TVET and a non-formal and informal TVET.

The formal TVET programs are offering teaching at the secondary level of education and are available to students that have completed the fifth year class. Technical secondary education is composed of two cycles, each lasting three years. Secondary education level TVET graduates have access to TVET programs at the tertiary education level. Apprenticeship programs also last three-years and can either follow a dual system (work in an enterprise along with learning in a training centre or technical school) or be organized in specialized TVET centres where school drop-outs or low-skilled youth are trained in craft occupations. Both types of apprenticeships are intended for young people of at least fourteen years of age.⁷⁰ Youth out-of-school in courses is placed with a master craftsman who trains them on a certain trade during several years against an apprenticeship fee paid by the youth's family. The traditional system covers all trades, but there is a difference in the levels of sector concentration by gender, i.e. men's apprentices cover 13 different trades while women's apprentices cover only two trades.⁷¹

Benin has around 56 vocational training schools and centres, and students get a certificate of professional training (CQP).

There are limited information and statistics on the non-formal and informal TVET systems. According to sources, non-formal TVET is provided by various ministries, e.g. the Ministry for Work, Public Functions, Administrative Reform, and Social Dialogue provides TVET training for workers from different occupations; and the Ministry for Culture, Literacy, Crafts and Tourism provides TVET programs and technical assistance to those involved in cultural activities, crafts, or the tourism sector.⁷² Informal sector trade associations are involved in the vocational training system along with other social partners to ensure the training's relevance to the large informal economy.⁷³ Among others, UNSTB is lobbying and advocating for institutionalization of vocational and entrepreneurship training for informal economy workers as well as promoting a pool of trainers to ensure the dissemination of vocational and entrepreneurship training activities to members. This includes that short-term courses on several trade sectors are implemented.⁷⁴

Registered enrolment in vocational training has experienced a drop of minus 10% from 2011 to 2015 (Table 16). It is somewhat in contrast with the abovementioned high growing enrolment in the secondary school (Figure 9). This is furthermore reflected in the falling ratio of pupils in vocational training to all the pupils in secondary education in Benin (Figure 10). If comparing the ratio of pupils in vocational training to all pupils in secondary between Benin and the sub-Saharan Africa average, it illustrated that vocational training was not prioritized in the country's education system. On the positive side, students in vocational training have one teacher per 4.4 students.

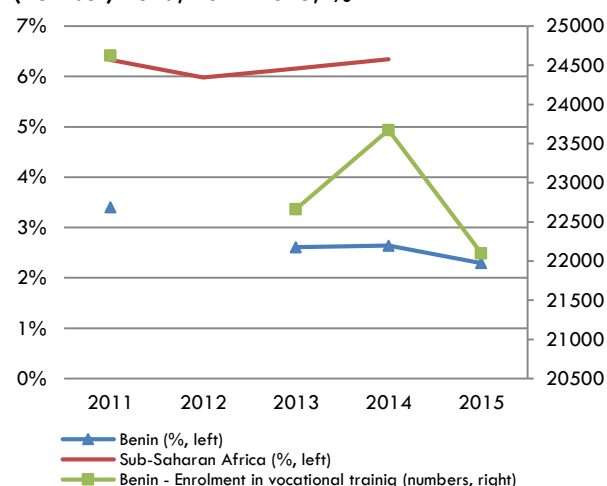
Table 16: Status of Vocational Training in Benin and the sub-Saharan Africa (SSA), 2011-2015

	2011	2015
Enrolment in vocational training, total	24,626	22,098
Teachers in secondary vocational education	4,821 *	5,074
Comparative estimations	Country/region	%
Secondary education, vocational pupils (%), women)	Benin	34 %
	SSA	40 %
Ratio of pupils in vocational training to all pupils in secondary education (average, 2013-2015)	Benin	2.5 %
	SSA	6.3 %

*Year: 2013

Sources: [World Bank, Education Statistics](#)

Figure 10: Ratio of pupils in vocational training to all pupils in secondary education (%) and enrolment (number) trend, 2011-2015, %



Source: [World Bank, Education Statistics](#).

The vocational training courses are relatively expensive and focus too much on awarding diplomas and too little on training that gives students the necessary preparation to have a real chance of finding employment. The employability rate of graduates was

estimated at 10%, reflecting the inappropriateness of training for employment.⁷⁵

The World Bank has registered that one out of four (27%) firms did offer formal training programs for their permanent, full-time employees.⁷⁶ However, as described in this report, formal firms are a very limited group.

SOCIAL PROTECTION

Social protection coverage among the population is quite limited in Benin. Social security schemes are principally targeting people working in the formal sector, and include the general social security scheme administered by the National Social Security Fund (CNSS) and the special scheme for civil servants and members of the armed forces administered by the Benin National Retirement Fund (FNRB). These systems have been strengthened by private and community social security initiatives.⁷⁷

The CNSS covers old-age and disability pensions, family allowances, work accidents and illness, maternity and survivors' benefits. Medical care is not covered by the CNSS. The fund is financed mainly through premiums paid by employers and affiliated workers. In addition to the formal social security systems, private insurance companies offer services such as health, old-age and life insurance, which are generally available to more well-off salaried workers. Based on the limitations of data availability, around 24,430 employers with a total of 238,138 employees were affiliated to the scheme,⁷⁸ equivalent to around 6.8% of the labour workforce in 2009. According to a survey conducted in 2017 at CNSS and at the General Directorate of Social Protection of the Ministry of Employment, women workers in the informal economy do not receive maternity benefits. The exception is in case the husbands are registered at the Fund, so they could benefit from it.⁷⁹

FNRB is financed mainly through the affiliates' premiums, repurchase of services realized under other schemes and contributions from the State. State employees also benefit from family allowances, which are considered as fringe benefits, and coverage of 80% of medical costs minus pharmaceutical fees. Sources noted that the growing imbalance between economically active and inactive persons has significant financial consequences for the FNRB's functioning.⁸⁰

For a large majority of the population, the social protection system has mainly consisted of informal social networks organizing themselves to tackle the financial risks of illness, e.g. local micro-health insurance systems functioning on solidarity-basis. The Social Security Mutual Benefit Organization of Benin (MSS Benin) was launched in 2010 as an attempt to spur extension of social security to workers in the informal economy; a universal health insurance scheme that aimed to protect the entire population in Benin in 2025.⁸¹ MSS Benin offers health and old-age insurance and located in four local subdivisions: in Cotonou, Porto Novo, Nattitingou, and Parakou;. Sources displayed that there were around 100 micro-health insurance systems operating in Benin, covering around 16,000 beneficiaries in 2010 to an estimated 100,000 persons today.⁸²

Table 17 below outlines that around 9% of the population were covered by the health social protection, which was 16 percentage points lower than the African average. On the other hand, the total social protection and the public health care expenditures were quite similar with the sub-Saharan Africa averages.

Table 17: Status of public spending and coverage on social protection schemes in Benin and the sub-Saharan Africa (SSA), %

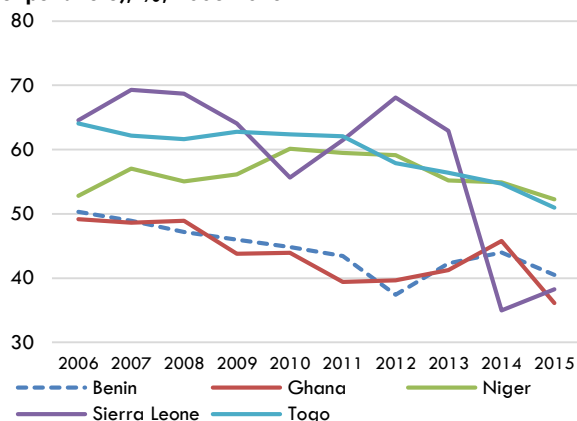
Indicator	Measure	Benin	SSA
Total social protection expenditure	% of GDP	4.2 %	4.3 %
Public health care expenditure	% of GDP	2.2 %	2.6 %
Health social protection coverage	% of total population	9.0 %	25 % *
Trends in government expenditure in health	% change per year	1.9 %	N/a

* The average covers the entire Africa region.

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

In Benin, health expenditure was peaking by US\$39 per person in 2012 but dropped down to US\$31 in 2015. Thus, the total health expenditure did not reach even the minimal level of US\$44 per capita defined by the High Level Task Force on Innovative International Financing for Health Systems (HLTF). On the other hand, out-of-pocket health expenditures in the country were relatively low. The share of private spending fell by 10 percentage points in the period from 2006 to 2015, standing at 40% in 2015, which was in line with the Task Force's minimal level recommendations.⁸³ Out-of-pocket health expenditures in Benin remain much lower than most other Western African countries (Figure 11).

Figure 11: Out-of-pocket expenditure (% of current health expenditure), %, 2006-2015



Note: Out of pocket expenditure is any direct outlay by households, including gratuities and in-kind payments, to health practitioners and suppliers of pharmaceuticals, therapeutic appliances, and other goods and services whose primary intent is to contribute to the restoration or enhancement of the health status of individuals or population groups. It is a part of private health expenditure.

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

The coverage of the pensionable age receiving an old age pension was much lower than the African average. Likewise the active contributors to old age effective coverage had a gap on 1.6 percentage points between the Benin and the sub-Saharan Africa average (Table 18). This is another exemplification of how the labour market is fragmented. The workers from the formal sector have access to basic social protection services like annual leave, sick leave or old-age pension while a majority of informal workers are either excluded or with only limited coverage of services (i.e. access to medical care and sickness; not in old age benefit, employment injury, family benefit, maternity benefit, invalidity benefit and survivor's benefit).

Table 18: Pension benefits, coverage and contributions in Benin and the sub-Saharan Africa (SSA), %, 2009/2010

Theme	Measure	Benin	SSA
Social benefits for active age	% of GDP	0.1 %	0.3 %
Pensionable age receiving an old age pension (age 60+)	Proportion of total	9.7 %	22 %*
Active contributors to a pension scheme	15+	6.8 %	8.4 %

* 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](#)

The National Employment Agency operates with four main programs. These reach from several hundreds to one to two thousand beneficiaries per year, which is less than 5% of the demand. Self-employment program, which targets mostly youth with higher levels of education, relies on the National Fund for Enterprise and Youth Employment for provision of finance. This

fund has suffered a weak management. After an ongoing restructuring, the fund was operating again in 2014 through microfinance institutions instead of directly financing beneficiaries.⁸⁴

ECONOMIC PERFORMANCE

Benin is known as one of the most democratic stable countries of Western Africa. The government was pushing economic structural reforms in several years towards a liberalized market economy, which included a privatization of the cotton and the public utility sectors. The government has in recent years promoted an ambitious action plan, the Benin Revealed, of free-market reforms to kick-start development through investments in infrastructure, education, agriculture, and governance. It triggered resistance, though, including a series of public sector strikes during 2017.

Gross Domestic Product (GDP) was estimated at US\$9.3 billion in 2017 and the GDP growth per capita was hovering above the sub-Saharan Africa average, 1.4% vs. 1.1% on average, respectively, during the last decade (Table 19 and Figure 12). The economic growth has not yet prompted, or at least it has not yet been registered in the national statistics, significant changes on the status of employment or increase in the labour productivity. Benin remains as one the poorest countries in the world, ranking 200 out of 229 countries in terms of GDP per capita in purchasing power parity (PPP) (1 is richest).⁸⁵

Another key point is that the country's economy relies heavily on its informal economy. Although this part of the economy is not included in the national statistics GDP accounts, it does not mean that there are no linkages between the formal sector and informal economy. The formal sector and the informal economy are actually interconnected via the goods and services market, the labour market and the money market. In practice, people from the informal economy pay indirect taxes (VAT and excises) and informal households are major receivers of government grants. Stated differently, the informal economic activity is complementary to the formal economy.

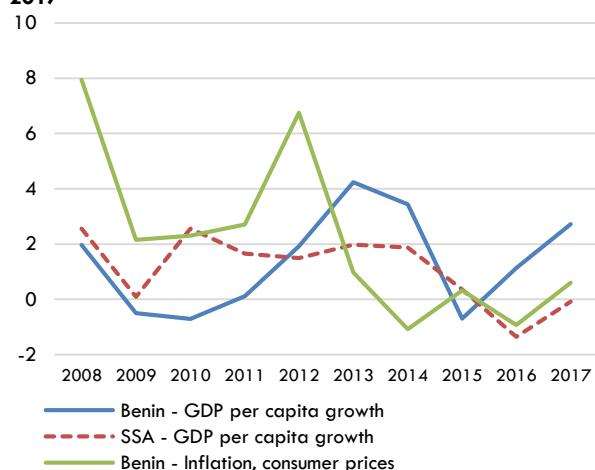
Inflation in consumer prices was estimated at 0.6% in 2017 due to a good crop year and low oil prices; and at 2.2% on average over the last decade (Figure 12). Inflation is projected to remain under the West Africa Economic Market Union's target of 3% for 2018. The relatively low inflation in consumer prices has to some extent protected the workers' income purchasing power.

Table 19: Key economic data in Benin, 2017

GDP	US\$9.2 billion
GDP per capita (current US\$)	US\$830
GDP real growth	5.6 %
Inflation (estimate)	0.6 %

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

Figure 12: GDP per capita growth and inflation, %, 2008-2017



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

The amount of capital formation reveals how much of the new value added in the economy is invested rather than consumed. When it increases it points towards that economic activities are in progress which could support the economic development and job creation. To put this in some numbers: Gross fixed capital formation was estimated at 27% of GDP on average during the last five years in Benin and it balanced above the sub-Saharan Africa average that was set at 20%. This was mirrored by the abovementioned relatively higher GDP growth per capita and as an impact of the economic reforms. So far, the economic development appears not yet changed into the status and sector of employment structures on the labour market. This has curbed the poverty reducing in Benin.

Informal economy is still a more normal practice of doing business, while formalized businesses or employees are almost an exception. One reason is that it is not easy doing business in Benin: The country is scoring quite low on the global Doing Business Index as 151 out of 190 countries (1 is best) in 2018. The country is staying in par with the sub-Saharan Africa average, though. It was noted that dealing with construction permits and starting a business have the best scores on a high-medium level. It is still particularly cumbersome of getting electricity, paying taxes and enforcing contracts (see more on Appendix Table 24). And as indicated, the doing business regulations are

most often not covering the activities in the informal economy. On the positive side, in an effort to promote formalization across the West and Central Africa regions, the Organization for the Harmonization of Corporate Law in Africa (French: OHADA) has revised its General Commercial Law to introduce the enterprising status. This status is a simplified legal regime specifically designed for small entrepreneurs to facilitate the migration of informal businesses into the formal sector. Benin is in a process of formulation and implementation of the legal and administrative regulations that will define the enterprising status.⁸⁶ An impact of this initiative has not yet been registered.

A middle-class living with at least US\$5 per day has experienced a weak evolution reaching around 15% of working population in 2017. In contrast, extremely poor (<US\$1.9 per day) stayed on a high level at 50% in 2017. Still many workers in employment were still in vulnerable positions that kept them as moderately poor (\geq US\$1.90 & <US\$3.10) or as near poor (\geq US\$3.10 & <US\$5). Estimations suggest that the share of extremely poor will drop slightly toward 2020 (see more on Table 20). Other data revealed that income inequality, based on the degree of inequality in the distribution of family income (GINI Index), measured it was rising in the country; and ranking 87 out of 157 (1 has the highest equality).

Table 20: Estimation and projection of employment by economic class in Benin, 2000-2020

Year	Extremely poor (<US\$1.90)	Moderately poor (\geq US\$1.90 & <US\$3.10)	Near poor (\geq US\$3.10 & <US\$5)	Middle class (\geq US\$5)
2000	47 %	28 %	15 %	10 %
2010	49 %	23 %	13 %	15 %
2020	44 %	25 %	17 %	14 %

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

Industrial Free Zone (ZFI)

The ZFI is relatively new in Benin and it was operational since 2009. The system is combining geographically defined free zones and classified free points/enterprises criteria established anywhere in Benin and be entitled to the applicable incentives. In 2016, there were 19 free points in Benin, and 11 of 19 companies approved under the ZFI regime were operating.⁸⁷ ZFI has been struggling to a lack of infrastructure such as running water, electricity, security and good roads; other companies refused to move their enterprises to ZFIs.⁸⁸ Additionally, workers from the EPZs are excluded from several legal protections.

APPENDIX: ADDITIONAL DATA

Table 21: List of Collective Bargaining Agreements in Benin, per registered year

Inter-professional Collective Conventions	Year
Convention Collective Générale du Travail applicable aux entreprises relevant des secteurs privé et para-public	2005
Sectoral Collective Bargaining Agreements	
Le groupement professionnel des Acconiers du Bénin	-
Arrêté N° 026/MFPTRA/DC/SGM/DT/SRT du 14 Avril 1998 Fixant les Conditions Générales d'emploi des Employés de Maison en République du Bénin	1998-1999
Conseil National du Patronat de la presse et de l'Audiovisuel (CNPA) du Bénin	2008
Projet de Loi Portant Statut General de la Fonction Publique	2005
Enterprise Collective Bargaining Agreements	
L'Agence Nationale de l'Aviation Civile (ANAC)	-
Centre National Hospitalier Universitaire Hubert Koutoukou MAGA 204004	2012
La Poste du Bénin SA	2012
La Société Béninoise d'Energie Electrique (SBEE)	2012
Benin Telecoms SA	2012
SCB-LAFARGE	2010
Centre National de Sécurité Routière	2012
CNSS	2012
Centrale d'Achat des Medicaments Essentiels et Consommables Medicaux (CAME)	2011
La Sucrierie de Complant du Bénin	2012
Société Nationale pour la Promotion Agricole (SONAPRA)	2012
Laboratoire Central de Contrôle de la Sécurité Sanitaire des Aliments (LCSSA)	2015
Office du Baccalauréat (OB)	2015
Centre de Formation pour l'Administration Locale (CeFAL)	2012
Agence Béninoise de Gestion Intégrée des espaces Frontaliers (ABeGIEF)	2014
Agence Béninoise du Service Universel des Communications Electroniques et de la Poste (ABSU-CEP)	2015
Association pour la Promotion et l'Appui au Développement des Micro Entreprises (PADME)	2013
Fonds de Développement du Patrimoine Culturel (FDPC)	2015

Source: [WageIndicator, Collective Agreements, Benin](#)

Table 22: Labour market related national legislations approved in Benin, 2014-2018 (July)

Year / Theme	Legislation
2014	
None	None
2015	
Elimination of child labour, protection of children and young persons	Loi n° 2015-08 du 23 janvier 2015 portant Code de l'enfant en République du Bénin
Specific categories of workers	Loi n° 2015-18 du 2 avril 2015 portant Statut général de la Fonction publique
	Loi n° 2015-19 du 2 avril 2015 modifiant et complétant la loi n° 86-014 du 26 septembre 1986 portant code des pensions civiles et militaires de retraite
	Loi n° 2015-20 du 2 avril 2015 portant statut spécial des personnels des forces de sécurité publique et assimilées
2016	
None	None
2017	
General provisions	Loi n° 2017-07 du 19 juin 2017 fixant le régime des Zones économiques spéciales en République du Bénin
Employment policy, promotion of employment and employment services	Loi n° 2017-06 du 13 avril 2017 portant protection et promotion des droits des personnes handicapées en République du Bénin
Conditions of employment	Loi n° 2017-05 du 29 août 2017 fixant les conditions et la procédure d'embauche, de placement de la main d'oeuvre et de résiliation du contrat de travail en République du Bénin
2018	
Migrant workers	Loi n° 2018-07 du 30 mars 2018 portant autorisation de ratification de la Convention internationale sur la protection des droits de tous les travailleurs migrants et des membres de leur famille, adoptée par les Nations Unies, le 18 décembre 1990

Source: [ILO, NATLEX, Benin](#)

Table 23: Ratified ILO Conventions in Benin

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	1960
	C098 - Right to Organise and Collective Bargaining Convention, 1949	1968
Elimination of all forms of forced labour	C029 - Forced Labour Convention, 1930	1960
	C105 - Abolition of Forced Labour Convention, 1957	1961
Effective abolition of child labour	C138 - Minimum Age Convention, 1973	2001
	C182 - Worst Forms of Child Labour Convention, 1999	2001
Elimination of discrimination in employment	C100 - Equal Remuneration Convention, 1951	1968
	C111 - Discrimination (Employment and Occupation) Convention, 1958	1961
Governance Conventions		
Labour inspection	C081 - Labour Inspection Convention, 1947	2001
	C129 - Labour Inspection (Agriculture) Convention, 1969	<i>Not ratified</i>
Employment policy	C122 - Employment Policy Convention, 1964	<i>Not ratified</i>
Tripartism	C144 - Tripartite Consultation (International Labour Standards) Convention, 1976	2001
Up-to-date Conventions		
Working time	C014 - Weekly Rest (Industry) Convention, 1921	1960
Wages	C095 - Protection of Wages Convention, 1949	1963
Industrial relations	C135 - Workers' Representatives Convention, 1971	1979
	C154 - Collective Bargaining Convention, 1981	2012
Migrant Workers	C143 - Migrant Workers (Supplementary Provisions) Convention, 1975	1980
Seafarers	C147 - Merchant Shipping (Minimum Standards) Convention, 1976	2010
Labour Administration	C150 - Labour Administration Convention, 1978	2001
	C160 - Labour Statistics Convention, 1985	2000
Maternity Protection	C183 - Maternity Protection Convention, 2000	2012
Occupational Safety and Health	C161 - Occupational Health Services Convention, 1985	1998
<p>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.</p> <p>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 promotes a well-regulated and well-functioning labour market.</p> <p>In addition, there are 71 conventions, which ILO considers "up-to-date" and actively promotes.</p>		

Source: [ILO NORMLEX](#)

Table 24: Ease of Doing Business in Benin, 2018

Topics	2018
Overall	151
Starting a Business	56
Dealing with Construction Permits	46
Getting Electricity	174
Registering Property	127
Getting Credit	142
Protecting Minority Investors	146
Paying Taxes	174
Trading Across Borders	136
Enforcing Contracts	170
Resolving Insolvency	105

Note: Doing Business 2018 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 that affect the competitiveness of the economy. Still, a high ranking does mean that the government has created a regulatory environment conducive to operating a business.

Source: [World Bank & IFC, Ease of Doing Business 2018 in Benin](#)

Table 25: Governance Indicators in Benin, % and change percentage points, 2006-2016

Indicator	2011	2016	Change, percentage point (p.p.)
Voice & Accountability	55 %	63 %	+ 1 p.p.
Political Stability	57 %	49 %	+ 20 p.p.
Government Effectiveness	37 %	33 %	+ 11 p.p.
Regulatory Quality	40 %	30 %	+ 32 p.p.
Rule of Law	30 %	29 %	+ 28 p.p.
Control of Corruption	33 %	37 %	+ 25 p.p.

Note: The Governance Indicators score from a percentiles rank from 0 (lowest) to 100 (highest).⁸⁹

Source: [World Bank, Worldwide Governance Indicators](#)

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