# Labour Market Profile Benin – 2021/2022



This profile provides a comprehensive overview of the labour market's structure, development, and challenges.

Danish Trade Union Development Agency



ULANDSSEKRETARIATET - DTDA DANISH TRADE UNION DEVELOPMENT AGENCY

## PREFACE

Danish Trade Union Development Agency (DTDA) is the development organisation of the Danish trade union movement. This agency was established in 1987 by the two largest Danish confederations – Danish Federation of Trade Unions (Danish acronym: LO) and Danish Confederation of Professionals (Danish acronym: FTF). These confederations merged to become the Danish Trade Union Confederation (Danish acronym: FH) in January 2019. Respectively, former known as LO/FTF Council changed to DTDA.

The work of DTDA is in line with the global Decent Work Agenda (DWA) based on its four pillars: creating decent jobs, guaranteeing rights at work, extending social protection, and promoting social dialogue. The overall development objective of DTDA's interventions in the South is to eradicate poverty and support the development of just and democratic societies by furthering the DWA.

DTDA collaborates with trade union organisations in Africa, Asia, Latin America, and the Middle East. The programmes' immediate objective is to assist the partner organisations in becoming change-agents in their own national and regional labour market context, capable of achieving tangible improvements in the national DWA conditions and achieving the labour-related Sustainable Development Goals (SDGs).

The Labour Market Profile (LMP) format provides a comprehensive overview of the labour market situation. The profile divides into nine thematic sections describing the economic performance, labour legislation, social partners, social dialogue, violations of trade union rights, working conditions, the general status of the workforce, education, and social protection.

In the framework of DWA and SDGs, LMPs follow several central indicators addressing aspects of labour market development, especially the unionism evolution, social dialogue and bi-/tri-partite mechanisms, policy development and legal reforms, status vis-à-vis ILO conventions and labour standards, among others.

Primary sources of data and information for LMPs are:

- As part of programme implementation and monitoring, national partner organisations provide annual narrative progress reports, including information on labour market developments. Furthermore, specific types of data and information relating to key indicators are collected using a unique data collection tool.
- National statistical institutions and international databanks are used as a source for collection of general (statistical) data and information such as 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 internationally recognised labour-related global indexes.
- Academia and media sources (for example, LabourStart, national news, among others) are furthermore used in the available research on labour market issues.

Labour Market Profiles for more than 30 countries are available on DTDA's website: https://www.ulandssekretariatet.dk/.

DTDA prepared the Labour Market Profile in collaboration with DTDA's sub-Regional Office in Togo and support from Union Nationale des Syndicats des Travailleurs du Bénin. If any comments or questions arise to the profile, please contact Mr Kasper Andersen (kan@dtda.dk) from DTDA.

The cover photo is an apprentice taken in a workshop from the National Union of Professionals in Weaving and Sewing (SYNAPROTIC), which is affiliated to UNSTB. Carsten Snejbjerg took the picture.

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## **EXEUTIVE SUMMARY**

Benin's economy is one of the fastest-growing in sub-Saharan Africa (SSA) and moved up among lowermiddle-income countries in July 2020. During the 2010s, economic reforms directed towards a liberalised market, which included privatising the cotton sector and the public utility sectors. Application of the new Guaranteed Minimum Wage was delayed stalling real hikes in the minimum wage, echoed in the poverty rate and inequality on the rise. The economy's momentum slowed down during 2020 as an impact of the global coronavirus (COVID-19) pandemic, and the poverty rate is projected to climb further.

In recent years, introducing controversial contractual terms in labour regulations and strike action conditions spurred tensions among social partners. Undersigned international trade agreements with labour clauses demonstrated weak positive labour-condition effects for the workforce. The government enforces applicable labour laws in the relatively small formal sector with inefficiencies, keeping a massive void among the widespread informal economy.

Social dialogue functions in several active bi- and tripartite institutions but do not regularly occur, and some fora even under threat. Application of collective bargaining agreements has limited coverage and debatable qualities, haunted by the dominance of microand small enterprises in the private sector.

Employers' view on cooperation in labour-employer relations considered at medium-level. Unionism was affected negatively by structural economic reforms and deteriorated working conditions: the trade union density of employment dropped by four percentage points during the 2010s, landed at 11% in 2019, staying relatively high compared to other Western African countries. The Global Rights Index placed Benin as 4 out of 5+ (5+ is worst), associated with a "systematic violation of workers' rights."

Intensifying population growth and rising life expectancy put more pressure on the education system, job creation, and social protection coverage. In the 2010s, some employment shifts happened, mainly from subsistence agricultural to low-productivity activities in the service sector, linked to mounting urbanisation. Employment in the industry sector stood at a flat growth, at 19%. The unemployment rate was below 3% during the 2010s, not because workers found jobs in the formal sector but were predominantly pushed into informal vulnerable employment conditions.

During the 2000s, Benin experienced a significant outmigration, driven by demographic pressure, poverty, and increased living costs. The net migration turned more balanced in the 2010s associated with the European Union's "closed-door" migration policy. Personal remittances and foreign direct investments have been at lower levels than the sub-Saharan Africa averages. Relatively few refugees entered Benin during the 2010s, kept on a minimal part of the population, at 0.01% on average from 2015 to 2019.

Beninese women's rights are legally protected that overrode various cultural traditions. Nonetheless, inequality and discrimination persist in labour practices, especially in the private sector, paralleled in the gender wage gap at least 40%.

A high proportion of the population is under-educated and lack requisite labour skills. Notwithstanding, the literacy rate is on the rise benefited the high school enrolment rates at all education levels. Although child labour continues rampant, sticking to poverty, there are hints of a declining trend. Enrolment in the formal vocational training did not follow the general secondarylevel tempo; equally, fewer Beninese firms offered formal training than the neighbouring countries. Instead, extensive informal apprenticeship is connected in lowproductivity sectors and challenged by small earnings. country's Education in Information The and Communications Technology (ICT) faces a digital divide at a slower pace than other Western African countries and imbalances regarding the access to technology learning among the low-income and rural groups.

Social protection coverage is limited in the country: just one out of ten persons above retirement age is receiving a pension, and 20% of the population was protected by health insurance. The new Insurance for the Strengthening of Human Capital (ARCH) from 2016 widens the scope of social protection coverage of actors in the informal economy and received significant funding in 2019. This scheme's results are too early to assess. The table below provides an overview of key labour market indicators' status in the Decent Work Agenda framework. On the next page, Page iv, the second table presents an overview of the current value and targets of the Sustainable Development Goals' indicators concerning labour market issues.

### Status of key labour market indicators in the framework of the Decent Work Agenda (DWA) in Benin Creating decent ichs

Creating decent jobs	
Policy reforms addressing creation of decent employment	Several labour market policies are active in the areas of the employment policy, youth employment, skill development, minimum wages, poverty eradication strategy, and industrial policy.
ILO standard setting on improvement of status of workers from the informal economy	Benin adopted a specific policy for the informal economy workers such as signatory to the Organisation for the Harmonisation of Corporate Law in Africa that directs towards the transition of actors from the informal economy to the formal sector. However, no national institution in tri-partite National Informal Economy Forum is developed to address the issue of informality in a bi- or tripartite manner.
Guaranteeing rights at work	
Growth in trade union members, %, 2012- 2019	5.2%.
Violations of trade union rights	Benin was ranking 4 out of $5+$ ( $5+$ is worst) in the Global Rights Index 2020. This ranking is linked to 'systematic violation of rights.' *
Labour legislation is improved according to ILO standards in recent years	By decree, the National Social Dialogue Council was established in 2017 and appointed its members. This council stays operational with participation from the trade union movement and employers' organisations. Benin also ratified convention was Social Security (Minimum Standards) Convention (C102) from June 2019. It is considered the revised labour regulations from 2017 were more favourable to employers than employees.
Partner organisations with minimum 30% women representation in decision-making bodies.	Number of women in leadership positions and decision-making bodies reached 37% in 2019/2020. **
Extending social protection	
Percentage of total population covered by Health Social Protection.	20% in 2020.
Workers from the informal economy have access to national social security schemes	Since 2016, the government aimed at injecting new directions into the country's social protection policy through the Insurance for the Strengthening of Human Capital (ARCH).
Promoting social dialogue	
Trade union density of total employment (%)	11% in 2019.
Cooperation in labour-employer relations.	In the employers' view, cooperation in labour-employer relation ranking at the medium level (63 out of 141 countries) in 2019. ***
Number of Collective Bargaining Agreements (CBAs)	Based on the limitations of data availability, 23 CBAs are registered, excluding the inter-professional CBA.
Workers' coverage of Collective Bargaining Agreements to employees	Based on the limitations of data availability, the number of workers' coverage of CBAs, excluding inter-professional CBA, was estimated at 11,000 workers. CBAs coverage of employees was estimated at 2.4%.
Bi-/tri- partite agreements concluded	The National Permanent Commission for Consultation and Collective Bargaining and the Social Sector-based Dialogue Committee were active to promote dialogue between the government and unions. The permanent commission addressed the status of union demands. Besides, labour-related issues were implemented in the National Consultation and Collective Bargaining Commission.

\* It is estimated as "systematic violations of rights": Workers in countries with the rating 4 have reported systematic violations. The government and/or companies are engaged in serious efforts to crush the collective voice of workers putting fundamental rights under threat. \*\* Data from UNSTB.

\*\*\* This indicator is based on data from the Global Competitiveness Index that represents employers' opinion from surveys. Sources: International Trade Union Confederation; World Economic Forum; WageIndicator.org; International Labour Organisation; DTDA, Benin: datacollection tool 2019 + 2020, and own calculations.

### Status of key Sustainable Development Goals in labour market related issues in Benin

Indicators	Value	Year	SDG Targets
1.1.1: Working poverty rate (percentage of			By 2030, eradicate extreme poverty for all people
employed living below US\$1.9 PPP).	40 % *	2019	everywhere, currently measured as people living on less than US\$1.9 a day.
<b>1.3.1:</b> The population effectively covered by a social protection system, including social protection floors.	11 % **	2017	Implement nationally appropriate social protection systems and measures for all, including floors, and by 2030 achieve substantial coverage of the poor and the vulnerable.
5.5.2: Women share of employment in managerial positions.	-	-	Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic, and public life.
8.2.1: Annual growth rate of output per worker (GDP constant 2011 international \$ in PPP) (%).	3.1 %	2019	Sustain per capita economic growth in accordance with national circumstances and, in particular, at least 7 per cent gross domestic product growth per annum in the least developed countries.
8.2.1: Annual growth rate of output per worker (GDP constant 2010 US\$) (%).	3.1 %	2019	Achieve higher levels of economic productivity through diversification, technological upgrading and innovation through a focus on high value added and labour- intensive sectors.
<ul><li>8.3.1: Proportion of informal employment in non-agriculture employment.</li><li>8.3.1: Women</li></ul>	-	-	Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity, and innovation, and
8.3.1: Men	-	-	encourage the formalisation and growth of micro-, small- and medium-sized enterprises, through access to financial services.
8.5.1: Average hourly earnings of women and	-	-	
men employees.	070/	0011	By 2030, achieve full and productive employment and
8.5.2: Unemployment rate (Total, 15+)	2.7 %	2011	decent work for all women and men, including young
8.5.2: Women, 15+	2.9 %	2011	people and persons with disabilities, and equal pay for
8.5.2: Women, 15-24 years	6.0 %	2011	work of equal value.
8.5.2: Men, 15+	2.4 %	2011	
8.5.2: Men, 15-24 years	5.2 %	2011	
8.6.1: Proportion of youth (15-24 years) not in education, employment, or training).	17 %	2011	By 2030, substantially reduce the proportion of youth not in employment, education, or training.
8.7.1: Proportion and number of children aged 5-17 years engaged in economic activity (Total).	35 %	2014	Take immediate and effective measures to eradicate forced labour, end modern slavery and human trafficking and secure the prohibition and elimination of
8.7.1: Girls	33 %	2014	the worst forms of child labour, including recruitment
8.7.1: Boys	37 %	2014	and use of child soldiers, and by 2025, end child labour in all its forms.
8.8.1: Frequency rates of fatal occupational injuries per 100.000 workers, annual.	-	-	Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment.
9.2.2: Manufacturing employment as a proportion of total employment.	15 %	2011	Promote inclusive and sustainable industrialisation and, by 2030, significantly raise industry's share of employment and gross domestic product, in line with national circumstances, and double its share in least developed countries.
10.4.1: Labour income share as a percent of GDP.	47 %	2017	Adopt policies, especially fiscal, wage and social protection policies, and progressively achieve greater equality.

\* Estimates \*\* This indicator is measured as persons above retirement age receiving a pension; see more in Table 22.

Source: ILO, Key Indicators of the Labour Market (KILM).



## COUNTRY MAP

Source: CIA, The World Factbook, Benin

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### ECONOMIC PERFORMANCE

Benin entered the group of lower-middle-income countries in July 2020 and known as one of the most democratic, stable countries of Western Africa. During the 2010s, economic reforms directed toward liberalising the economy, including privatising of the cotton sector and the public utility sectors. It triggered some resistance, including a series of public sector strikes in recent years.

The ambitious Revealing Benin Action Programme for 2016-2021 kick-started flagship projects through investments in infrastructure, education, agriculture, and governance.<sup>1</sup> Public investments increased from 21% of GDP in 2016 to 30% in 2019. The agricultural sector, led by cotton, delivered production increases by 170% from 2016 to 2019. The construction industry, along with the dynamism of the port of Cotonou, is developing. The fiscal deficit, financed through loans and grants, was reduced to 2.5% of GDP in 2019.<sup>2</sup>

Benin's Gross Domestic Product (GDP) per capita growth was robust and significantly above the regional average during the 2010s: 2.0% on average from 2015 to 2019 versus -0.4%, respectively. GDP per capita value is lower than the regional average, though (see more details in Table 1).

Table 1: Key economic data in Benin and sub-Saharan Africa	
(excluding high income) (SSA), 2019	

Values	Benin	SSA
GDP (current US\$)	US\$14.4 billion	US\$1.7 trillion
GDP per capita (current US\$, average)	US\$1,219	US\$1,573
GDP growth per capita (2015-2019, average)	2.0 %	-0.4 %
Inflation in consumer prices (2015-2019, average)	0.2 %	4.4 %
Exports of goods and services (% of GDP) (2015- 2019, average)	27 %	19 %

Sources: World Bank, World Development Indicators

The economy's accelerated growth in the end of the 2010s got slowed down during 2020 as an impact of the global coronavirus (COVID-19) pandemic (see projections in Figure 1). The slump was lower compared to other more industrialised countries worldwide that entered deep economic recessions. In Benin, some disruptions happened in the social sector and economic sectors, especially the export sector's flow of goods slowed down. It put pressure on the state's revenues. Besides, the country displayed very low lockdown readiness. Many people need to leave their homes daily

to access clean water or sanitation facilities, including in urban areas. These challenges are particularly stringent in poor and high-density urban neighbourhoods. Many families live on daily income, with limited savings and lacking opportunities to work from home or educate their children online.<sup>3</sup> Benin's government launched a Response Plan to mobilise funding for its implementation. Among others, central donors financed US\$50 million to help Benin mitigate the impact of the coronavirus health crisis in the socio-economic recovery phase.<sup>4</sup>

Inflation in consumer prices remained low, estimated at minus 0.9% in 2019. Projections suggested it accelerated to 2.5% in 2020, stayed below the West Africa Economic Market Union's (WAEMU) 3%-threshold (see Figure 1). The relatively low inflation has, to some extent, protected the workers' income purchasing power.

Figure 1: Gross domestic product, inflation, and current account balance trends in Benin, 2000-2022



Sources: International Monetary Fund, World Economic Outlook Database, April 2021.

Among employment, the middle-class slight increased during the last decade, reaching a share of 16%. In contrast, employed living below US\$3.2 per day dropped by five percentage points during the same period, representing 67% (see more details in Table 2). Several aspects supported the relatively low poverty reduction. First, inequality in the distribution of family income widened: Benin Gini-indexed at 43 in 2011 to 48 in 2015 (i.e., 0 represents perfect equality, while an index of 100 represents high inequality). Second, the broader poverty headcount ratio at national poverty lines increased from 35% in 2010 to 39% in 2019, continuing lower than the neighbouring countries: Burkina Faso (41%), Niger (41%), Nigeria (40%), and Togo (55%). Benin's increasing poverty rate and inequality reflected the non-inclusiveness of economic growth supported by meagre structural transformation of the economy and labour market, including feeble social protection coverages.

 Table 2: Estimation and projection of employment by economic class in Benin, 2010-2020

Year	Extremely poor ( <us\$1.90)< th=""><th>Moderately poor (&gt;=US\$1.90 &amp; <us\$3.20)< th=""><th>Near poor (&gt;=US\$3.20 &amp; <us\$5.5)< th=""><th>Middle-class (&gt;=US\$5.5)</th></us\$5.5)<></th></us\$3.20)<></th></us\$1.90)<>	Moderately poor (>=US\$1.90 & <us\$3.20)< th=""><th>Near poor (&gt;=US\$3.20 &amp; <us\$5.5)< th=""><th>Middle-class (&gt;=US\$5.5)</th></us\$5.5)<></th></us\$3.20)<>	Near poor (>=US\$3.20 & <us\$5.5)< th=""><th>Middle-class (&gt;=US\$5.5)</th></us\$5.5)<>	Middle-class (>=US\$5.5)
2010	47%	25%	15%	12%
2015	44%	27%	16%	12%
2020	39%	28%	18%	16%

Note: Data exclude the economically inactive population that cover around 29% of the population (aged 15+) (see more in Unemployment sub-section). The value is measured at Purchasing Power Parity (PPP). Sources: ILO, Key Indicators of the Labour Market (KILM).

Gross fixed capital formation signals how much of the new economic value-added is invested rather than consumed. When the indicator's value increases, it points towards that economic activities are in progress, potentially supporting economic development and job creation. Data shows that Benin's gross fixed capital formation was significantly higher at 23% of GDP on average from 2015 to 2019 compared to the sub-Saharan Africa average, at 19%.<sup>5</sup> The country's relatively higher rate benefitted from the Revealing Benin Action Programme: the economic boost from 2016 to 2019 was driven by cotton exports, financed primarily through public loans (33%), private loans (27%), and foreign direct investment (19%). Besides, the implementation of the Strategic Plan for Agricultural Sector Development 2017-2025 targets improving agricultural productivity, developing agriculture value chains, and establishing financed and customised agricultural insurance mechanisms. Data revealed significant improvements in the rising labour productivity in the agricultural sector (see more in Figure 6 ahead).

Foreign Direct Investment (FDI) measures the net inflows of investment to acquire a lasting management interest in an enterprise operating in the economy other than that of the investor. In Benin, the FDI inflow was at 1.8% of GDP during the 2010s, slightly lower than the regional average, at 2.2%. It peaked in the period from 2012 to 2014 because of the economic privatisation reforms. Most FDI was channelled into port activities, infrastructure building, and cotton industry activities. The country's relatively low net inflow of FDI in recent years was mainly due to scant incentives, complex bureaucratic procedures, corruption, low quality of infrastructure, and electricity supply problems. For example, Benin remains highly dependent on Nigeria and Ghana electricity, which provide about 90% of its supply, but electricity generation capacity increased 67% between 2016 and 2019.6

Concerning the complex bureaucratic procedures, the Doing Business Index ranked Benin as 149th out of 190 countries (1st is best) in 2020. Out of ten indicators, the country's best rankings were starting a business (65) and dealing with construction permits (82). Several of the scales were very poor, e.g., getting electricity (178), paying taxes (171), and enforcing contracts (162). See more details in Appendix Table 25.

### **Industrial Free Zone**

Benin is placed in a strategic location with access to the sea and shares a border with Nigeria, one of the leading African economies. The Industrial Free Zone (IFZ) scheme was established by Law No.99-001 in 1999. The law on its organisation and operation was further approved in 2005 and has been operational since 2009. The government adopted an IFZ option to combine geographically defined free zones (in Sèmè-Podji) and free points or free enterprises. If they meet the required criteria, they may be established anywhere in Benin and entitled to the applicable incentives. In 2016, there were 19 free points in Benin, and 11 of 19 companies, which were approved under the ZFI regime, were operating.<sup>7</sup> In 2017, the parliament approved a bill to fix the IFZ scheme (see Appendix Table 25).

For activities covered by the IFZ scheme, enterprises are eligible for a series of tax concessions: export at zero rates; employers' contribution at 4% rate on salaries (compared to a normal rate of 8%) for five years; and income tax on securities of 5% rate (compared to a normal rate of 18%) for five years, among others.<sup>8</sup>

To qualify under the IFZ scheme, industrial production companies must follow several conditions: guarantee that at least 65% of their annual production will be exported; give priority for permanent jobs to Beninese's nationals with qualifications equivalent to those of non-Beninese; help train Beninese citizens to occupy high-skill positions in the Industrial Free Zone; and give priority to raw materials, equipment, and supplies of Beninese origin if they are equally competitive.

In Benin – like most African countries – export zones include agriculture-related sectors covering agribusiness, agro-processing, livestock, and dairy products. Focused on high-end service sectors are less common, but Benin has some ITC and Biotechnology focused zones.<sup>9</sup> Information is scarce concerning the scope of employment in IFZs. It is worthwhile to mention that workers in these zones are excluded from relevant legal protections from the Labour Code. The zones often lacking infrastructures such as running water, electricity, security, and wellfunctioning roads; other companies refused to move their enterprises to IFZs.<sup>10</sup>

## LABOUR LEGISLATION

Based on the International Labour Organisation (ILO) register, Benin's legal framework of labour, social security, and human rights covered 273 different laws/decrees in January 2021.<sup>11</sup> List of approved legislation since 2014 are available in Appendix Table 24.

In 2017 and 2018, a series of major legal reforms were approved. Among others, the National Social Dialogue Council was established and introduced changes in hiring, placement of labour, and termination of the employment contract. Also, Act No. 2001-09 on the exercise of the right to strike was amended by Act No. 2018-34. This latter new bill restricts the maximum duration of a strike to 10 days per year for all employees. Several groups are barred from strike action, such as military personnel, paramilitary personnel (e.g., police, customs, water, forestry, hunting), and healthcare staff. Another provision provides that strikes motivated by the violation of universally recognised union rights may not prompt salary deductions (see more in ILO Conventions subsection).<sup>12</sup>

Labour-related policies are active in employment, youth employment, skill development, minimum wages, poverty eradication, and industrial policy.<sup>13</sup> Productivity and competitiveness policy, and equality policy regarding discrimination in the international standards, staying pending areas in Benin.<sup>14</sup>

The status of central labour-related legislation is summarised below.

### Constitution

Benin is considered a constitutional democracy and the constitution remains the highest-ranking law in the country's legal order. In the domestic hierarchy, it comes before laws, ordinances, decrees, and orders. The constitution from 1990 recognises the right to work and guarantees fair compensation, not to mention social security. It also guarantees equal access to education and employment, the right to strike, and freedom of association.

The 1990 constitution was attempted to be modified several times but succeeded in November 2019. Law 2019-40 clarified that the country's president cannot serve more than two terms in his life and the parliamentary mandates limited to three terms from the last six terms. It further provided for positive discrimination to strengthen women's representation in the National Assembly. It reserved a share of parliament seats for women, despite the reluctancy due to traditions and customs, not to mention positive discrimination in favour of women in the new Electoral Code of November 2019.<sup>15</sup> Media reported that the African Court on Human and Peoples' Rights (ACHPR) arguing that the constitutional revision in Benin violated the African Charter on Democracy, Elections and Governance and its principle of national consensus.<sup>16</sup>

### Labour Code

The labour Code from 1998 regulates individual and collective labour issues such as trade unions and employers' organisations, working conditions, and wages. It also governs the following institutions: Labour Court, Labour Administration and Inspection, National Labour Council, Joint National Commission on Collective Bargaining Agreements, and 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 action into account in hiring, work distribution, professional or vocational training, or dismissal. Specific civil servants and public employees, domestic workers, agricultural workers, migrant workers, and those in export processing zones are excluded from relevant legal protections.

A revised draft Labour Code was under preparation by the government for a long period, but it got stalled. The Supreme Court examined proposals to repeal the draft labour bill to update it, setting out the conditions and procedure for recruitment, placement, and termination of an employment contract.

The general collective labour agreement signed by the social partners in December 2005 replaced the previous arrangement of May 1974. Agreeing with the social partners and its legal approval turned it into a binding legal force concerning minimum recruitment conditions apply to individual employment contracts. However, the government enacted new legislation in August 2017 (Law

No. 2017-05) on hiring, workforce placement, and employment contract termination, pushed through without any social partners' consultation. The regulation aims to create more flexibility in the labour market. Some changed provisions included allowing fixed-term contracts without limitation. Several aspects were in contradiction to the Labour Code's framework. It increased employers' bargaining power and weakened employees' guarantee and work security. It triggered strike actions. For example, in February 2018, magistrates claimed that the employment contract now can be terminated with an indemnity that must not exceed nine months.<sup>17</sup>

### **Social Security Code**

Since the adoption of Act No. 98-019 of March 2003, the social security system functioned by the National Social Security Fund (NSSF). The Act establishes a general social security scheme for workers in the formal sector covered by the Labour Code and a special regime for the self-employed, farmers and those working in the informal economy. The legislation does not tie social security to non-working persons. The code sets regulations on sick leave and employment injury benefits (see more in Social Protection section).

### **Observations on labour legislation**

International Trade Union Confederation (ITUC) registered flaws in Benin's legislation on the rights of freedom of association, the rights of collective bargaining, and the rights of strikes concerning the international standards:<sup>18</sup>

- 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 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 strike 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.

Amendments to Law No. 05 in 2017, including civil service law, widened employers' option of dismissing the worker arbitrarily. The rights of appeal in case of unfair dismissal do not exceed nine months' salary. This situation has particularly established higher job insecurity.<sup>19</sup>

Generally, the government enforced applicable labour laws in the formal sector, but it is often ineffective.<sup>20</sup> It is also worth mentioning that a large majority of the workforce operates in the informal economy that most often loopholes in labour and business regulations (see more in Informal Economy sub-section).

### **Ratified ILO Conventions**

International principles and rights at work are enumerated in the International Labour Organisation's (ILO) conventions. Benin ratified 32 conventions: 27 of them are in force, three denounced, and two instruments abrogated. The latest ratified convention was the Social Security Convention (C102) from June 2019, and amendments to the Maritime Labour Convention (MLC, 2006) were in force per December 2020.

The list in Appendix Table 26 shows that eight fundamental conventions are the most important conventions that cover four fundamental principles and rights at work. Benin has ratified all of them.

ILO has four designated Governance Conventions that are central to build national institutions and capacities to promote employment. These conventions support a wellregulated and well-functioning labour market. The country has ratified two of them, leaving out Labour Inspection (Agriculture) Convention (C129) and Employment Policy Convention (C122), so far.

ILO has 178 Technical Conventions, out of which 73 are "Up-To-Date" and actively promoted. An Up-To-Date Convention is ready for ratification by the Member States or examined by the ILO Governing Body and deemed still relevant.<sup>21</sup> Benin has ratified 22 Technical Conventions, and 12 are Up-To-Date and actively promoted (see more in Appendix Table 26).

The independent ILO body, known as the Committee of Experts on the Application of Conventions and Recommendations (CEACR), comprises 20 legal experts at the national and international level. CEACR examines the application of ILO conventions and recommendations by ILO member states. In 2019, CEACR forwarded a series of observations and direct requests to central conventions for Benin. For example, CEACR, on numerous occasions, insisted the government bring a specific legislative section of the Labour Code into conformity with the Freedom of Association and Protection of the Right to Organise Convention (C087). The committee argued this code needs to amend, which requires trade unions to deposit their by-laws with numerous authorities, particularly the Ministry of the Interior, to obtain legal status. The government reiterates that they considered the committee's recommendations in the most recent version of the ongoing draft revised Labour Code.

The CEACR urged Benin's government to take the necessary measures to amend the provisions concerning Act No. 2001-09 on the exercise of the right to strike, as amended by Act No. 2018-34, and to ensure that they give full effect to the provisions of the Freedom of Association and Protection of the Right to Organise Convention (C087). These observations were particularly related to four aspects. First, although States may restrict or prohibit the right to strike of public servants when they are not exercising authority in the name of the State, they should benefit from the right to strike without being liable to sanctions, except in the case that the maintenance of a minimum service may be envisaged. Second, stoppage of work, which could cause serious damage to peace, security, justice, the health of the population or the public finances, could be requisitioned in the event of a strike. However, it is desirable to limit requisitioning powers to cases where the right to strike may be limited or even prohibited. Third, it is desirable to limit requisitioning powers to cases where the right to strike may be limited. Forth, new strikes may not exceed ten days in any one year, seven days in a six-month period, and two days in the same month. CEACR considered workers and their organisations to call a strike for an indefinite period if they so wish. Fifth, sympathy strikes are now prohibited, which the Committee argued could lead to abuse.<sup>22</sup>

Organised employers and workers are represented in many essential forums, including the International Labour Conference (ILC) and ILO's complaints procedures.

### **Trade Agreements**

Trade agreements regulate international trade between two or more nations. It may cover all imports and exports, specific categories of goods, or a single type. A trade agreement is an opportunity to open another part of the world to domestic producers. Generally, trade agreements, including labour provisions, are on the rise and becoming progressively more accepted. A broader study of labour clauses in regional trade agreements and effects on labour conditions revealed that no evidence for the pro-labour-conditions effects of labour clauses in Regional Trade Agreements (RTAs).<sup>23</sup>

In Benin, private sector organisations are consulted on an ad-hoc basis on the formulation of trade policy but there is still no permanent arrangement for consultations between the state and the private sector.<sup>24</sup>

Benin has been a member of the World Trade Organisation (WTO) since February 1996. The latest review of the trade policies and practices of Benin took place in October 2017.<sup>25</sup> Currently, one dispute case as a third-party involving Benin.<sup>26</sup> The Agreement on Subsidies and Countervailing Measures (SCM Agreement) addresses two separates but closely related topics: multilateral disciplines regulating the provision of subsidies and the use of countervailing measures to offset the injury caused by subsidised imports. As of October 2020, Benin submitted one-time notifications of having no authority competent to conduct countervailing investigations, having never taken countervailing actions, and not anticipating taking any such measures for the foreseeable future.<sup>27</sup> Some argue that since WTO rules prohibit the export subsidies granted by Export Processing Zones, these zones will eventually be phased out. Nevertheless, EPZs are continuing to expand throughout the world and will continue to exist. In this regard, Article 27 of the SCM Agreement excludes the least developed countries (LDCs) from the prohibition on export subsidies, understood as those WTO members that fall within the United Nations definition of LDCs, including Benin.28

The Cotonou Agreement set the European Union (EU) relations framework with African, Caribbean, and Pacific (ACP) countries. It is the most comprehensive partnership agreement between developing countries and the EU, covering the EU's relations with 79 countries, involving 48 countries from sub-Saharan Africa, including Benin. The Cotonou Agreement aims to reduce and eventually eradicate poverty and contribute to the gradual integration of the ACP countries into the world economy. It is based on three pillars: development cooperation,

economic and trade cooperation, and political dimension. The agreement reaffirms commitment to ILO's fundamental conventions and collaboration on various labour and social issues. Application to the Cotonou Agreement's extended to December 2020, and negotiation on the future deal are in progress. The negotiations work towards a substantially revised agreement with a common foundation at the ACP level combined with three regional tailored partnerships for Africa, the Caribbean, and the Pacific. This deal expects to cover priority areas such as democracy and human rights, economic growth and investment, climate change, poverty eradication, peace and security, and migration and mobility.<sup>29</sup> Benin is furthermore beneficiary to EU's Generalized System of Preferences (GSP) in the Everything but Arms (EBA) scheme where all imports to the EU from the LDCs are duty-free and quota-free, except for armaments.

The U.S. and the West African Economic and Monetary Union (UEMOA), which includes Benin, signed a Trade and Investment Framework Agreement (TIFA) in 2002. The country was eligible for the U.S. African Growth and Opportunity Act (AGOA) in 2020 and qualified for textile and apparel benefits. Benin was the U.S.' 177<sup>th</sup> largest supplier of goods imports in 2019.<sup>30</sup>

Benin signed several other bilateral trade agreements to promote and protect investments with China, Germany, Greece, France, Portugal, Switzerland, and Tunisia.

Benin is part of the Economic Community of the West African States (ECOWAS). The treaty from 1993, revised in 2005, contains labour provisions with cooperation regarding harmonisation of labour law and social security and the consultation of the social partners.<sup>31</sup> A new National Qualifications Framework (NQF) is in progress in line with ECOWAS's regional criteria to increase cross-border transparency in facilitating orderly and responsible migration and mobility. ECOWAS promotes a tripartite forum on social dialogue.

Benin is also a member of the West African Economic and Monetary Union (WAEMU), which establishes a common currency and a customs union between several ECOWAS countries. Apart from affirming that migrant workers of the member states can enjoy equal benefits as nationals, the WAEMU treaty did not include labour matters.<sup>32</sup> In addition, Benin signed as a member of the Community of Sahel-Saharan States (CEN-SAD), founded in 1998 as a framework for African integration in the Sahel region.<sup>33</sup> Forty-four African countries recently signed a framework protocol for the African Continental Free Trade Area (AfCFTA), included Benin in July 2019. Trading started in July 2020 to give member states time to adopt the pact's framework for trade in goods and services, intellectual property rights, investment, and competition. The free trade area can only affect when all protocols are finalised and ratified by at least 22 countries. The framework states that participating countries will need to remove tariffs on 90% of goods they produce by 2022 and eliminate non-tariff barriers to trade, such as long customs delays at the borders, import quotas, subsidies, and regulatory bottlenecks, among others.<sup>34</sup>

Benin is a member of the Organisation for the Harmonisation of African Business Law's (French acronym: OHADA), Common Court of Justice and Arbitration (CCJA), and the International Centre for the Settlement of Investment Disputes (ICSID). Investors may include arbitration provisions in their contracts to avoid prolonged entanglements in the Beninese courts.

## **SOCIAL PARTNERS**

Social partners are central to promote the realisation of core labour rights and social justice for workers by protecting freedom of association and collective bargaining in bi- and tripartite functions. These partners usually represent government institutions, trade unions, and employers' organisations.

### Government

Benin's government operates with 24 ministries. The central government institutions involved in labour-related issues are summarised below.

Ministry of Labour and Public Service (MLPS) manages the policy in the fields of labour, public service, and administration. The ministry designs, controls, and monitors labour legislation aiming at job promotion. Concerning the public services, MLPS promotes civil servants' recruitment policy and continuously adapts the public service profile to the demands of progress and modernisation. In terms of administration and institutional reform, the ministry focused on stimulating and coordinating reform projects contributing to a public development administration, collaborating with the structures concerned, not to mention the development of standards, procedures, and performance standards for public services.<sup>35</sup> The ministry follows the Revealing Benin Action Programme for 2016-2021. General Inspection of Public Services and Jobs (GIPSJ) placed under the Minister of Labour, Civil Service and Social Affairs authority. It reports on its activities to the Minister and the Presidency of the Republic. The inspectorate is a body with transversal and sectoral competence.

The Ministry of Social Affairs and Micro-finance has five departments concerning social affairs: General Directorate of Social Affairs (GDSA), Directorate of Family, Childhood and Adolescence (DFCA), Directorate for the Promotion of Social Affairs of Women and Gender (DPSAWG), Directorate of Social Affairs (DSA), and Directorate for Persons with Disabilities and Older People (DPDOP).<sup>36</sup>

The Ministry of Small and Medium Enterprises and Employment Promotion was established in 2017. This ministry is responsible for defining, monitoring the implementation, and evaluating the general policy to promote small and medium enterprises and employment. The ministry operates with programmes that promote the business creation process and entrepreneurship incentives, among others.<sup>37</sup>

The Ministry of Health's mission is to design and implement the state policy in health linked to the laws and regulations in force. The ministry promotes based on public and private initiatives, individual and collective, to offer permanent care.

The three education ministries (primary, secondary, and tertiary level) are central actors to promote education and training that prepare the youth to enter the labour market.

### Trade unions

The Labour Law protects workers' rights to form and join independent unions. It excepts certain civil servants and public employees. The bill sets that a trade union federation must make up of at least five enterprise-level trade unions in the same sector. Furthermore, the law requires that a trade union confederation be composed of at least three trade union federations of different industries or branches of activities. Only trade union confederations may have affiliation at a national or international level. The law has unclear rules about either denying or approving a trade union.<sup>38</sup> Unionism is primarily an urban phenomenon in Benin.

Trade union confederations and trade union centres are active in social dialogue institutions. However, this role

gradually weakened during the 2010s. The trade union movement promoted joint strategies to regain social gains, included collaboration and participation in the National Charter of Social Dialogue. This development improved slightly on the margin in recent years (see more in Social Dialogue section).

At the beginning of the 2010s, around 75% of employees in the formal sector belonged to a trade union, but this employment segment represented just 10% of employment (see Figure 3 ahead).<sup>39</sup> Unionism's milieu changed due to the liberalisation of the economy, including privatising public companies, such as National Agricultural Promotion Corporation, Agricultural Input Purchasing Centre, National Food Security Support Office, and National Board Stabilise and Support Farm Income Prices.<sup>40</sup> Law No. 2017-05 introduced the workers' contractual conditions by applying fixed-term employment contracts, with easy dismissal to attract private investment. These shifts are challenging unionism in the public sector. Besides, the private sector is dominated by micro or small enterprises that most often operate in the informal economy with a lack of awareness or incentives to comply with the labour and business regulations, not to mention with a low scope to organise workers at the firm-level.

An impact of economic deregulation is reflected in trade unions membership rates. For example, the Union Nationale des Syndicats des Travailleurs du Bénin (UNSTB) experienced a membership rate growth of 10% from 2012 to 2020. The membership rate peaked in 2017. This rate fell by -2.9% from 2017 to 2019 in the aftermath of the more flexible contractual conditions introduced in 2017. Affiliation rebounded in 2020, reaching just 0.4% below the 2017-level despite the COVID-19 economic impact. It is worthwhile to mention that UNSTB's members from the formal sector fell by 56% from 2012 to 2020. Instead, affiliated organised workers from the informal economy increased by 145% in the same period: around three out of four (73%) members were from the informal economy in 2020 while it was down to 33% share in 2012 (see more ahead).

Around 535,000 workers affiliated in trade unions in 2019. Data suggested that the membership growth was meagre during the 2010s (Table 3 and Table 4). The trade union density of employment dropped by approximately four percentage points during the 2010s, landed at 11% in 2019 but stayed relatively high compared to other Western Africa countries.<sup>41</sup> Part of this declining trade union density is not only an impact of

the privatisation policy but also due to the fast-growing workforce.

Table 3: Status of unionism in Benin, 2019/2020

Themes	Values
Number of trade union confederation/centre	8
Number of trade unions (UNSTB, CSA, and CSTB)	382
Total members of trade unions	534,914 *
Membership growth, 2012-2019	5.2 % **
Trade union density of employment	11 %
Women member share of trade unions (UNSTB)	54 %
Informal members (UNSTB)	73 %

\* There are some reservations: data lack from CSEB, as well as somewhat outdated data from CSTB and CSUB (see also Table 4).

\*\* Aggregated data from UNSTB, CGTB, CSA, CSPIB, and COSI. Source: ITUC; UNSTB; and calculations of the membership growth and trade union density based on data from ILO's KILM.

An overview of the eight trade union confederations status is available below and Table 4:

Table 4: Membership in Trade Union Centres in Benin, 2019

Trade union centres	Members	Growth 2012-2019
UNSTB	84,203 *	10%
CGTB	90,751	-18%
CSA-Benin	55,459	-8%
CSPIB	10,875	-78%
CSTB	150,000 **	-
COSI	129,470	142%
CSUB	24,000 **	-
CSEB	-	-
Total	542,633	-

\* Year: 2020. \*\* Data from the beginning of the 2010s. Source: ITUC; UNSTB; and DTDA research.

- Confédération des Syndicats des Travailleurs Benin (CSTB) represented 150 unions with around 150,000 members in the beginning of the 2010s.<sup>42</sup>
- Confédération Générale des Travailleurs du Bénin (CGTB) represented eight unions with around 91,000 members in 2019.<sup>43</sup> This organisation was established in 1991 and it is affiliated to the International Trade Union Confederation (ITUC).
- Confédération des Syndicats Autonomes du Bénin (CSA) has at least 55,000 members in 2019 with a base of around 175 unions.<sup>44</sup> The organisation is affiliated to ITUC.
- Union Nationale des Syndicats des Travailleurs du Bénin (UNSTB) has 57 unions representing 84,203 members in 2020. The membership rate was slightly dominated by women, with 54% of the total membership. Women's membership share is more

present among the affiliated organised workers from the informal economy (64%), while there are fewer among formal members (35%).<sup>45</sup> Currently, thirteen affiliated unions operate with organised workers from the informal economy dominated by Syndicat National Unifié des Vendeuses Assimilés des Marchés du Bénin (SYNAUVEMAB) and Syndicat National pour la Promotion des Conducteurs de Taxi-moto dit ZEMIDJAN du Bénin (SYNAPROZEB). Women in leadership positions and decision-making bodies reached 37% in 2020. Besides, the number of youth members (below 30 years of age) in leadership positions and decision-making bodies was at least 60% in 2020. The organisation is affiliated to ITUC.

- Confédération des Organisations Syndicales Indépendantes du Bénin (COSI) has experienced a massive influx of members during the 2010s, reaching around 129,000 members in 2019. The organisation is affiliated to ITUC.
- Centrale de Syndicats du Privé et de l'Informel du Bénin (CSPIB) experienced a downturn in its membership during the 2010s, plummeted close to 11,000 members.
- Centrale des Syndicats Unis du Bénin (CSUB) has around 24,000 members.
- Confédération des Sindicats Engagés du Bénin (CSEB) hosts 30 trade unions and three federations.

### **Employers' Organisations**

In 2020, employers constituted around 1.3% of Benin's total employment, lower than the Western Africa average, at 2.9% (see more in Figure 3 ahead).

The Global Competitiveness Index provides employers' view of a wide range of aspects, including labour market efficiency. The latter is elaborated upon surveys among employers in Benin and statistical data. The labour market efficiency index ranked the country at 104 out of 141 countries (1<sup>st</sup> is the best). This index's indicators with the lowest ranking were the ratio of wage and salaried female workers to male workers (125), active labour market policies (124), redundancy costs (139), and pay and productivity (108). The highest scorings were in hiring and firing practices (14), ease of hiring foreign labour (16), and internal labour mobility (16). It is worthwhile to mention that cooperation in labour-employer relation ranking at the medium level (63) (see more details in Table 5).

Table 5:	Labour	market	efficiency	in	Benin.	2019
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Indicator	Rank
Total	104
Redundancy costs (weeks of salary) **	40
Hiring and firing practices *	14
Cooperation in labour-employer relations *	63
Flexibility of wage determination *	23
Active labour market policies *	124
Worker's rights *	86
Ease of hiring foreign labour *	16
Internal labour mobility *	16
Reliance on professional management *	84
Pay and productivity *	108
Ratio of wage and salaried female workers to male workers **	125
Labour tax rate **	113

\* Survey data. \*\* Statistical data. Note: Rank from 1 to 141 (1 is highest).

Source: World Economic Forum, The Global Competitiveness Report, 2019

Organising employers is functioning in Benin, and the status of the central organisations involved in the social dialogue are summarised below.

### **National Council of Employers**

The National Council of Employers (CNP-Bénin) was established in 1984. It is a federation gathering various industry and employers' organisations. Its mission is to enhance entrepreneurial activity development and promote healthy and balanced relationships with social partners. They are dedicated to improving the business environment as well as monitoring economic and social policies. The council supported the application of the Corporate Social Responsibility (CSR) framework through several workshops.

CNP-Bénin is recognised to participate in various bi- and tripartite institutions in the social dialogue framework. They are also a member of the International Organisation of Employers (IOE).

CNP-Bénin was excluded from the 2018 Finance Act process.<sup>46</sup> And, in recent years, the Executive Board of CNP-Bénin focused on lobbying activities and promoted personalities in the private sector to give the organisation more visibility and reinvigoration to strengthen the business environment's activities in social dialogue.

### **Benin's National Confederation of Employers**

The Confédération Nationale des Employeurs du Bénin (CONEB) represents employers' voice from affiliated members' companies and aim to generate employment in the country. The organisation monitors the country's economic and social policies, participates in social dialogue with public authorities and organised workers, supports a conductive social dialogue atmosphere, strengthens entrepreneurship, disseminates studies, and implements training programmes. CONEP defends and safeguards the interests of its members in all fields. However, the area of salaries is the responsibility of the companies themselves and their professional organisations.

CONEB provides advice to the General Assembly. The organisation also participates in discussing and signing tripartite agreements for all the professions concerned, just as in settlement of conflicts through arbitration, mediation and conciliation administered by an Arbitration Court. CONEP is affiliated with the Federation of Employers' Organizations of West Africa and the IOE.

### Additional Employers' Organisations

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

## **SOCIAL DIALOGUE**

Social dialogue encompasses all types of negotiation, consultation, or exchange of information between, or among, representatives of social partners on common interest issues relating to economic and social policy. It can be informal or institutionalised, and often it is a combination of the two. It can take place at the national, regional or enterprise level.<sup>47</sup>

Benin ratified ILO's Tripartite Consultation Convention (C144) back in 2001.<sup>48</sup> The Collective Bargaining Convention (C154) is not yet ratified (revisit Appendix Table 26). The Labour Code encapsulates workers' rights to bargain collectively. Collective bargaining agreements are negotiated within a joint committee, including representatives of one or several unions and/or representatives of one or several employers' organisations (see ahead). The minister of labour has the authority to determine what trade unions may represent in the negotiation at the enterprise level, not to mention the power to extend the scope of coverage of a collective agreement.

The legal framework on the rights to collective bargaining has some flaws concerning international standards such as previous authorisation or approval required to bargain collectively; excessive requirements in respect to trade unions' representativity or a minimum number of members needed to bargaining collectively; absence of recourse to an independent body responsible for declaring whether an organisation may negotiate or not; and compulsory conciliation and/or binding arbitration procedure in the event of disputes during collective bargaining, other than in essential services.<sup>49</sup>

During the 2010s, the government initiated to privatise several key sectors. These changes triggered political turmoil leading to subsequent and multi-sectoral strike actions. To improve the social dialogue environment, the government, employers' organisations, and six trade union centres signed a National Charter of Social Dialogue in August 2016. This charter aimed at promoting collective bargaining among stakeholders to restore the labour market's ambience. The parties initiated several measures, but social dialogue remains fragile. The trade union movement raised concerns regarding controversial law reforms in 2017/2018 that weakens hiring and dismissal practices along with limited the right to strike. It further thwarted the social dialogue ambience.

Institutionalised social dialogue is implemented through several bodies but by challenging coordination. Part of this involves that social dialogue remains emergent. To some extent, a more extended period of being unable to prevent or resolve crises led the approval of the controversial labour law reforms. Nevertheless, other social dialogue types are active, for example, to tackle child labour in Benin.<sup>50</sup>

Collective Bargaining Agreements (CBAs) are not allowed to establish conditions less favourable than those of the Labour Code, signing in the private sector for a determined (up to 5 years) or undetermined period. One inter-professional General Collective Labour Agreement from 2005 was registered, applicable to companies in the private and para-public sectors. Other sectoral or branch collective agreements are listed. Some of them were back from 1998/1999. The latest registered CBAs were from 2015, covering four enterprise CBAs (see more in Appendix Table 27). These agreements generally were respected in the formal sector. There is no official up-to-date list of collective agreements in force and the workers' scope. Other data suggested the workers' CBA coverage of 11,000 workers, excluding the General Collective Labour Agreement (Table 6 and

Appendix Table 27). The Benin Wage Survey from 2012 measured the workers' CBAs covered at 10%.<sup>51</sup> This latter survey also suggested that the more highly educated employed were more likely to be covered by these agreements, whereas those working for small private firms were less likely to be covered.

### Table 6: Status of Collective Bargaining Agreements in Benin

Number of CBAs	23 *
Workers covered by CBAs	11,000 **
Share of CBA coverage to employees	10 %

\* A total of one Inter-professional Collective Conventions, four Sectoral CBAs and 18 Enterprise CBAs were registered.

\*\* Estimations, excluding inter-professional CBA.

Source: WageIndicator.org, Collective Agreements, Benin; WageIndicator.org, Country Profile, Benin, 2015.

Another study of Benin's CBAs found wage clauses, out of which most with sickness, disability, and health/medical assistance; three out of four with employer contributions to the pension fund; half with wages tied to skills; few with employers' contributions to disability fund; and none to employer contributions to the unemployment fund. All Benin's CBAs also have standard working hours clauses: most with paid leave and workfamily arrangement, while paid maternity covered half of them, and few with childcare clause.<sup>52</sup>

The widespread informal economy and dominance of micro-enterprises in the private sector continue challenging collective action's effectiveness under the scope of institutionalised tripartite social dialogue.

### **Central tripartite institutions**

Numerous consultation bodies are set to promote collective bargaining, namely the sectoral committees for social dialogue at the ministries; Public Service Joint Advisory Committee; Standing National Commission for Consultation and Collective Bargaining Government–Trade Union Federations/Confederations; National Labour Council (NLC); and National Occupational Safety and Health Commission (NOSHC). Although these institutions are functioning, they are considered ineffective and under threat. For example, although the four yearly sessions set in the Labour Code for the NLC and NOSHC, these do not regularly occur. In addition, the government proposed to dismantle the Economic and Social Council, but it ended non-approved.<sup>53</sup> Status of the central institutions is summarised below.

### **National Labour Council**

The National Labour Council (NLC) comprises an equal number of members from the most representative trade

unions, employers' organisations, and experts appointed by the Minister of Labour. The council's mission is to investigate labour issues and serve as an adviser for labour legislation and minimum wages.

NLC provides inputs to the Minister of Labour's report used by fixing the Guaranteed Minimum Wage (SMIG) and approved by Decree of the Council of Ministers. Even though implementing some council sessions in recent years, the latest minimum wage was set back in 2014. A renewed SMIG was stalled as an impact of a deteriorating of the social dialogue.

### National Council for Social Dialogue

The National Council for Social Dialogue (NCSD) was established in 2016. In June 2017, the governmentappointed its members. The council was intended to replace the National Permanent Commission for Consultation and Collective Bargaining (NPCCC), but it failed. These two organs coexist and functioning. NCSD operates on general social dialogue as a tripartite body made up of ten government representatives, ten workers' employer representatives, and ten representatives. CNDS regularly holds its yearly two sessions following the regulations, including five additional sessions in 2020, while the sister commission, NPCCC, does not always reach to realise all sessions (see below).

In 2020, the CNDS commissioned a study relating to all the social dialogue bodies existing in Benin compared with the sub-region countries to analyse the prospects for unifying or merging the social dialogue bodies.

## The National Permanent Commission for Consultation and Collective Bargaining

The government created the National Permanent Commission for Consultations and Collective Bargaining (NPCCC) in 2009 to facilitate collective bargaining and enhance social dialogue. This commission is a bipartite body made up only of government representatives and workers' representatives to negotiate on state agents' claims as a priority. 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. In 2019, the commission held sessions concerning pending union demands and discussing workers' claims and proposing solutions.<sup>54</sup> However, the trade union movement considered that the sessions have become more formal than result oriented.

### 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 ProfessionnelleContinue et de l'Apprentissage.
- Comité de gestion de NEPAD-DSRP.
- L'Agenced d'Exécution des Travaux Urbains.
- L'Association Nationale des Communes du Bénin.
- Le Centre de Promotion et d'Encadrement des Petites et Moyennes Entreprises.
- Le Centre du Perfectionnement du Personnel des Entreprises.
- Le Fonds de Solidarité Nationale pour l'Emploi.
- L'Institut de Formation Sociale et Civique.
- L'Association de la Dimension Sociale du Développement.
- Le Centre de Promotion des Investissements.
- Le Comité National de luttecontre le Sida.

### **Dispute settlement**

The Labour Court arbitrates on individual labour matters and disputes. It comprises at least one presiding magistrate, a clerk and two judges from the workers' and employers' organisations. 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 disputes during collective bargaining in all sectors.

The National Assembly passed legislation in 2018 abolishing the right to strike for workers in the security, health, and justice sectors. The move spurred a general strike by the National Union of Magistrates, paralysing the administration of justice. In January 2018, the Constitutional Court struck down these provisions stating that the right to strike is a constitutional right that should protect. Based on its decision, the court urged the National Assembly to regulate the right to strike instead of banning it. In June 2018, the court reversed its previous ruling on the right to strike for government workers in the defence, security, health, and justice sectors, giving as justification the greater societal good of providing that essential state functions performed without interruption.<sup>55</sup>

## TRADE UNION RIGHTS VIOLATIONS

Benin ranked 4 out of 5+ (5+ is worst) in the Global Rights Index 2020. This ranking links to systematic violation of workers' rights: the government and/or companies engage in serious efforts to crush workers' collective voice, putting fundamental rights under threat.<sup>56</sup>

The International Trade Union Confederation (ITUC) registered two cases of trade union rights violation in 2017 and 2018. The first case related to two trade union leaders detained and banned student union activities. The second case concerned Benin's Constitutional Court refused the right to strike in the justice and health sectors.<sup>57</sup> The latter case connected to the government's attempt to liberalise the economy further. The country was hit hard by a wave of public sector strikes in 2019, which brought the education, health, and justice system to a near halt.

The government does not effectively enforce the labour law, including the provisions on antiunion discrimination and reinstatement. Reports argued that employers threatened individuals with dismissal for union activity. No violations related to collective bargaining rights were listed.<sup>58</sup>

Benin is ranked 66 out of 167 countries on the Global Slavery Index.<sup>59</sup> 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. In Benin, the most vulnerable groups are women and children trafficked internally or abroad for sexual exploitation, domestic work, or forced labour; some women and children trafficked from rural areas to the cities, other children trafficked into countries in the region. The index's values should be interpreted with some reservations.<sup>60</sup>

In Benin, forced labour occurred, including domestic servitude and bonded labour by children, mainly in the primary sector (e.g., cotton and palm oil), artisanal mining, quarrying, fishing, commercial, and construction sectors. Many traffickers were relatives or acquaintances of their victims, exploiting the traditional system of vidomegon whereby a child, usually a daughter, is sent to live as a servant with a wealthier family.<sup>61</sup>

Regarding the freedom of association cases registered by ILO, the latest was from 2014. All nine reported cases were closed.

## WORKING CONDITIONS

The Council of Ministers sets the only minimum wage, approved by law, and used as a reference in all categories. Government bodies, the CNP-Benin, and trade union federations should be involved in the minimum wage settings and compliance procedures. According to the General Labour Collective Agreement, no salary can be less than the Guaranteed Minimum Wage (SMIG). Employers in Benin who fail to pay the Minimum Wage may be subject to punishment by the government. Compliance with minimum wage rates ensures through the labour inspection system that has the task of implementing laws and its regulations (see more ahead).

There was only one increase in the minimum wage in the 2010s: the latest guaranteed minimum wage changed from 31,625 CFA franc (US\$64) per month from 2006-2013 to 40,000 CFA franc (US\$68) in April 2014 to current, a hike of 26% that was in line with the aggregate inflation rate in consumer prices from 2006 to 2013 (Table 7). The government has, so far, not announced the next revision of minimum wage.

### Table 7: Status of wages in Benin, monthly

	Current West African CFA Franc	Current US\$	
Minimum wage (2014-current)	40,000	64	
Typically earning (2020)	340,000	580	
Real minimum wage growth, yearly on average from 2006-2013 to 2014-current	0 %		

\* Real minimum wage is the aggregated nominal minimum wage deducted inflation in consumer prices.

Source: WageIndicator.org; SalaryExplorer.org; and own calculation on real minimum wage growth.

The guaranteed minimum wage is roughly three times higher than the monetary poverty line, estimated at 10,070 CFA franc (US\$20) per month/person.<sup>62</sup> Foreign workers are not covered by the minimum wage. The scope of the minimum wage coverage hindered by the widespread informal economy dominated by selfemployed workers, haunted by often lack of awareness or incentives to comply with the labour and business regulations. This situation further stymied the poverty reduction initiatives.

Most workers in the formal sector earned more than the minimum wage. The average monthly earnings were estimated at 340,000 CFA franc (US\$580) in 2020, including housing, transport, and other benefits. Salaries vary between different careers. Workers with a

certificate or diploma earn on average 17% more than their peers who reached the high school level. Employees who earned a bachelor's degree make 24% more than those who just attained a certificate or diploma.<sup>63</sup> Generally, domestic workers and other labourers in the informal economy earned less than the minimum wage. Equally important, the gender wage gap is greater than  $40\%.^{64}$ 

The criticised reforms of the labour regulations in recent years caused job insecurities. Employers have the option of dismissing the worker arbitrarily. The rights of appeal in case of unfair dismissal do not exceed nine months' salary. The Ministry of Labour and Civil Service and the Ministry of Social Affairs and Microcredit were responsible for enforcing the minimum wage, workweek, and OSH standards. These authorities do not effectively enforce these standards in practice.<sup>65</sup>

The labour inspection system generally enforced legal limits on workweeks in the formal sector. Much of the workforce was voided since they operate in the informal economy (see more in Informal Economy sub-section). Violations of OSH standards mainly occur in the informal economy, for example, hairdressing, dressmaking, baking, mechanics, and carpentry, where workers faced biological, chemical, physical, and psychological risks.<sup>66</sup> The authorities had around 97 inspectors in 2017: one labour inspector per 48,000 employed (one per 5,600 employees). The ILO recommends one inspector per 40,000 workers in less developed countries and 1 per 20,000 workers in transition economies.<sup>67</sup> These inspectors' material and financial resources were limited, which affects the necessary conducted activities entirely.68

The regular working hours are 40 hours a week and eight hours per day, as specified in Law No. 2017-05. However, in agricultural establishments, the regular yearly work hours are 2,400 hours (46 hours a week). An employee is entitled to 15 days' vacation each year. There are no restrictions on overtime work. Other central working conditions regulations in Benin is available in Table 8 below.

Table 8: Status of Working Co	onditions in Benin
-------------------------------	--------------------

Fixed-term contracts prohibited for permanent tasks	No
Maximum length of a single fixed-term contract (months)	No limit
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 days

Minimum length of maternity leave				
Recieve 100% of wages on maternity leave				
Five fully paid days of sick leave a year				
Unemployment protection after one year of employment	No			

Source: World Bank, Doing Business, Labor Market Regulation in Benin

### WORKFORCE

Benin's population approximated 12.8 million people in 2020, growing briskly but slowly decelerated from 3.2% in 1990 to 2.7% today. The fertility rate (births per women) fell from 6.7 to 4.8 in the same period. The life expectancy rate increased significantly from 54 years to 62. Thus, the demographic landscape is slowly changing. Currently, two-thirds (66%) of the population is below 25 years old; 52% of the population is in the working-age (15-64) (see more in Figure 2).

Figure 2: Population pyramid based on the age-sex structure of the population in Benin



Source: CIA, The World Factbook, Benin.

The latest national labour survey data from 2011 showed that the employment-to-population ratio dropped from 77% in 2007 to 71% in 2011 and the youth segment from 49% to 41%.<sup>69</sup> Projections suggested it stood at 70% and for youth at 40% in 2020. The total employment-to-population ratio gender gap is present, favouring men. In contrast, this ratio reverted among youth, backing women with a seven-percentage point gender gap, linked to the relatively higher school enrolment rates for men (see more in Education section). Benin's employment-to-population ratios appeared more elevated than the Western Africa averages (see more details Table 9).

Sex	Age		Benin	Western Africa
Total	Total	15+	70 %	55 %
Total	Youth	15-24	40 %	33 %
Men	Total	15+	72 %	61 %
/wien	Youth	15-24	37 %	37 %
Women	Total	15+	68 %	49 %
vvomen	Youth	15-24	44 %	30 %

 Table 9: Estimations of employment-to-population ratio in

 Benin and Western Africa, age and sex distribution, 2020

Source: ILO, Key Indicators of the Labour Market (KILM).

Figure 3 below suggests that Benin did not experience structural changes in employment status during the 2010s. Close to three out of four (72%) of Beninese workers link own-account workers (self-employment and not engaged as 'employees' continuously). Contributing family workers (self-employment in an establishment operated by a related person) is the second-highest segment at around 15% of employment (Figure 3).<sup>70</sup> These two groups are situated in 'vulnerable employment', which characterises inadequate earnings, low productivity, and difficult work conditions that undermine workers' fundamental rights.<sup>71</sup>

Employees (workers who get a basic remuneration) are often more present in the formal sector with more access to capital, finance, and training. This group represented around one out of ten workers (11%), significantly lower than Western Africa average at 20% and even much lower than the world average at 54%. Besides, employers represent a tiny group of around 1% of the total employment in the country.





Source: ILO, Key Indicators of the Labour Market (KILM).

Benin's labour productivity grew slowly during the last decade at the same pace as Western Africa average

but stayed with a significant gap to the region. It remained an even profound gap to the world average (see details in Figure 4). What keeps this relatively low labour productivity in Benin is connected to work opportunities mainly from subsistence agriculture or unskilled activities in the service sector, a typical phenomenon in many sub-Saharan African countries. Benin's industrialisation has been meagre, stalled more productive jobs, as well as the educational system fails to do enough to endow workers' skills demanded by the formal sector.

Figure 4: Projections of labour productivity trend, 2010-2021



Note: Labour productivity is measured in output per worker (GDP constant 2010 US\$).

Source: ILO, Key Indicators of the Labour Market (KILM).

Few big private firms or medium-sized enterprises are formal; the large majority functions as micro-enterprises in the informal economy.<sup>72</sup> Data of Benin's firms suggest 98% as individual entrepreneurs.73 In the framework of the long-term strategic vision to 2025 (Vision Bénin Alafia 2025), the government adopted the Action Programme (for 2016-2021) and the National Development Plan (for 2018–2025) promoting self-employment and entrepreneurship. Competitiveness and small enterprises feature strongly in this vision. Based on the World Bank's Enterprise Surveys, Benin has one of the highest shares of small-scale industries with a loan or line of credit in manufacturing.<sup>74</sup> Moreover, the Ministry of Small and Medium Enterprises and Employment Promotion targets SMEs and promotes employment to support the private sector. Law for the promotion and development of MSMEs aims to create a legal, institutional, and financial framework conducive to the development of entrepreneurship and establish a specific state aid scheme for companies to consider their specificity and vulnerability to be a regional and international competitor.75

### **Unemployment and Underemployment**

The latest national Integrated Modular Survey on Household Living Conditions from 2011 (French acronym: EMICoV 2011) measured the unemployment rate at 2.7% in 2011. This survey also revealed that unemployment was mainly in urban areas, and it was on an upsurge. This trend associated the growing urbanisation and transition from an increasing enrolment rate on higher education levels that seek formal jobs in urban zones. Projections of the unemployment rate stayed low at 2.0% in 2020. Benin's unemployment rates have minor gender gaps, not to mention holding much lower rates at all levels compared to Western Africa averages (Table 10 and Figure 5).

#### Table 10: Unemployment rate by sex and age, %, 2020

Туре	Gender	Benin	Western
Type	Centrel	Denni	Africa
	Total	2.0 %	6.0 %
Unemployment	Men	2.0 %	5.5 %
	Women	2.1 %	6.5 %
V. d.	Total	3.9 %	9.8 %
Youth Unemployment	Men	3.6 %	8.6 %
onemployment	Women	4.1 %	11 %
Underemployment *	Total	31 %	-
(2010)	Men	24 %	-
(2010)	Women	37 %	-
* Ratio of the number of w	orking people wo	orking involu	ntarily less than

35 hours per week to the total employed.

Note: unemployment rates based on ILO modelled estimates.

Source: Institut National de la Statistique et de l'Analyse Economique, Les indicateurs de EMICOV Suivi 2010 and <u>ILO</u>, Key Indicators of the Labour Market (KILM).

Figure 5: Unemployment trend in Benin and Western Africa, %, 2010-2021



Unemployment is spread out among all education levels, but especially among less-than-basic and intermediate levels (see more details in Table 11).

Table 11: Unemployment by education in Benin, (	%	of
employment distribution, age 15+, 2011		

	Less than basic	Basic	Intermediate	Advanced
Total	31 %	20 %	33 %	16 %
Men	19 %	18 %	38 %	25 %
Women	41 %	21 %	29 %	8.6 %

Source: ILO, Key Indicators of the Labour Market (KILM).

Although the economic slump in 2020, Benin's unemployment rate was not projected to rise extremely fast as many other more developed countries demonstrated. A central issue is that relatively few workers benefit from social protection and a majority forced to generate some causal activities, even by lower hours, to survive. Another key point is that unemployment is statistically part of the employed population, excluding persons outside the workforce (economically inactive). In Benin, around 29% of the working-age population was projected as inactive persons. It challenges the actual scope of the relatively low unemployment rate and supports relatively low labour productivity. It also suggests that the unemployment rate is underestimating somewhat the depth of Benin's SDG target concerning to achieve full and productive employment decent work (see more in SDG table, Indicator 8.5.2, Page iv).

Almost one out of three (31%) Beninese' workers were in visible precarious working conditions in underemployment (working less than 35 hours per week). This group was found primarily among young people under 24 and people over 60. It was more as a rural phenomenon than urban: one out of three active workers were underemployed in rural areas, compared to one out of five active workers in the capital, Cotonou. In contrast, excess work (anyone working more than 48 hours a week) was also an issue, representing 27% of the total employment. This latter group had job insecurities, particularly in terms of earnings. The excess of work is more concentered in urban zones than in rural areas. The occurrence of underemployment is particularly severe concerning payments: more than half of employed individuals (58%) earned less than the minimum monthly wage (see Table 12). This position gives a glimpse of why many people remain as working poor Other estimations in Benin. suggested that underemployment affected 80% of Benin's population.<sup>76</sup>

Table 12: Underemployment and earnings by gender and age group, %, 2009/2010

	Total	Total Age group			
	Total	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**

Projections suggest Benin experienced some sectoral aggregate employment changes from agricultural to the service sector during the 2010s: employment in the service sector superseded the agricultural since 2016. This development relates to the rising urbanisation rate (see more in Migration sub-section). The deep gap in the agricultural sector's GDP value added to employment supports its relatively low labour productivity but with an upsurge in recent years benefitting the government's Strategic Plan for Agricultural Sector Development 2017-2025. The industry sector stayed underdeveloped, dominated by cotton ginning and the small-scale processing of agricultural products, caught in the lowest aggregated sectoral GDP value-added that gradually declined during the 2010s (see more details in Figure 6). This situation indicates that Benin does not move in the right direction to reach the SDG concerning inclusive industrialisation (see more in SDG table, Indicator 9.2.2, in Page iv).

Figure 6: Employment and GDP value-added by aggregate sector in Benin, %, 2010-2020



Source: ILO, Key Indicators of the Labour Market (KILM) and World Bank, World Development Indicators.

Around 2.2 million Beninese were registered as employed with a narrow gender gap that slightly favoured women. The public sector represented around 3.9% of the employment and 96% in the private sector. Employment in the formal sector encompassed the public sector while the private sector dominated the informal economy (see more in Informal Economy section).

The agricultural sector was the leading employer with a share of 45% of the employment. The trade, restaurants/hotels sub-sectors in the service sector covered the second-largest employment segment at 29%. The third-largest was the manufacturing sub-sector in the industry sector (7.6%), followed by the 'other services' (6.7%) in the service sector. Men dominated the industry sector and some aspects of the service sector (transport and communication, finance, and the broader administration sector). 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 a very narrow group of the total employment (see more details in Table 13).

### Table 13: 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 goodsand 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.

Table 14 below depicts the GDP share per sub-sector and per worker. Overall, GDP share by sector per worker contributed US\$3,165 per year on average. However, there were noteworthy differences between the sub-sectors. For example, both the two largest employment sectors, the agricultural and the trade, hotel/restaurant sector, represented the lowest GDP share per worker, US\$1,754 and US\$1,539 per worker/year, respectively. Other sectors linked more to formal industries, such as manufacturing and transportation, exemplify relatively high GDP share per worker, US\$5,849 and US\$9,652, respectively (see more details in Table 14).

Table 14: 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; own calculations on GDP share by sector/worker.

### Migration

Migration is divided into three distinct categories: i) internal migration (e.g., rural-urban, rural-rural, and urban-rural), ii) net-migration (in- and out-migration), and iii) refugees.

Benin's population experienced a gradual shift from rural areas to urban zones driven by poverty, searching for better job opportunities, better access to education and healthcare. This shift was not supported by progress in industrialisation like in Asian countries. Another aspect from Benin was an expansion of family planning in urban zones connected to declining population growth.<sup>77</sup> The country's urbanisation rate increased steadily from 43% in 2009 to 48% in 2019. It is expected to continue to expand gradually in the coming years.<sup>78</sup> Compared to the neighbouring countries, Benin's rate is in line with Togo (42%); higher than Burkina Faso (30%) and Niger (17%), but lower than Nigeria (51%) and Ghana (57%).

Benin faced a higher outflow than inflow of people during the last two decades, divided into refugee returnees and populations seeking better labour opportunities in other countries. The net migration flow turned the scale more balanced during the 2010s but still higher weight on out-migration (see details in Table 15 and Figure 7). EU external migration policies, supporting the implementation of restrictive migration practices and control measures, hindered some of Benin's out-migration flow. Migration often occurs in fragmented journeys, where crossing the border is only one step of the longer itinerary. Generally, in Western Africa, this tendency is evident in more complex and longer crossing times for regional traders and the criminalisation of regional migration.<sup>79</sup> A series of agencies staffed teams, some from the Beninese diaspora, have been recruited to accelerate the implementation of partnership migration frameworks.

Some estimations suggest that around 4.4 million (more than 40% of the population) live abroad. However, personal remittances remained relatively low, contributed to around 1.6% of GDP on average from 2015 to 2019, standing significantly lower than the sub-Saharan Africa average (Table 15). To some extent, the relatively low personal remittances relate to Benin's top migration destinations are French-speaking Western Africa countries such as Nigeria, Côte d'Ivoire, Togo, and Gabon; less than 1% of Beninese's emigrants settle in Europe.<sup>80</sup>

Table 19. states et liet ingratien new, persenai tellinaites	le 15: Status of net migration flow, personal remittances,
and refugee population in Benin	refugee population in Benin

Theme	Country/region Value			
Net number of migration (2013-2017)	Benin	-10,000		
		-0.18 (2020)		
Net migration rate per 1,000 population	Benin	-0.86 (2015)		
		-1.14 (2010)		
Personal remittance	Benin	1.6 %		
(received), % of GDP (2015-2019 av.)	Sub-Saharan Africa	2.7 %		
Refugee population, yearly (2015-2019 av.)	Benin	958		

\* 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.

Source: World Bank, World Development Indicators; and KNOEMA, Benin - Net migration rate.



Figure 7: Net migration trend to average population in Benin, 1993-2017

Benin hosted many refugees from conflict riddled neighbouring countries during the 1990s that changed the net migration flow significantly (revisit Figure 7 above). Most returned fast to their countries; a smaller peak at 30,000 refugees returned in 2005. The number of refugees dwindled to 190 in 2013. This population segment slowly entered the country again, reaching 1,238 in 2019 (0.01% of the population).<sup>81</sup> In 2019, the government committed to undertake a review of Benin's National Plan of Action to combat statelessness to bring it into line with the Banjul Plan of Action subsequently adopted. The government pledged to reform the Beninese Nationality Code by 2020 to remove the discriminatory provisions.<sup>82</sup>

The country adopted a national policy for Beninese abroad in 2000. 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.<sup>83</sup> In 2015, the Government launched to facilitate migration from analogue to digital migration. The authorities do not effectively monitor or control foreign or migrant workers' conditions of work, though.<sup>84</sup> Moreover, the parliament approved in March 2018 to ratify the International Convention on the Protection of All Migrant Workers and Members of Their Families' Rights.

ECOWAS established the main strategic framework regulating migration in West Africa. Regarding the right of residence, a specific residence permit for ECOWAS citizens was granted only in Benin and Burkina Faso, Côte d'Ivoire, Gambia, and Nigeria. Benin established an agency mandated to facilitate the matching of labour demand and supply in the country. However, the law framework lacks precision concerning the conditions and procedural steps to grant a country's work permit. This situation could give room to arbitrary decisions by the authorities appointed to decide foreign workers' entry.<sup>85</sup> Benin's authorities seem to return foreign nationals more often than most other ECOWAS countries because of the absence of a visa, fraudulent travel documents, and irregular entry/stay. African governments increasingly acknowledged migration as a strategic pillar in national development plans; all but two ECOWAS members – Benin and Guinea – cited migration in their national development strategies.<sup>86</sup>

Diplomatic initiatives concerning labour emigration are advanced in Western Africa. Benin has concluded bilateral labour agreements facilitating nationals' access to partner countries' labour market that are not the ECOWAS Member States. It is part of the Inter-African Conference on Social Insurance's (CIPRES) Multilateral Convention on Social Insurance, a regional social security convention not yet ratified. At the bilateral level, social security agreements have been concluded by Benin with France, Niger, Côte d'Ivoire, Burkina Faso, Senegal, and Togo.<sup>87</sup>

The migration flows got disrupted during 2020 as an impact of the global COVID-19 pandemic. Benin and its neighbouring countries closed their borders in several months. Many out-migrated workers got stuck in other countries and could not return. The global economic downturn most likely battered the personal remittances flow since many migrated workers lost their income.

### Informal Economy

The informal economy is widespread in Benin not monitored by labour and business regulations. The government initiated to develop of a legal framework in the informal economy embroiled for private actions on productivity and formality, such as Act No. 98-019 of 2003 issuing the Social Security Code, By-Laws of 2009 of the Social Security Mutual Benefit Society of Benin (MSSB), Internal Regulations of 2009 of the Social Security Mutual Benefit Society of Benin, and the Strengthening of Human Capital (ARCH) in 2016. The country has not ratified the ILO Convention 189 on Decent Work for Domestic Workers, calling for legislative commitment at the national level to protect this group of workers.<sup>88</sup>

Benin is one of the seventeen countries' signatory to the Organisation for the Harmonisation of Corporate Law in Africa (French acronym: OHADA). It operates with a policy on workers' status in the informal economy, directing actors' transition from the informal economy to the formal sector. It including the legal status of an entrepreneur for a certain period (two years) with a private enterprise with a minimum capital of 102,000 CFA franc (US\$174). An assessment of this policy's results has not yet been available.

At the end of 2020, the national platform for workers in the informal economy was established. It brings together representation from affiliated workers from the informal economy to the various trade union confederations, NGOs working in the informal economy, and professional associations in the informal economy. This platform aims to adopt an action plan and a policy to promote informal economy workers by improving the living and working conditions of informal economy workers.<sup>89</sup>

Benin's informal economy represented around 54% of the economy, one of the world's largest share.<sup>90</sup> Informal employed in non-agricultural employment is up at 95% that was 29 percentage points higher than the sub-Saharan Africa average. Informal payments to public officials from firms fell significantly from 52% in 2009 to 33% in 2016 signalling an improvement in some facets of the formalisation of businesses (Table 16).

Table 16: Status of informal economy in Benin and sub-Saharan Africa (SSA)

Themes	Country/region	Value
Informal economy (% of	Benin (2018)	54 %
GDP) *	SSA (2014)	37 %
Informal employed in non-	Benin (2011)	95 %
agricultural employment	SSA (2014)	66 %
Informal payments to public	Benin (2016)	33 %
officials (% of firms) **	SSA (2019)	29 %

\* Diverging methodologies, used as proxy indicators. \*\* Informal payments to public officials are the percentage of firms expected to make informal payments to public officials to "get things done" regarding customs, taxes, licenses, regulations, services, and the like.

Source: International Monetary Fund; International Labour Organisation; and World Bank.

Other data from the latest EMICoV 2011 diverge slightly: nine out of ten (90%) workers operated in the informal economy. Although it remained very high, it was interesting to observe that this group was declining, from 96% in 2006. Workers from the formal private sector increased from 1% to 6% in the same period, while those in the formal public sector increased from 3% to 5% (Figure 8). Men were more present in private and public formal sectors than women; there were registered 86% of men and 95% of women in the informal economy. The survey further showed that higher education level lowers the range of informality employment: no education with

98% of informal workers and a tertiary level with  $22\%.^{91}$ 





■ Private (formal) sector ■ Public sector ■ Informal economy Source: Institut National de la Statistique et de l'Analyse Economique, Les indicateurs de EMICoV Suivi 2011.

The informal economy faces numerous challenges and vulnerabilities: often, workers have long working hours with no social security coverage and exposure to occupational risks. This segment has less access to productive resources such as capital. For example, conventional banks reluctant to lend money to workers outside the formal sector due to higher risks. On the positive side, microfinance/microcredit institutions opened to extend schemes that potentially create job creation, women empowerment, and group formation. These schemes face high-interest rates, and embezzlement is common since informal micro-credit schemes with no legal base.

Benin's high informality is haunted by the cumbersome business regulations (see Appendix Table 25), by the same token low education levels leave many entrepreneurs with lack awareness or incentives for formalising their business. Besides, some informality can also be a voluntary choice given their preferences, skills, competing earnings prospects, and job characteristics linked to cultural aspects.

During the Covid-19 pandemic in 2020, workers in the informal economy dramatically lost daily incomes and existential problem due to the weak coverage on social safety nets.

### **Child Labour**

Benin ratified the two international conventions on effective abolition of child labour, C138 and C182 (see Appendix Table 27), and national legislation protects against child labour, including its worst forms. A list of occupations sets the minimum age for employment in hazardous work at age 18. This list identifies 21 trades prohibited for children and defines 74 hazardous related activities, including mining and quarrying, domestic service, and agriculture. The Labour Code prohibits the employment or apprenticeship of children under age 14 in any enterprise; children between ages 12 and 14 may perform domestic work and temporary or light seasonal work if it does not interfere with their compulsory schooling.

Benin made a moderate advancement in efforts to eliminate the worst forms of child labour. The government did not effectively enforce the regulations in practice.<sup>92</sup> Since the government enforced the regulations in the narrow formal sector, the pervasive informal economy voids them. The National Action Plan (NAP) against child labour was launched in 2008 but remained unfunded and social programmes to combat child labour insufficiently addressed the extent of the challenges adequately.<sup>93</sup>

Children in employment in Benin are often in the agricultural sector, often in the production of cotton. Many others worked as labourers with adults in quarries, including crushing granite. Other worst forms of child labour related to domestic work, industry, construction, trade and vending, food and beverages, transportation, and even public work.<sup>94</sup>

The statistical term 'child labour' is defined as work that deprives children of their childhood, potential, and dignity, which is harmful to physical and mental development.<sup>95</sup> It is worrisome that child labour is widespread in the country. Most recent data registered the child labour (5-17 age) rate at 40%, which was significantly higher than the Africa average (Table 17). National survey data from the end of the 2000s listed that children in rural areas were more than twice as likely engaged in child labour than children in urban zones; both with little gender difference. Other data showed that the working population between the ages of 7 and 14 dropped down to 21% in 2012.96 Growing urbanisation and mounting enrolment in secondary school suggested a declining child labour rate during the 2010s. However, attending primary school was relatively low at 71%, 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.97 To achieve the SDG of eradicating child labour by 2025, the government needs to accelerate the efforts further (see more in SDG Table, Indicator 8.7.1, Page iv).

Table 17: Status of child labour in Benin an	d Africa, latest
data from the 2010s	

Country /Region	Туре	Rate
	Children in employment	-
Benin	Child labour	41 %
	Hazardous work (2008)	21 %
	Children in employment	27 %
Africa	Child labour	20 %
	Hazardous work	8.6 %

Note: Children in employment: unpaid family workers are people who work without pay in a market-oriented establishment operated by a related person living in the same household. Child labour: work that is mentally, physically, socially, or morally dangerous and harmful to children; and interferes with their schooling. Hazardous work: children in dangerous and unhealthy conditions that can lead to a child being killed, injured, or made ill because of poor safety and health standards or employment conditions.

Sources: UNICEF, Child labour data; ILO, Global estimates of child labour: Results and trends, 2012-2016.

### Gender

In Benin, the national constitution from 1990 included women's rights, and the Personal and Family Code from 2004 legally overrode various traditional customs that systematically treated women unequally. Discrimination persists in practice, though, based on complex cultural customs. For example, women in rural areas often play subordinate roles, and women work around seventeen hours a week more than men.<sup>98</sup> Women, especially those in rural areas, spend much of their time on households' care activities, making them unable to focus on incomegenerating activities. As in many other sub-Saharan African countries, high illiteracy rates among women harmed their participation in the formal sector and subordination dependence position on family and husband revenues.

The global Gender Inequality Index (GII) reflects the scope of gender disparities, ranking Benin 148 out of 160 countries (1 is best) in 2019. This low ranking is due to relatively high maternal mortality ratio and adolescent birth rate, few women's seats in the parliament, the deep gender gap among the population with at least secondary education; benefitting from a relatively low gender gap in the labour force participation rate.<sup>99</sup> The other Global Gender Gap Index (GGGI) 2020, ranking Benin 119 out of 153 countries (1 is best). The GGGI tracking progress towards closing these gaps over time. Benin scores on the top in economic participation and opportunity (1). However, it dropped significantly in health and survival

(92), political empowerment (134), and educational attainment (149).<sup>100</sup>

Table 18 displays the gender gaps' scope in leading labour indicators. It shows that slightly more women than men are in vulnerable employment as unskilled labourers, traders, artisans, or subsistence farming. Benin is taking the lead from the Western Africa perspective when it comes to including women in employment. Some other stark gender gaps and inequalities are depicted in men employees in the formal public sector representing 7.6% of the total employment while women at 1.9%; in the formal private sector at 6.9% and 3.1%, respectively.<sup>101</sup> Another aspect is that women receive 73% of men's wages for equal value work.<sup>102</sup>

Table	18:	Estimation	of	workforce	key	indicators	gender
gaps i	n Be	nin, 2020					

	Men	Women	Men/women ratio gap, percentage point (p.p.)
Employment	72 %	68 %	+4 p.p.
Unemployment	2.0 %	2.1 %	-0.1 p.p.
Employees	17 %	5.2 %	+12 p.p.
Employers	1.9 %	0.7 %	+1.2 p.p.
Vulnerable employment *	81 %	94 %	-13 p.p.

\* Aggregated own-account workers and contributing family workers. Source: ILO, Key Indicators of the Labour Market (KILM).

The latest Enterprise Survey from 2016 revealed that Beninese's women in ownership and management of firms were significantly higher in Benin than sub-Saharan Africa and low-Income countries averages (Figure 9).

40% 37% 35% 29% 30% 26% 25% 25% 20% 14% 15% 12% 10% 5% 0% % of firms with women top % of firms with women management participation in ownership Benin Sub-saharan Africa Low income

Figure 9: Women in management and ownership, %, 2016

Source: World Bank and IFC, Enterprise Surveys, Benin Country Profile 2016.

### Youth

Youth (15-24 years old) represent 20% of Benin's population and around 40% of workers in 2020.<sup>103</sup> Generally, the education system should prepare the population to enter as workforce in the labour market. In contrast, through the wage structure of occupations and other labour market variables, the labour market transmits signals on the types of qualifications expected from the education system.

In Benin, youth stand in the precarious transition from education to work challenged by scarce new formal jobs available and the fast-growing population is creating pressure on the education system. On a broader view, only 33% of young people between 15 and 35 succeed in finding paid employment, an age group that accounts for approximately 60% of the population.

Benin's youth employment rate experienced a declining trend from 68% in 2007 to 56% in 2011, based on the latest labour survey (EMICoV 2011). Part of this was a result of an increasing enrolment rate on higher education levels. The latter trend continued during the 2010s at the secondary education level (see Figure 11 ahead), suggesting the youth employment rate slightly dropped in the margin. Another issue is that rural youth have less access to education than their urban counterparts. It is in part due to lack of household income pushing families sending their youngsters to work. Lack of relevant education is another factor leading to young people in rural areas more frequent dropping out of school or migrating to cities.<sup>104</sup>

Most of Benin's young workers are concentrated in private enterprises (94%), just 2.9% in public administration or 0.8% in public/semi-public enterprises. Only one out of ten (11%) of the youth population worked with a contract (written or oral). Data furthermore revealed that just 8% of young workers hold a salary-based position.<sup>105</sup> The projected relatively low youth unemployment rate at 3.9% in 2020 suggested it is not a critical problem in Benin but shadowed by the fact of weak job creation in the formal sector. Instead, most are stuck in vulnerable informal jobs where they often earn less than the minimum wage and minimal social security coverage; many others become economically inactive.

An overwhelming mismatch between job requirements and qualifications is present in Benin: only 14% of youth were well-matched on the labour market; 84% were under-educated.<sup>106</sup> It points towards that the education system did not produce adequate skills and created a massive mismatch to the labour market.<sup>107</sup> It places the country in a weaker position in shaping the economic and labour market outcomes, labour productivity, and competitiveness.

The proportion of unemployed, education or training (the NEET rate) is 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 10 shows that 15% of Beninese young people were not in employment, education, or training in 2020. Beninese young men have a lower NEET rate than young women, 11% vs 19%, respectively. The NEET rate dropped by 1.9 percentage points during the 2010s and stays relatively low compared to the neighbouring countries, related to a tradition of combining school with work or looking for a job (as secondary activities).<sup>108</sup> The specific SDG goal targeted by 2030 to substantially reduce the NEET rate, but as demonstrated the data suggested that Benin did not reach it fully (see more in SDG Table, Indicator 8.6.1, Page iv).

Figure 10: Projections of the NEET rate in Benin and neighbouring countries, %, 2020



Note: NEET rate is the proportion of youth not in employment, education, or training.

Source: ILO, Key Indicators of the Labour Market (KILM).

The youth got hit harder by the economic downturn in 2020 as an impact of the Covid-19 pandemic. For example, young people face a more adverse scenario for their opportunities for educational continuity and entry into the labour market. It will affect their social and labour inclusion trajectories, especially among those belonging to the low-income segment.

## **EDUCATION**

Benin's economy, labour market and social development are interwoven into the education system. The state's budget enhanced investments in the education sector but the government expenditure on education at at 3.3% of GDP on average in the 2010s stays lower compared to the neighbouring countries: Burkina Faso (4.2%), Ghana (5.3%), Niger (3.5%), and Togo (4.8%), respectively.

Among the youth (15-24 tears old), the literacy rate is considerably higher at 61% compared to people ages 15 and above at 42%, suggesting the younger generations get better educated. On the other hand, the high influx of students has created challenges on the education's quality: up to 43% of enrolled students were not learning.<sup>109</sup> Table 19 illustrates that three out of five (61%) have less than basic education, 21% with basic education, 14% in intermediate and 3% at the advanced level. These levels had stark gender gaps.

Table	1 <b>9</b> :	Employment	by	education	in	Benin,	%	of
emplo	ymer	nt distribution,	201	1				

	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).

Primary education is the only mandatory element of Benin's education system, which lasts six years. The net enrolment rate in primary education was hovering far above the sub-Saharan Africa average. Males stood at 100% during the 2010s until a significant downturn in 2019; females initiated to close the gap but likewise drooped to 90% in 2019. Many schools lack qualified teachers, limited funding, and unequipped and overcrowded classrooms. The curriculum is often outdated and does not provide the students with the skills and matches needed towards a more modernised economy. The dropout rate for primary school was above 50% in 2016. It supports the fact of a low average of schooling at 3.4 years and rampant child labour.

At least lower secondary education is considered necessary in the development of foundation and core employability skills.<sup>110</sup> Gross enrolment in secondary education has been high and on the rise in Benin. This rate is significantly above the regional average for both males and females. The gross enrolment in tertiary education got stalled, even declining among males during the 2010s. The latter group continues being at a higher level than the regional average.

## Figure 11: Enrolment in Primary, Secondary and Tertiary Schools in Benin and sub-Saharan Africa (SSA), %, 2010-2019



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, Education Statistics.

The education system follows the "Vision Bénin Alafia 2025" and the Education Sector Plan (ESP) for 2018-2030. This system emphasises several aspects. First, implementing a 12-year universal basic education cycle implies reforms and better targeting of boys and girls out of the school system. Second, develop a vocational training offer adapted to economic development needs in partnership with the private sector through diversifying training programmes (see more ahead). Third, improve teaching and learning quality by reforming the sector actors, teachers, trainers, and supervisors. Fourth, strengthening decentralisation and promoting the private sector, civil society, and development partners in a multistakeholder dialogue.

Students who complete their education most often do not find jobs in the formal sector. A low level of education is frequently related to work more than 48 hours a week, while those with a higher education level are in a visible underemployment situation.

The government took specific measures to manage the Covid-19 outbreak, including school closures from March 27 to May 10, 2020. About 16,000 schools were closed, affecting more than 3.3 million students and 88,000 teachers expected school closures to lead to learning loss and increased inequality. Student dropout rates could rise, negatively affecting the primary completion rate, not to mention transition rates to secondary education. School closures may also disproportionately impact females. Besides, teaching quality will likely deteriorate.<sup>111</sup>

### **Vocational Training**

There are three main Technical and Vocational Education and Training (TVET) programmes: apprenticeship programmes, TVET programmes provided by secondary and higher schools, and professional development programmes offered by public and private institutions/organisations. This system absorbs both formal and non-formal programmes. The informal apprenticeship is the standard form of skills acquisition for Benin's youth, typical in many Western Africa countries, especially for youth from disadvantaged backgrounds.

To gain access to the first cycle of secondary school TVET programme in the formal sector, students must pass an entry test for technical education. Students complete this programme in three years, and success grants the Certificate of Professional Aptitude (CPA). The second cycle of TVET takes three years to complete and gives students the Technical Baccalaureate. One exception is the second cycle of TVET, focusing on agricultural sciences, takes four years to complete and results in the Diploma of Agricultural Sciences.

Data from the latest available statistical yearbook 2014–2015 of the Ministry of Education showed 189 schools offer technical education at the secondary level. Among these, 163 were private schools, and 26 were public. Two out of three students enrolled in public schools, probably because of private schools' higher school fees. It implies that public schools remain the leading provider of technical high schools.<sup>112</sup> Students in vocational training had around one teacher per 4.4 students.

Enrolment in vocational programmes experienced an increase of 13% from 2011 to 2016, but its ratio to all secondary education students dropped significantly during the last two decades, even compared to the regional averages (Table 20 and Table 21). These results suggested that formal vocational training was not prioritised in the country's education system.

Table 20: Status of secondary education enrolled in vocational programmes in Benin and the sub-Saharan Africa (SSA)

Benin	2011	2016
Enrolment in vocational	24,626	27,875
training, total	24,020	27,075
Growth in vocational training,	13 %	
2011-2016	15 /0	
Comparative estimations	Country/region	%
Proportion of 15-24-year-	Benin	1.1 %
olds enrolled in vocational		
education, average during	SSA	1.1 %
2010s		
Share of all students in	Benin	2.8 %
secondary education enrolled		
in vocational programmes,	SSA	6.0 %
average during 2010s		

Note: This table excludes youth enrolled in the informal apprenticeship. Sources: World Bank, Education Statistics.

Table 21: Share and changes of all students in secondary education enrolled in vocational programmes in Benin and sub-Saharan Africa (SSA), 2000s-2010s

	All stu	udents	Change, 2000s-	Upper secondary education		Change, 2000s-			
	2000s	2010s	2010s	2000s	2010s	2010s			
Benin	8.9%	2.8%	-6.2 p.p.	31%	9.1%	-22 p.p.			
SSA	6.8%	6.0%	-0.8 p.p.	15%	12%	-2.3 р-р-			

Source: own estimations based on data from the World Bank's Education Statistics.

Some of the aspects the suffered the TVET system's development lacked finances, infrastructure, and facilitator training. The formal 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 employment training.<sup>113</sup> The mentioned Education Sector Plan (ESP) aims to expand relevant vocational training and develop a National TVET Strategy linked to labour market needs and development plans.

Various ministries provide non-formal TVET.<sup>114</sup> Other trade associations are involved in the vocational training system and social partners to ensure training relevance to the informal economy.<sup>115</sup> Trade unions, such as UNSTB, are lobbying and advocating for the institutionalisation of vocational and entrepreneurship training for workers in the informal economy and promoting trainers' pool to ensure the activities based on short-term courses in several trade sectors.

Some data suggest that the informal apprenticeship has the highest coverage of around 200,000 persons in Benin, including master craftsmen, who follow a nonwritten curriculum. This group equalled approximately 20% of the enrolment in secondary education. Thus, the informal apprenticeship educates a large share of Benin's youth, not to mention the informal businesses that offer training provide employment opportunities. Graduates of the informal apprenticeship often do not earn a decent living because many workshops are in lowproductivity sectors. The acquired skills do not sufficiently increase the productivity of graduates. The lack of formal sanctioning mechanisms, quality standards, and certification of skills bears the risk that masters do not adequately treat their apprentices, leading to precarious employment outcomes and delayed graduation.<sup>116</sup> In recent years, Benin took measures to upgrade both trainers and apprentices' skills together with standardise and recognise skills at the national level.

In 2016, 20% of Benin firms offered formal training (firms offering formal training are the percentage of firms offering formal training programmes for their permanent, full-time employees). This rate fell by nine percentage points since 2009. This rate stood below all neighbouring countries: Burkina Faso (25%), Niger (28%), Nigeria (31%), and Togo (34%).<sup>117</sup> In Benin, employer wage payment (EWP) is a tax payable by the employer in place of the former payroll and apprenticeship taxes. Individuals and legal persons who

pay salaries and wages are subject to the EWP at 4% (2% for educational institutions).<sup>118</sup> Formal firms continue being a minimal group compared to the widespread informal micro-and small enterprises.

Technology has the potential to augment the abilities and productivity of workers at all skills levels. The demand for technology services is increasing worldwide, which includes in Western Africa. For example, demand for digital services such as mobile cellular, internet, mobile and other digital payments is expanding. However, Benin's education in Information and Communications Technology (ICT) has been haunted by the digital divide in both a slower tempo than other Western Africa countries and imbalances regarding the access to technology-learning among the low-income/rural groups. On the positive side, individuals using the internet increased from 1% of the population in 2007 to 20% in 2017 in Benin but stood at least 50% lower than Nigeria and Ghana's rates. Demand for mobile accounts also increased significantly in the country from 3% in 2014 to 20% in 2017, reaching Togo's level (22%), higher than Niger (10%) and Nigeria (7%) but lower than Burkina Faso (33%).<sup>119</sup> At the education level, computers' delivery practice to students are challenged by technical issues, e.g., lack of adequate computers, no connection of appropriate electric power, and no internet connection, among others.

## **SOCIAL PROTECTION**

Benin introduced social insurance laws related to work injury, sickness, maternity, and unemployment before independence in 1960. Furthermore, the country's constitution from 1990 briefly mentioned social security. By 2003, most of these laws were updated by the government. The Social Security Code provides for adopting a specific law determining the organisation and functioning of a scheme for self-employed workers, agricultural workers, and workers in the informal economy.

Benin has ratified two of ILO's up-to-date social security conventions: the Social Security Convention (C102) and the Maternity Protection Convention (C183). Ratifications of other convention are pending, i.e., Employment Injury Benefits (C121), Invalidity, Old-Age and Survivors' Benefits (C128), Medical Care and Sickness Benefits (C130), and Unemployment Benefits (C168) (see more in Appendix Table 26).

ILO registered six out of eight social policy areas covered by at least one programme: child and family,

maternity (cash), employment injury, disability/invalidity, survivors, old age, missing sickness (cash) and unemployment. Information on these programmes' status is scarce.

Generally, social protection coverage is limited in Benin. Just around one out of five of the population had health coverage, lower than Africa average, at least 25%. In 2017, one out of ten (11%) persons above retirement age receive a pension (Table 22). These data reflect the massive challenges to reach the SDG's social protection goal concerning by 2030 achieve substantial coverage of the poor and the vulnerable (see more in SDG table, Indicator 1.3.1, Page iv).

 Table 22: Proportion of population covered by social protection systems in Benin, %, latest year

Group	Coverage
Health coverage, % of population (2020)	20 %
Persons above retirement age receiving a pension (2017)	11 %

Source: ILO, Key Indicators of the Labour Market (KILM).

Social security schemes target people working in the formal sector. It includes the general social security scheme managed 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). Private and community social security initiatives strengthened these systems.<sup>120</sup>

CNSS covers old-age and disability pensions, family allowances, work accidents and illness, maternity, and survivors' benefits. It does not cover medical care. The fund is financed mainly through premiums paid by employers and affiliated workers. Private insurance companies also offer health, old-age, and life insurance that are generally available to more well-off salaried workers. Based on data availability limitations, around 24,430 employers with a total of 238,138 employees affiliated to the scheme,<sup>121</sup> equivalent to approximately 6.8% of the workforce in 2009.

FNRB is financed mainly through the affiliates' premiums, repurchase of services realised under other schemes and contributions from the state. State employees benefit from family allowances, considered as fringe benefits, and coverage of 80% of medical costs minus pharmaceutical fees. The growing imbalance between economically active and inactive persons has significant financial consequences for FNRB's functioning.<sup>122</sup>

Paid contributions to social security in Benin divided between employers and employees. Employers bring 6.4% in pension, and 9% in family allowance, not to mention employment injury are covered by social insurance based on employer liability (no contribution from employees): 1% to 4% of gross payroll according to assessed risk. Employees contribute 3.6% of gross salary for social security.<sup>123</sup> It does not cover selfemployed and with no contribution financing from the government. An estimate of legal employment injury coverage was 5.3% of the workforce in 2013, relatively low in many other sub-Saharan Africa countries.

Affiliated with health insurance was estimated at 2.0% in 2018.124 It demonstrates that health schemes do not cover a large majority of the workforce. Instead, many others use informal social networks that organising themselves to tackle the financial risks of illness. Universal health coverage emerged on the Beninese political agenda in 2008. In 2012, the government launched the Universal Health Insurance Scheme (RAMU) to increase informal economy workers' social security. It aimed at reaching a comprehensive health system based on public and private, individual, and collective initiatives by 2025. However, RAMU did not allow a real increase in financial protection against illness-risk due to the evolving politicisation that aborted implementation. Since 2016, the government aimed at injecting new directions into the country's social protection policy through the Insurance for the Strengthening of Human Capital (ARCH). This project focuses at actors in the informal economy and includes four areas: training, access to microcredit, pension insurance, and health insurance. Benin's trade union movement supported the promotion of the ARCH project. Benin also joined the international Universal Health Coverage (UHC) Partnership in 2018 that put pressure on spelling out in national health plans, essentially charting its road map towards UHC.<sup>125</sup> In 2019, the government succeeded to reach agreements favouring public-private partnerships to make it possible to finance a significant part of the ARCH project.<sup>126</sup> The impact of the ARCH project is too early to assess.

Table 23 shows that Benin's health expenditures' share of GDP was significantly lower than the regional average, even much lower concerning health expenditure per capita. Current health expenditure per capita was on the rise at the beginning of the 2010s, peaking at US\$39 in 2012, but dropped down to US\$31 in 2018. Besides, Benin's total health expenditure did not achieve a minimal level of US\$44 per capita defined by the High-Level Task Force on Innovative International Financing for Health Systems (HLTF).<sup>127</sup>

Service	Benin	SSA
Total health expenditure (% of GDP, 2010-2018 average)	2.9 %	5.1 %
Current health expenditure per capita (US\$ current, 2010-2018 average)	US\$ 33	US\$ 87
Public social protection expenditure (including healthcare) (% of GDP) (2010)	4.2 %	N/a

Table 23: Status of expenditure of health and social protection in Benin and sub-Saharan Africa (SSA)

Source: World Bank, World Development Indicators and ILO, World Social Protection Report 2017-2019.

Figure 12 depicts how Benin's share of health-care expenditure financed by private households' out-of-pocket payments fell during the 2000s but started to rebound in the 2010s, supported by a declining health expenditure per capita. These out-of-pocket payments reached 45% in 2018, significantly above the regional average, at 33%. On the other hand, the country stays below the neighbouring countries like Niger, Nigeria, and Togo. Using health services is on the rise in Benin supporting to decrease maternal and child mortality rates but these two indicators remain relatively high compared to many other countries worldwide.

Figure 12: Out-of-pocket expenditure as a percentage of total expenditure on health in Benin and neighbouring countries, %, 2000-2018



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.

CNSS sets the maternity benefits in Benin. The type of programme is social insurance and employer liability: social security (50%) and employer (50%). The scheme does not cover self-employed. The length of maternity leave is 14 weeks, which fully cover by wages paid.

Fathers are generally entitled to 3 days of paid paternity leave. A recent survey conducted by CNSS and the General Directorate of Social Protection of the Ministry of Employment found that women workers in the informal economy did not receive maternity benefits. The exception is if the husbands registered at the fund so that they could benefit from it.<sup>128</sup>

Benin has no unemployment programme anchored in legislation.<sup>129</sup> The National Employment Agency operated with four main programmes that reached from several hundred to one to two thousand beneficiaries per year, less than 5% of the demand. The self-employment programme, which targeted mostly youth with higher education levels, relies on the National Fund for Enterprise and Youth Employment to provide finance. This fund has suffered from weak management. After an ongoing restructuring, the fund was operating again in 2014 through microfinance institutions instead of directly financing beneficiaries.

In 2020, Benin's government settled on creating a sanitary cordon around the affected COVID-19 areas with free movement of the population within it while appealing for the public's responsibility, promoting handwashing and hygiene along with keeping social distancing. Although the sanitary cordon measure virtually contains the spread of the virus, it expected that people would find ways to intrude in and out of the sanitary cordon, which will eventually lead to COVID-19 spreading to other towns or cities.<sup>130</sup>

## APPENDIX: ADDITIONAL DATA

### Table 24: List of approved labour related legislations in Benin, 2014-2020

Year / Theme	Legislation
2014	
Employment policy, promotion of	Décret n° 2014-351 du 2 juin 2014 portant création, attributions, organisation et
employment and employment services	fonctionnement de l'Agence nationale de la Formation professionnelle pour la
employment and employment services	reconversion et l'insertion des jeunes (ANFPRTJ).
2015	
Elimination of child labour, protection	Loi n° 2015-08 du 23 janvier 2015 portant Code de l'enfant en République du Bénin
of children and young persons	
or children and young persons	Loi n° 2015-18 du 2 avril 2015 portant Statut général de la Fonction publique
	Loi n° 2015-18 du 2 avril 2015 portani Statul general de la Ponchon publique
	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
Specific categories of workers	Décret n° 2015-373 du 24 juin 2015 portant régime juridique d'emploi des agents
	contractuels de l'Etat (ACE).
	Décret n° 2015-175 du 13 avril 2015 portant création, attributions, organisation et
	fonctionnement de la Commission nationale de vérification de l'authenticité des diplômes
	des agents de l'Etat, civils et militaires.
2016	
2010	Décret n° 2016-619 du 7 octobre 2016 portant création, composition,
	attributions,organisation et fonctionnement du Conseil national de lutte contre le
	VIH/Sida, les infections sexuellemnt transmissibles, la tuberculose et les épidémies
Labour administration	(CNLS).
	Décret n° 2016-421 du 20 juillet 2016 portant attributions, organisation et
	fonctionnement du ministère des Enseignements secondaire, technique et de la Formation
	professionnelle.
Social security (general standards)	Loi n° 2015-42 du 17 mars 2016 portant institution du Régime d'Assurance Maladie
	Universelle (RAMU) en République du Bénin.
2017	
	Loi n° 2017-07 du 19 juin 2017 fixant le régime des Zones économiques spéciales en
<b>a</b> 1 11	République du Bénin
General provisions	Loi n° 2017-08 du 19 juin 2017 portant identification des personnes physiques en
	Republique du Benin.
Tripartite consultations	Décret n° 2017-323 du 28 juin 2017 portant création, attributions, composition,
	organisation et fonctionnement du Conseil national du dialogue social (CNDS) et de ses
	démembrements.
	Décret n° 2017-572 du 13 décembre 2017 portant création, attributions, organisation
	et fonctionnement de l'Agence pénitentiaire du Bénin.
	Décret n° 2017-253 du 3 mai 2017 modifiant le décret n° 2016-421 du 20 juillet
	2016 portant attributions, organisation et fonctionnement du ministère des Enseignements
	secondaire, technique et de la Formation professionnelle.
	Décret n° 2017-245 du 19 avril 2017 portant modification du décret n° 2017-140 du 2
Labour administration	mars 2017 portant création, composition, attributions et fonctionnement du Conseil
	national de lutte contre le VIH/Sida, la Tuberculose, le Paludisme, les Infections
	sexuellement transmissibles et les épidémies (CNLS-TP).
	Décret n° 2017-140 du 2 mars 2017 portant modification du décret n° 2016-619 du 7
	octobre 2016 portant création, composition, attributions et fonctionnement du Conseil
	national de lutte contre le VIH/Sida, les infections sexuellement transmissibles, la
	Tuberculose et les épidémies (CNLS).
Employment policy, promotion of	Loi n° 2017-06 du 13 avril 2017 portant protection et promotion des droits des
employment and employment services	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
Specific categories of workers	Loi n° 2017-41 du 29 décembre 2017 portant création de la Police républicaine en
0010	République du Bénin.
2018	
	Décret n° 2018-553 du 12 décembre 2018 portant création, organisation et attributions
	du Comité interministériel pour l'accompagnement et le financement de l'Entrepreneuriat
General provisions	de croissance au Bénin.
	Loi n° 2018-23 du 17 septembre 2018 portant charte des partis politiques en
	République du Bénin.

	Loi n° 2018-14 du 2 juillet 2018 portant modification de la loi n° 2012-15 du 18 mars
	2013 portant Code de procédure pénale en République du Bénin.
	Décret n° 2018-206 du 6 juin 2018 portant attributions, organisation et fonctionnement
	de l'Agence nationale d'identification des personnes (ANIP).
Freedom of association, collective	Décret n° 2018-358 du 25 juillet 2018 portant organisation de la représentation du
bargaining and industrial relations	personnel à la Police républicaine.
barganning and indostrial relations	Décret n° 2018-029 du 31 janvier 2018 portant attributions, organisation et
	fonctionnement du ministère du Travail et de la Fonction publique.
Labour administration	
	Décret n° 2018-006 du 17 janvier 2018 portant attibutions, organisation et
<u> </u>	fonctionnement de la Direction générale de la police républicaine.
Education, vocational guidance and	Décret n° 2018-395 du 29 août 2018 portant attributions, organisation et
training	fonctionnement du Conseil national de l'Éducation.
Conditions of employment	Décret n° 2018-422 du 17 septembre 2018 portant conditions d'emploi des points
	focaux communication des ministères.
Social security (general standards)	Décret n° 2018-472 du 10 octobre 2018 portant création, organisation et
	fonctionnement de la Commission chargée du contrôle des structures de prestations de
	soins médicaux.
	Décret n° 2018-295 du 11 juillet 2018 portant composition, attributions et
	fonctionnement de la Commission nationale chargée des réfugiés.
	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
Migrant workers	membres de leur famille, adoptée par les Nations Unies, le 18 décembre 1990.
	Décret n° 2018-100 du 30 mars 2018 portant 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.
Fishers	Décret n° 2018-335 du 25 juillet 2018 fixant les conditions et modalités d'exercice de
1 131101 3	la pêche en République du Bénin.
	Décret n° 2018-422 du 17 septembre 2018 portant conditions d'emploi des points
	focaux communication des ministères. Décret n° 2018-356 du 25 juillet 2018 portant Code d'éthique et de déontologie de la
	Police républicaine.
	Décret n° 2018-353 du 25 juillet 2018 portant création, attributions, composition et
	fonctionnement du Conseil de santé de la Police républicaine.
	Décret n° 2018-314 du 11 juillet 2018 portant règlement du service dans la Police
Specific categories of workers	républicaine
	Décre n° 2018-315 du 11 juillet 2018 portant modalités de constitution des conseils de
	discipline à la Police républicaine et de déroulement de la procédure de comparution
	devant ces conseils.
	Loi n° 2017-42 du 2 juillet 2018 portant Statut des personnels de la Police républicaine
	Décret n° 2018-155 du 2 mai 2018 portant modalités de reclassement des personnels
	de l'ex Police nationale dans les différents grades des corps créés par la loi n° 2015-20
	du 19 juin 2015 portant statut spécial des personnels des froces de sécurité publique et
	assimilées au Bénin.
2019	
International agreements	Décret n° 2019-056 du 15 février 2019 portant ratification de la charte africaine sur
č	les valeurs et les principes du service public et de l'administration.
2020	
	- Twee Banin (Last NATIEX raviow, Sontember 2020)

Source: ILO, NATLEX, Country Profile, Basic Laws, Benin (Last NATLEX review: September 2020).

### Table 25: Ease of Doing Business in Benin, 2020

Topics	2020
Overall	149
Starting a Business	65
Dealing with Construction Permits	82
Getting Electricity	178
Registering Property	126
Getting Credit	152
Protecting Minority Investors	120
Paying Taxes	171
Trading Across Borders	110
Enforcing Contracts	162
Resolving Insolvency	108

Note: Doing Business 2020 indicators are ranking from 1 (top) to 190 (bottom) among countries.

Source: World Bank, Ease of Doing Business 2020 in Benin.

#### Table 26: Ratified ILO Conventions in Benin

Subject and/or right	Convention	Ratification date
Fundamental Conventions		
Freedom of association	C087 - Freedom of Association and Protection of the Right to Organise, 1948	1960
and collective bargaining	C098 - Right to Organise and Collective Bargaining Convention, 1949	1968
Elimination of all forms of	C029 - Forced Labour Convention, 1930	1960
forced labour	C105 - Abolition of Forced Labour Convention, 1957	1961
Effective abolition of child	C138 - Minimum Age Convention, 1973	2001
labour	C182 - Worst Forms of Child Labour Convention, 1999	2001
Elimination of discri-	C100 - Equal Remuneration Convention, 1951	1968
mination in employment	C111 - Discrimination (Employment and Occupation) Convention, 1958	1961
Governance Conventions		
	C081 - Labour Inspection Convention, 1947	2001
Labour inspection	C129 - Labour Inspection (Agriculture) Convention, 1969	Not ratified
Employment policy	C122 - Employment Policy Convention, 1964	Not ratified
Tripartism	C144 - Tripartite Consultation (International Labour Standards) Convention, 1976	2001
Technical Conventions (Up-	to-date)	
Working time	C014 - Weekly Rest (Industry) Convention, 1921	1960
Wages	C095 - Protection of Wages Convention, 1949	1960
Social Security	C102 - Social Security (Minimum Standards) Convention, 1952	2019
Industrial relations	C135 - Workers' Representatives Convention, 1971	2001
industrial relations	C154 - Collective Bargaining Convention, 1981	2012
Migrant Workers	C143 - Migrant Workers (Supplementary Provisions) Convention, 1975	Not in force *
Seafarers	C147 - Merchant Shipping (Minimum Standards) Convention, 1976	2010
	MLC – Maritime Labour Convention, 2006	2011 **
Labour Administration	C150 - Labour Administration Convention, 1978	2001
	C160 - Labour Statistics Convention, 1985	2000
Occupational Safety and Health	C161 - Occupational Health Services Convention, 1985	1998
Maternity Protection	C183 - Maternity Protection Convention, 2000	2012

\* Automatic Denunciation on 12 Jun 2012 by convention MLC, 2006.

\*\* Amendments of 2014 to the MLC in force in 2017; amendments of 2016 to the MLC in force in 2019; and amendments of 2018 to the MLC in force in 2020.

Note: Fundamental Conventions are the eight most important ILO conventions that cover four fundamental principles and rights at work. Governance Conventions are four conventions that the ILO has designated as important to building national institutions and capacities that serve to promote employment. There are also 73 Technical Conventions, which ILO considers "up-to-date" and actively promoted.

Source: ILO, NORMLEX, Country Profiles, Benin.

### Table 27: List of Collective Bargaining Agreements in Benin, per registered year

Year
2005
-
1998-1999
1770-1775
2008
2005
-
2012
2012
2012
2012
2010
2012
2012
2011
2012
2012
2015
2015
2012
2014
2015
2013
2015

Source: WageIndicator, Collective Agreements, Benin.

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