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Employment and the union movement in Ivory Coast: a portrait of the situation

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Abstract

This report, which is designed to give a portrait of the employment situation and the union movement, enabled us to make a number of observations.

The deceleration of the economy that started in 1998 (second semester) intensified in 1999, with the GDP rate of growth at 1.6% as compared to 5.8% in 1998, representing a drop of slightly more than 4 percentage points in relation to the 1995-1998 period. This general shift in economic activity is attributable to the combined effects of unfavorable developments for Ivory Coast in the international juncture, marked by a brutal drop in prices of the main basic products together with higher oil costs and the rising value of the dollar.

Our analysis of the employment environment reveals that the percentage of the population that is potentially active was quite high (73.3%) in 1998. The rate of overall employment for the Ivory Coast population was estimated at 95.1% in 1998. In other words, for every 100 people in the active population, approximately 5 did not have jobs. This rate was practically the same as in 1995 (95.2%).

The unemployed population has witnessed a considerable increase in absolute terms but not proportionally, in relation to the 1995 statistics. In fact, 251,984 people were unemployed in 1995, for a rate of 4.1%, while the 1998 data estimate 298,440 people unemployed, or a rate of 4.9%.

The current characteristics of unemployment indicate that it is essentially an urban phenomenon in Ivory Coast. Approximately nine unemployed workers out of ten live in urban centres where the unemployment rate was respectively 10.4% in 1995 and 11.1% in 1998. The number of unemployed workers living in the economic capital, Abidjan, in 1995 was estimated at 72%, as compared to 59.5% in 1998, which corresponds to the respective rates of 14.6% and 14.8%. This phenomenon remains marginal in the rural areas where the rate of unemployment dropped from 1.16% in 1995 to 0.7% 1998.

The characteristics of underemployment enable us to observe that the non-structured sector generally groups together members of the active population who are underemployed.

To date, there are approximately 410 national unions and businesses that are legally recognized, with a total number of approximately 560,000 unionized workers. These different unions are affiliated to three main central labour organizations, the largest of which is the Union Générale des Travailleurs de Côte Ivoire (UGTCI) with 250 affiliated unions, for a total of 330,000 unionized workers or 58.9% of the total number. The Confédération des Syndicats Libres de Côte d'Ivoire Dignité, with 97 affiliated unions, represents 135,000 unionized

workers, or approximately 24.11% of the total number. Finally, the Fédération des Syndicats Autonomes de Côte d'Ivoire (FESACI) has 63 affiliated unions representing 95,000 unionized workers, or 16.9% of the total number.

Introduction

The economic environment examined in terms of the rate of economic growth, each sector's economic behaviour and the rate of inflation can be instructive in understanding the way the demand for labour works. Indeed, strong economic growth may be explained by a strong real demand for goods and services which, when met, mobilizes production factors and hence work. Consequently, strong economic growth could translate into strong growth in employment. Inflation, on the contrary, negatively influences the demand for labour and hence employment.

In the 1980s and the beginning of the 1990s (1980-1993), in the face of a number of negative outside shocks, including a drop in the price of basic agricultural products, an increase in the value of the dollar and the price of oil, and a rise in international interest rates, the Ivory Coast economy became mired in a deep recession. The average annual growth rate for the GDP over that period was barely 1%, and negative growth rates were sometimes recorded.

As of 1994, with the devaluation of the CFA franc, the success of the accompanying policy overseen by the authorities with the support of funding bodies, and the net improvement in the price of raw materials, the country resumed its course with sustained economic growth. The GDP progressed in real terms from 7.1% in 1995, 6.9% in 1996, and 6.6% in 1997. This growth was essentially driven by exports and investments.

In terms of sectors, the trend toward a decline in economic activity was substantially reversed over the 1994-1998 period. The primary sector sustained by agricultural exports (up 6.5%) grew by 5.5%. The renewal of food production

(3.5%) and mining operations (6.5%) will also help reinvigorate economic activities in the primary sector.

The secondary sector, based on the manufacturing industry which includes farm-produce, forest products and textiles, experienced renewed dynamism as it regained its competitiveness with the devaluation of the dollar, the renewal of productive investments and a strong demand for exports to the sub-region. The same applies to energy and crude oil, of which Ivory Coast has become an exporter to the sub-region. All in all, this sector advanced by 5.2% over the 1994-1998 period.

The tertiary sector, dominated by transport, saw remarkable progress (6%) in the 1994-1998 period, after recording negative growth (-2%) between 1990 and 1993. This can be attributed to the vigorous resumption of services and transport in tandem with the economic boom.

In terms of outside markets, the current account's deficit improved from – 3.2% of the GDP in 1993 to 3.1% in 1998. This major advance is attributable to a substantial improvement in the commercial balance, based on the remarkable renewal of exports. The combined effect of devaluation and soaring prices of basic agricultural exports led to a major increase in exports over most of the 1994-1999 period. In a similar vein, the strong return in the secondary sector will lead to an increase in manufacturing exports, notably in the agricultural industry, to the countries in the sub-region.

Table 1: Main macro-economic indicators

Indicators	93	94	95	96	97	98	99
GDP growth in real terms (%)	-0.4	2.0	7.1	6.9	6.6	6.0	1.6
GDP growth per capita (%)	-4.0	-1.7	3.2	3.0	2.7	2.1	-2.3
Consumer price index (%)	3.0	32.2	7.7	3.5	5.6	5.8	4.0
Rate of investment (% of GDP)	7.8	11.1	12.9	14.8	15.6	16.6	16.4
Current account balance (% of GDP)	-3.2	1.4	3.2	3.8	3.0	3.1	2.1
Growth of exports (%)	-10.7	20.9	0.4	27.5	12.5	7.1	12.7
Growth of imports (%)	-1.9	1.5	16.1	7.5	6.6	13.0	0.9
Trade balance (% of GDP)	5.2	13.4	9.3	13.7	12.5	10.0	-
Debt payment (% of GDP)	16.9	19.2	17.5	14.4	12.2	11.6	11.1

Source: DCPE¹, National Accounting (NIS²); 1999

The deceleration of the economy that started in 1998 (second semester) intensified in 1999, with the GDP growth rate at 1.6% as compared to 5.8% in 1998, representing a drop of slightly more than 4 percentage points in relative to the 1995-1998 period. This general shift in activity is attributable to the combined effects of several negative international shocks, including a brutal drop in prices of basic staple products together with higher oil costs and the rising value of the dollar. In 1999, the primary, secondary and tertiary sectors' contribution to the growth of the GNP was -0.8%, 0.9% and 1.4% respectively. In response, the primary sector experienced a decline in activity with a growth rate of -2.5%, attributable to a drop in agricultural production for export, mainly cocoa (-29.7%) and coffee (-48.3%). This occurred in a difficult context of liberalization. The secondary sector also experienced a decline in activity, with a growth rate of

¹ Department of economic planning -- Direction de la Conjoncture et de la Prévision Economique

² National Institute of Statistics

3.6% as compared to 19.8% in 1998. This slowdown reflected the general drop in domestic demand. Indeed, the overall industrial production index (IDI) registered only a 2.9% rate of growth in 1999, compared to 11.2% in 1998. The tertiary sector, mirroring the rest of the economy, experienced moderate growth of 3.1% in 1999, compared to 5.1% in 1998 and 8% in 1997. This growth was primarily attributable to the combined effect of the economic advances made in the transport sub-sector (air, sea and rail) and commerce.

Employment policy and labour relations in Ivory Coast

The employment policy adopted by Ivory Coast since independence was implicit in its economic and social development policy. The search for solutions to the economic crisis of the last decade gave rise to specific employment concerns as part of the structural adjustment programs. These concerns were taken into account in remedial economic measures and in the national employment plan adopted in 1995.

The general objectives of the Ivory Coast employment policy are designed to reduce the number of people who are unemployed and improve work productivity for employers and workers so that employment contributes to economic growth and reduces poverty and marginalization. The specific objectives are to develop employment in the modern sector and in rural areas, promote self-employment and independent employment, and generate local employment.

The union movement in Ivory Coast

The principle of union "freedom" in the Ivory Coast Republic is a result of the preamble to its first constitution, which in turn is a result of the universal declaration of the human rights in 1948. This principle of union freedom was reiterated in the new constitution promulgated in May 2000.

Since then, we have witnessed the emergence of national unions and businesses. The vocation of the various union movements is essentially to:

- help defend their members in setting wages and working conditions, and help them with institutions such as labour inspection and labour courts;
- promote social dialogue by seeking consensual solutions to problems inherent in inter-professional relations;
- ensure education and worker training.

To date, there are approximately 410 national unions and legally recognized businesses with a total number of approximately 560,000 unionized workers. These different unions are affiliated to three main central labour organizations, the largest of which is the Union Générale des Travailleurs de Côte Ivoire (UGTCI) with 250 affiliated unions, for a total of 330,000 unionized workers or 58.9% of the total unionized population. The Confédération des Syndicats Libres de Côte d'Ivoire Dignité, with 97 affiliated unions, represents 135,000 unionized workers, or approximately 24.11% of the total unionized population. Finally, the Fédération des Syndicats Autonomes de Côte d'Ivoire (FESACI) has 63 affiliated unions representing 95,000 unionized workers, or 16.9% of the total unionized population.

Table 2: Distribution of central labour organizations according to the number of affiliated unions and members

Central labour organizations	No. of affiliated unions	No. of members
UGTCI	250	330,000
Dignité	97	135,000
FESACI	63	95,000

Source: Information gathered from the various central labour organizations

Rate of workforce activity

The potentially economically active population in Ivory Coast includes people from the age of 14 to 54 (the legal retirement age for the majority of wage earners is 55). Between 1995 and 1998, the population's (potential) gross rate of activity, defined as the working-age population over the total population, remained stable at 37.1%.

Table 3: Gross activity rate 1995 to 1998

	1995	1998
Total population	14,208,000	16,383,356
Total economically active population	5,274,523	6,071,958
Gross rate of activity (%)	37.1	37.1

Source: NIS/OEMF³; Study on households' standard of living, 1998

In 1998, the net rate of activity, defined as the share of the working-age population in work over the total working-age population, was 73.3%. Net activity rates were higher among men (79.1%) than they were among women (67.8%).

Table 4: Net rate of activity by gender and age in 1998 (%)

Age	Men	Women	Total
15-24	57.3	53.1	55.1
25-34	92.6	75.2	83.4
35-44	97.8	81.6	89.3
45-54	95.9	80.8	88.6
Total	79.1	67.8	73.3

Source: NIS/OEMF; Study on households' standard of living, 1998

³ Employment, trades and training observatory -- Observatoire de l'Emploi des Métiers et de la Formation

Employment-to-population rates also vary by age. For both men and women, employment rates are lower for younger workers ((55.1%) for 15- 24 year olds) and higher for older workers (89.3% for 35-44 year olds, for example)

Employment rate

By definition, the employment rate is based on the employed population divided by the active population, multiplied by 100. The employment rate and the unemployment rate together add to a hundred. The Ivory Coast population's overall employment rate was estimated at 95.1% in 1998. To put it another way, out of 100 people in the active population, approximately 5 did not have jobs. This rate was practically the same as in 1995 (95.2%).

Table 5: Employment rate of the working-age population, 1995 to 1998

	1995	1998
Total population	14,208,000	16,383,356
Total population	5,274,523	6,071,958
Total employed population	5,022,539	5,710,523
Employment rate (%)	95.2	95.1

Source: NIS/OEMF; Study on households' standard of living, 1998

At the national level, in 1998, the employment rate was slightly lower among men (95.0%) than it was among women (95.2%). In urban areas, however, men's employment rates were higher than those for women (89.5% compared to 88.2%).

Table 6: Employment rate by area and gender in 1998 (%)

Area	Gender		Total
	Men	Women	
Abidjan	85.3	85.2	85.2
Urban	89.5	88.2	88.9
Rural	99.4	99.2	99.3
Total	95.0	95.2	95.1

Source: NIS/OEMF; Study on households' standard of living, 1998

In 1998, the employment breakdown across sectors of the economy was as follows: 9.7% in the modern sector, 58.6% in the traditional agricultural sector, and 31.7% in the informal sector.

Table 7: Distribution of the employed population by sector

Sectors	1995		1998	
	Number	%	Number	%
Total employed population	5 022 539		5 710 523	
Agriculture	3 014 277	60.0	3 348 819	58.6
Modern sector	454 254	9.1	552 118	9.7
Informal sector	1 554 008	30.9	1 809 586	31.7

Source: NIS/OEMF; Study on households' standard of living, 1998

This breakdown in 1995 was 9.1%, 60.0% and 30.9% respectively. We see that the agricultural sector dropped 1.4 percentage points to the benefit of the modern sector and the informal sector.

Unemployment, underemployment and poverty

• unemployment

The unemployed are the 2nd component of the active population. The notion of unemployed as defined by the ILO refers to a combination of three elements. To be considered unemployed within the ILO's meaning, one must be out-of-work, available for work as soon as the occasion presents itself, and currently searching for work. This is the definition of unemployment used for this study.

The unemployed population has witnessed a considerable increase in absolute terms but not proportionally, in relation to the 1995 statistics. In fact, 251,984 people were unemployed in 1995, for a rate of 4.1%, while the 1998 data estimate that 298,440 were then unemployed, for a rate of 4.9%.

Table 8: Unemployment rate by gender and area from 1995 to 1998 (%)

Gender	1995				1998			
	Rural	Urban	Abidjan	Total	Rural	Urban	Abidjan	Total
Men	0.8	6.9	9.7	4.5	0.6	10.5	14.7	5.0
Women	0.36	3.5	4.9	3	0.8	11.8	14.8	4.8
Total	1.16	10.4	14.6	4.1	0.7	11.1	14.8	4.9

Source: NIS/OEMF; Study on households' standard of living, 1995; 1998

The current features of unemployment indicate that it is essentially an urban phenomenon in Ivory Coast. Approximately nine unemployed workers out of ten live in urban centres, where the unemployment rate was respectively 10.4% in 1995 and 11.1% in 1998. The number of unemployed workers living in the economic capital, Abidjan, in 1995 was estimated at 72%, as compared to 59.5% in 1998, which corresponds to the respective rates of 14.6% and 14.8%.

Open unemployment is rare in the rural areas, where the rate of unemployment dropped from 1.16% in 1995 to 0.7% 1998.

The duration of unemployment

Studies devoted to the duration of unemployment in Ivory Coast are rare. With the phenomenon of long-term unemployment universally undefined, the only study that talks about the phenomenon in Ivory Coast is that of DOMORAUD (1998)⁴, centering on the list of long-term unemployed workers registered with AGEPE⁵. It starts with the basic premise that three (3) years is the minimum period after which long-term unemployment (LTE) begins to manifest itself.

In 1998, percentage of unemployed men who were unemployed for a long-term period was estimated at 60.6%, compared to 65.4% of for unemployed women.

Table 9: Distribution of unemployed workers according to duration of unemployment in 1998 (%)

	Less than 3 years	3 years and more	Total
Men	39.4	60.6	100.0
Women	34.6	65.4	100.0
Total	37.3	62.7	100.0

Source: NIS/OEMF; Study on households' standard of living, 1998

It is also noted that unemployed workers are generally new entrants to the labor market. This is linked to the fact that unemployment disproportionately affects young people (aged 15 to 35). In fact, the national unemployment rate among young people is in the vicinity of 6.5% as compared to 4.9% for the overall active population. In urban areas, the youth unemployment rate is in the

⁴ Domoraud Z.M.A., 1998, Analyse du chômage de longue durée, AGEPE working document.

⁵ Agency for the promotion and study of employment -- Agence d'Etude et de Promotion de l'Emploi

vicinity of 14.9%, compared to an overall urban unemployment rate of approximately 11.1%. In Abidjan, youth unemployment is in the order of 22%, compared to an overall unemployment rate of 14.8%.

Table 10: Youth unemployment rate and overall unemployment rate by area in 1998 (%)

	Urban	Abidjan	Overall
Youth	14.9	22.0	6.5
Overall	11.1	14.8	4.9

Source: NIS/OEMF; Study on households' standard of living, 1998

- **Underemployment in the working population**

Our definition in this report is based on ILO standards indicating that: the underemployed are those who involuntarily work less than the normal duration of work⁶ in their sector and who for this reason may be tempted to look for extra work that they would be available to take on. Duration of work and the income earned by those with jobs were used as the criteria for analyzing underemployment.

Agricultural underemployment

At the national level, 73.4% of the active male population employed in the agricultural sector works more than 40 hours per week, compared to 65.1% of the active female population.

⁶ The normal workweek in Ivory Coast is 40 hours.

Table 11: Distribution of the population employed in agriculture, by hours of work per week in 1998 (%)

	1 to19	20 to 29	30 to 39	40	41 and over	Total
Men	1.5	3.7	9.8	11.7	73.4	100.0
Women	1.8	6.8	16.2	10.1	65.1	100.0
Total	1.6	5.2	12.9	10.9	69.3	100.0

Source: NIS/OEMF; Study on households' standard of living, 1998

In terms of remuneration, approximately 56.2% of the men and 87.3% of the women in the active agricultural population earning an income have a lower monthly income than the Guaranteed Inter-professional Minimum Wage (GIMW)⁷.

Table 12: Distribution of the population employed in agriculture by monthly income bracket in 1998 (%)

	Men	Women	Total
Without income	2.1	0.9	1.8
Income lower than GIMW	56.2	87.3	64.3
Income higher than GIMW	41.8	11.8	33.9
Total	100.0	100.0	100.0

Source: NIS/OEMF; Study on households' standard of living, 1998

Non-agricultural underemployment

A number of studies suggest that employment in the informal sector can often be compared to underemployment.

⁷ Their income was 33,607 CFA francs, or \$48.01 U.S. per month in 1995, and 33,607 CFA francs, or \$52.29 U.S. per month since 1998.

In the non-agricultural sector, 85.4% of the male population and 67.2% of the female population work more than the 40-hour legal workweek. This is equivalent to 71.4% of the people in the informal sector working more hours than a legal workweek.

Table 13: Distribution of the active population in the informal sector by weekly duration of work in 1998 (%)

	1 to 19	20 to 29	30 to 39	40	41 and more	Total
Men	2.7	2.3	4.7	4.9	85.4	100.0
Women	2.7	7.1	14.6	8.4	67.2	100.0
Total	2.7	6.0	12.3	7.6	71.4	100.0

Source: NIS/OEMF; Study on households' standard of living, 1998

In terms of the active population in the informal sector that receives remuneration, 37.8% of the men compared to 66.4% of the women have a lower income than the GIMW. For the non-agricultural sector as a whole, that represents 52.6% of the active population whose monthly income is less than the GIMW.

Table 14: Distribution of the active population in the informal sector by monthly income bracket in 1998 (%)

	Men	Women	Total
Without income	0.1	0.0	0.0
Income lower than GIMW	37.8	66.4	52.6
Income higher than GIMW	62.2	33.6	47.3
Total	100.0	100.0	100.0

Source: NIS/OEMF; Study on households' standard of living, 1998

These two criteria combined would indicate that the active population in the informal sector works more hours than the legal workweek. These long hours at low pay reflect a very low level of productivity in the sector. We can conclude, then, that there is invisible underemployment in this sector.

In terms of the modern sector, we note that approximately 29% of those employed work the prescribed standard number of hours (40 hours a week), 14% work less, and 57% work more than the prescribed weekly number of hours.

Examining the duration of the work week by gender reveals that 27% of men and 38% of women work the normal workweek, while 59% of men and 49% of women work more hours than the prescribed workweek.

Table 15: Distribution of the active population in the modern sector by weekly duration of work in 1998 (%)

	1 to 19	20 to 29	30 to 39	40	41 and more	Total
Men	2.7	2.3	4.7	4.9	85.4	100.0
Women	2.7	7.1	14.6	8.4	67.2	100.0
Total	2.7	6.0	12.3	7.6	71.4	100.0

Source: NIS/OEMF; Study on households' standard of living, 1998

In observing the distribution of remuneration, we see that 10.4% of male wage earners and 8.8% of female wage earners earn less than the guaranteed inter-professional minimum wage, which is 36,607 CFA francs. This amounts to a total of 10.1% of the salaried population who are below the GIMW.

Table 16: Distribution of the active population in the modern sector by monthly income bracket in 1998.

	Men	Women	Total
Income lower than GIMW	10.4	8.8	10.1
Income higher than GIMW	89.6	91.2	89.9
Total	100.0	100.0	100.0

Source: NIS/OEMF; Study on households' standard of living, 1998

- **Poverty**

The study of underemployment can be completed by a study of poverty among the various socio-economic groups, given that underemployment and unemployment are the major causes of poverty, as defined in terms of a poverty line. The National Institute for Statistics (NIS) periodically publishes the "Profile of poverty in Ivory Coast" (Profil de pauvreté en Côte d'Ivoire).

The poverty line was set at 75,000 CFA francs (\$107.14 U.S.) per capita per year in 1985. It went up to \$101,340 CFA francs (\$144.77 U.S.) per capita per year in 1993, 144,800 CFA francs (\$206.86 U.S.) per capita per year in 1995, and 162,800 CFA francs (\$232.57 U.S.) per capita per year in 1998.

According to these studies, between 1985 and 1995, poverty steadily increased in Ivory Coast. The proportion of households living below the poverty line was 10% in 1985, 32.3% in 1993, 36.8% in 1995. These same figures show that after an intensification of poverty between 1985 and 1995, we witnessed an 8.7 percentage-point drop in 1998 to 33.8%

In terms of strata, this drop is relatively significant in Abidjan (45.0%) and in the west rural forest area. Contrary to the situation in these two strata, an aggravation of poverty can be noted in the other cities (18.20%), in the east rural forest area (13.70%) and in the rural savannah (10.50%).

Table 17: Poverty rate by region from 1985 to 1998 (%)

Years					Change (%)
Strata	1985	1993	1995	1998	1998/1995
Abidjan	0.70	5.10	20.20	11.10	-45.0
Other cities	8	31.20	28.60	33.80	18.20
EAST rural forest	15.20	38.90	41.0	46.60	13.70
WEST rural forest	1.60	38.20	50.10	24.50	-51.10
Rural savannah	25.90	49.40	49.40	54.60	10.50
Overall	10.0	32.30	36.80	33.60	-8.70

Source: NIS, Profile of poverty in Ivory Coast, 1998

In terms of sectors, we note an increase in poverty levels in all socio-economic categories, and particularly among the unemployed. The poverty rate for this category went from 20% in 1993 to 52.8% in 1995 before dropping back down to 19.7% in 1998.

Table 18: Poverty rate by socio-professional group from 1993 to 1998 (%)

Socio-professional group	Indices 1993	Indices 1995	Indices 1998
Farmers producing for export	37.20	38.70	45.10
Farmers producing for the domestic market	47.0	54.20	50.60
Agricultural employees	49.40	32.10	36.80
Public sector employees	7.20	15.10	16.30
Modern private sector employees	7.70	7.50	24.90
Informal sector employees	23.70	29.30	29.10
Unemployed workers	20.0	52.80	19.70
Inactive population	26.0	19.40	18.70
Overall	31.30	33.90	31.20

Source: NIS, Profile of poverty in Ivory Coast, 1993, 1995 and 1998

Conclusion

What emerges from the preceding analyses is that in general, the active employed population in Ivory Coast is underemployed. This is borne out by the fact that the majority of the active population is employed in the agricultural and informal sectors. The active population in these two sectors is found to be the poorest. These analyses underscore the extensive underemployment in the agricultural sector and in the non-agricultural informal sector.

From the analysis on unemployment, one can observe that unemployment is an essentially urban phenomenon in Ivory Coast. The phenomenon of underemployment enables us to observe that the non-structured sector generally groups together members of the active population who are underemployed. The low unemployment rate in Ivory Coast, then, says little about the country's economic performance insofar as the active population is generally living in a very precarious situation.