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The Labour Market in Mali

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Introduction

Mali is a large, poor country, with a population of more than 10 million inhabitants living in a land-locked area of about 1,240,192 km². Mali is in the heart of West Africa, surrounded by Burkina Faso, Côte d'Ivoire, Mauritania, Senegal, Guinea, Niger and Algeria. The country is located in the Soudanian, Sahelian and Saharian climatic zones. Agriculture is traditionally the most important sector of the economy, but Mali has recently rediscovered gold mining. The country is characterised by production of handicrafts, a strong commercial culture and a weak manufacturing base.

Despite the constraints linked to the climate, the fact that it is landlocked, and the large size of the national territory, Mali has a dynamic economy.

In fact, since successfully taking advantage of the devaluation of the national currency - the CFA Franc- in 1994, Mali has turned in some satisfactory results at the macro-economic and financial levels. The economy has grown faster than the population, which on average has been growing about 3.2% per year in recent years. At the same time, Inflation has remained under control, reflecting a solid fiscal position including control over government expenses and deficits.

Macro-economic balances have been established, debt controlled, the economy liberalised, and the framework of business restructured. But, one aspect of the economy, employment, continues to languish. Employment and unemployment are worrying issues and should be seen in the context of the saturation of the civil service. Nevertheless, the recent return to power of the former president has given rise to positive expectations about the future of the economy, and the new government is currently involved in testing several positive economic initiatives.

To understand the problem of employment, and specifically the job market, we will study the different actors who lead this market and the mechanisms that come out of it giving thus an answer to some aspects of unemployment in Mali.

1. Overall economic situation

The economy in Mali depends on loans, which allow the country to buy more than it sells. Over the long-term, per capita economic growth has been barely noticeable, averaging about 0.5% per year. Services represent about 39 % of the real GNP, agriculture contributes about 25 % and livestock (cattle) about 13 % of GNP. Within agriculture, the main outputs are rice, cotton and some other cash crops. Mining and cotton have experienced the highest growth rates in recent years. In short, the economy relies overwhelmingly on services, mining, and cotton.

Between 1980 and 1996, in constant prices, exports grew, on average, 4.6% per year, while imports expanded at an average 4.8% per year. Exports remain dominated by cotton (2/3 of the total), livestock, and, increasingly, gold. The country imports a wide range of products from food-processing equipment to oil.

The West African Economic and Monetary Union (UEMOA) has attempted to overcome regional economic weaknesses through economic integration. Mali is a good importer from other members of Union, and the country runs a consistent trade deficit with Union countries, despite the problems that resulted from the devaluation of the CFA Franc in 1994.

The monetary situation is, in general, improving since the devaluation of CFA franc in January 1994. The amount of available credit has grown noticeably, though a slight drop took place after 1996. The cash rate of the economy is stabilised, with the money supply equal to about 40 % of the total GNP.

Foreign investment in Mali is primarily through foreign loans. The exchange policy plays a very important role, with the CFA franc functioning as the currency of the most important commercial partners of the franc monetary zone. This should go along toward adding greater rigour to budgetary policy with one foreseeable difficulty related to the convergence of economic policies in the face of a united and more powerful Europe.

The constraints to economic development in Mali are numerous. These include the high cost of capital, the weakness of the basic infrastructure, the high cost of public services, poor productivity of labour, the landlocked nature of the country and the weakness of the local saving rate. The need for funding is large and the potential sources are few. The main concern is the need for assistance to local businesses to increase their competitiveness in order to better face the competition from imported products, particularly those from outside the UEMOA member countries.

Table 1 summarises some key features of Mali and its economy.

Table n°1: Some macroeconomics indicator of Mali

Indicators	1994	1995	1996	1997	1998	1999	2000
GDP/head in %	0.4	4.8	2.3	4.7	2.6	3.3	2.4
Inflation rate %	32.1	9.2	2.8	0.9	3.0	-0.5	3.3
Change GDP deflator %	33.4	13.3	6.6	1.0	6.7	-1.4	1.9
Investment (% GDP)	24.4	24.1	20.9	22.8	25.4	24.7	23.2
Trade balance (billion)	-223.7	-274.3	-256.8	-195.1	-209.6	-222.8	-222.1
Debt servicing (billion)	61.7	38.2	37.8	41.0	43.6	52.2	57.5
Debt servicing/Exports	39.02	18.6	18.04	33.13	16.52	16.83	17.10
Real GDP growth %	2.6	7	4.3	6.7	4.9	5.6	4.7
Saving rate in RND%	13.7	11.5	10.2	17.4	20.4	17.4	15.5

Source: Economic Accounts of Mali - DNSI 2000

In the year 2000, the Malian economy recorded a real GDP growth of 4.7%, with final consumption increasing 1.1% and gross fixed-capital formation rising 3.9%. Some sectors contributed more to overall growth than others did. Livestock and fishing output increased 0.6% and 1.4%, respectively, as a result of current reforms and a good rainfall. Agricultural output, however, dropped 9.4%, following a decline of in the

production of cotton of 11.5. Meanwhile, the output of peanuts, tobacco, and wheat all grew over the same period. Preliminary indications are that cotton output probably fell about 52% in 2001, from about 530,000 tons in 2000 to only 242,000 tons in 2001. The main reason for the sharp decline in cotton production was the boycott movement by small cotton farmers, prompted by low cotton prices.

Outside of agriculture, the story was also mixed. Strong growth in mining (11.1%) reflected a large increase in gold production. Value added in manufacturing increased 4.9 % due mostly to rises in food processing and textiles.

The “buildings and public works” sector (BTP) experienced a 5% rise in value added. One of the best indicators of the level of national economic development is the state of various aspects of infrastructure such as roads, dams, schools, health centres, stadiums, and so on. Public works related to COCAN 2002 contributed significantly to the overall growth of the value added in this sector in 2000.

Mali is among the most indebted countries in the world. In recent years, debt service has surpassed 50 billion CFA per year. Most recently, trends have improved somewhat. Investment in mining led to an important increase in national gold output, converting gold into the most important national export in 2000. The diffusion of mobile telephones has been responsible for a 6% annual increase in the telecommunications sector. Currently, two telecommunications firms (Malitel and Ikatel) divide the large market for cellular telephones, helping to raise the ratio of telephones per inhabitant from one of the lowest levels in the region. The generally good prospects for the national economy have not been greatly affected by a number of exogenous shocks. The fall in cotton production has left public finances in a fragile position. The political events in Cote d'Ivoire (the near civil war following the September 19,2002 uprising) also worsened the general economic and financial situation in Mali. The lengthy closing of the border had a direct impact on trade and increased transportation costs. Refugee flows also had a negative impact on the national budget. The deplorable events in Cote d'Ivoire also disrupted production in Mali because of shortages of imported goods necessary for national production.. Preliminary estimates suggest that the total cost to the Malian government of the situation in Cote d'Ivoire exceeded 4 billion CFA francs.

2. Trade Unions in Mali

Trade unions have played a very important role in Mali. Historically, Mali has had one group of affiliated trade unions up to the present time. Just after national independence on 22 September, 1960, Malian trade unions, which were affiliated to UGTAN and had no international ties, launched their fight to create one group of affiliated trade unions as an instrument to fight for African unity and to end imperialism in Africa. In July 1963, the first congress of the trade unions of the Republic of Mali was held. The territorial Union of the workers of Soudan became the Malian Workers' Trade Union (UNTM). Twelve national trade unions of different federations assumed positions on the basic committees.

Table n°2 : Number of groups of affiliated trade unions of Mali

Group of affiliated unions	Number of unions	Number of members
UNTM	12	48 000
CSTM	4	15 000

Source : UNTM 99 – CSTM 2000

Following the dismantling of the Soviet Union, the UNTM drawing lesson from history, held its extraordinary executive council in the Trade Union Centre in Bamako from 28 to 29 May 1990. During this historical conference, the UNTM strongly demanded the resignation of the current government, the end of the one party system and a major revision of the constitution. History has recorded that the UNTM, as an organised social group, was the first main force to officially demand democracy, despite threats and intimidation. The UNTM played a major role in connection with the overthrow of the Moussa Traoré dictatorial administration in March 1991. The Trade Union Centre became the headquarters of the democratic movement.

But, after the congress of December 22, the UNTM was shaken by a serious crisis that led to the suspensions of the Secretary General and his vice Secretary General. The crisis resulted in the split of the affiliated trade union groups and the creation of a break-away group called the Confederation of Malian Workers' Union (CSTM). The new CSTM was officially created in December 1997 and had its constituent congress on 27-28 April 1998. This federation has about 15,000 members belonging to four trade unions in Mali.

Divisions of the union movement have continued over the intervening years. The most recent split occurred when public-sector workers formed an new union, the UNTCM.

3. Labour market and unemployment in Mali

In Mali, we use three main categories of informational sources on the population and employment:

- Population Census and household surveys
- Establishment Census and establishment surveys
- Administrative statistics.

In reaction to the problem of employment some actions have been initiated, and this has been within a more elaborated institutional framework.

3.1. Institutional Framework

The institutional framework that rules the labour market is multi-layered, ranging from government administration entities to organisational and professional structures.

3.1.1. The Ministry and Employment, Civil Service and Work.

The Ministry is responsible for:

- The elaboration, monitoring and follow up of the State policies in regard to employment;
- The definition and execution of the national policy in terms of professional in-service training and skills upgrading;
- The social protection of workers and their families;

The Minister is assisted in these tasks by a Secretary General and the National Direction of Employment, Work and Social Security. The Secretary General assumes the co-ordination and the technical control of the regional directions and National office of Labour and Employment, which is responsible for the execution of the employment policies.

3.1.2. The National Office of Labour and Work (ONMOE) versus ANPE (National Agency for the Promotion of Employment)

Created in 1991, the Improvement and Retraining Centre-assistance Committee for the Insertion of Young Graduates into Work (ONMOE) is a public administrative institution including two specialised services and four divisions. Both specialised services respectively deal with the training, the improvement and retraining of company workers on one hand, and on the other hand of advice – orientation and the placement of young graduates who are unemployed. With the new reform on employment in order to have a better balance between training/employment of this year 2002, ONMOE changed to ANPE (National Agency for the Promotion of Employment).

3.1.3. Employment and Training Research (OEF)

The Observatory was created in 1996 and is led by a Director who is oriented and controlled by a Steering Committee and Technical Committee. The steering committee in addition to the technical committee members which the Ministry in charge, of ONMOE, of UNTM and of FNEM.

The observatory has the following missions:

- The collection, analysis. and dissemination of news related to the labour market and to the structure of employment;
- Making available to the public and to decision-makers information and analysis about factors involved in job creation;
- Creation and maintenance of a data bank on employment and training ;

Recently, the OEF has developed several initiatives to promote the employment of women, with some strong, positive, results.

In addition to these structures, there are some professional organisations that contribute to the management of the labour market in Mali.

3.1.4. Professional Organisations

Among these we can list:

- The National Federation of Employers (FNEM)

It is composed of twenty professional groups and was created in 1980 and since, it has become a necessary social partner representing the companies of the formal sector. Specifically, it looks after the rehabilitation of the existing production infrastructure, deals with the definition of an industrial policy, the adaptation of taxes that effect the productive sector and the domestic market and fights against fraud and illicit trade.

- Guild chamber

It was created in 1993 and placed under the supervision of the Ministry of Craft Industry. The Chamber of Trade is empowered to keep the inventory of the guilds, improve the profitability of small companies and contribute to the development of this sector. The Guild Chamber in the course of its development led to the creation of FNAM (National Federation of Craftsmen in Mali) which is composed of 72 groups of craftsmen through the country.

Besides the professional organisations we should add some more that are not less important, but in which the aspect of employment is less central. We can list:

- The Chamber of Commerce and Industry of Mali
- The Chamber of Agriculture of Mali
- The Malian workers Trade Union.
- The moderator office of the meeting state/private sector.

3.1.5. Public Investments

Government construction projects, which employ many workers, have been initiated in order to resolve the employment crisis. Originally, we made the observation that more than half of the budget is used in the creation and maintenance of infrastructure. Special emergency public works programmes were carried out under state control and led to the creation of temporary new jobs.

In order to reduce the social costs of the structural adjustment where they are evident – in urban areas– the government and the World Bank launched a similar programme to the one in Senegal, and other countries through the sub-region. In order to address simultaneously the problems of unemployment, the drop in the standard of living and the difficulties of national small- and medium-sized enterprises (SMEs). The objective of these programmes is to create jobs and improve the living condition in urban areas by encouraging local companies to bid competitively for a high volume of infrastructure projects.

The execution of this programme of “community works for employment” was given to an association known as Community Work Enterprises (AGETIPE- Mali). The main task of

AGETIPE is to carry out community work using a high labour coefficient and to contribute to the training of employees of local collectives, research departments and enterprises. The main objectives were to:

- Create, at least on a temporary basis, a significant number of new jobs.
- Improve the know how of labour, the competitiveness of the enterprises and the efficiency of the involved public institutions, to increase the capacity of the economy to find a solution to the creation of job opportunities that would be permanent ;

The agency helped create 6000 permanent jobs since its creation.

To this should be added the efforts by FAFPA (Assistance Funds to the Professional Training and Learning) towards professional training.

The top priority of the new president is, without a doubt, in the area of "human and social development," with the main focus on youth employment housing. The youth employment problem, which certainly qualifies as social time-bomb given its role in the March 1991 revolution, is the most important challenge facing the government. To guarantee stable employment for all, the government has just opened a large employment program for youth. The project, called the "Youth Employment Programme" is designed to create jobs for 37,500 young workers (between the age of 15 and 40) per year between now and 2007. The programme provides hope for the thousands of recent school leavers and unemployed youth and their families, many of whom have lost hope as a result of the high rate of the youth unemployment.

3.2. The functioning of the market

The employment issue is seen by the authorities as a national priority for the development of the country. That explains the creation of PNA/ERP (National Programme Actions for Employment in order to Reduce Poverty) in order to create jobs and setting up of a system of information on the labour market and poverty.

3.2.1. Employment and its remuneration in Mali

The Labour Law 92-020 of the 23 September, 1992 states that a worker is anybody doing a professional activity in exchange for a salary under the authority of another person called employer, except for civil servants, magistrates and members of the armed forces.

Table n°3: Income and conditions of activity by sector, in 2000

	All economic active					Dependent workers	
	avg. weekly hours	Monthly incomes (in thousand FCFA)				% workers with contract	% workers with pay slip
		average	median	1st quartile Q1	3 rd quartile Q3		
Public Administration	40.4	88	70	50	97	84.3	92.8
Publics Entreprises	41.3	96	62	45	110	83.3	84.5
Formal private sector	49.4	111	60	35	95	61.5	60.3
Informal private sector	49.9	45	30	15	50	16.2	11.1
Associative Entreprises	44.4	99	70	40	110	73.8	66.7
Domestic staff	62.4	9	6	5	7	4.0	2.1
All	49.5	57	35	15	60	41.4	40.5

Source : OEF March 2002

This table shows the distribution of income and the conditions of the activities by sector. Domestic staff have the longest work week at 62.4 hours, compared to 40.4 hours for those in public administration. Domestic staff, commonly called “boys or bonnes,” also have the lowest average salary, of only about 9,000 FCFA (\$13 U.S.) per month. The best wages in the labour market are in the formal private enterprises, where the average salary is about 111,000 FCFA (\$159U.S.) per month. The majority of the workers in public administration, public enterprises and formal private enterprises have a work contract and also receive a pay-slip, which is generally not the case in the informal sector and for domestic staff. Despite the precarious situation of domestic staff and workers in the informal sector, both sectors, nevertheless, still employ a large share of the workforce.

The importance of the informal sector has been noted in Mali since the 1970s. With the introduction of the entrance exam in the civil service in 1983, the informal sector became an important mechanism for reducing unemployment. In the wake of the devaluation of the franc CFA in 1994 and the resulting deterioration of consumer purchasing power, the activities of the informal sector also received a considerable boost, particularly in urban areas. These activities constitute strategies for survival, but also contribute to the country’s economic development.

Research carried out in 1996 by the Observatory of Employment and Training (Employment Balance Sheet 1996) revealed many of the characteristics of work and workers in the informal sector. The study concluded that about 1,176,000 Malians worked in informal employment. In the margin of these active people, other sectors (rural

and modern) exercise informal activity on a secondary basis. That is 477,587 people. It should be noted too, the participation of the unemployed and the non-working population in informal activities on a temporary basis.

Table n°4 : informal employment according to area.

Place	Informal employment	Total employment	Informal /total
Urban	370 590	521 656	71%
Rural	805 474	3 220 920	25%
Total	1 176 064	3 742 576	31%

Source : OEF 1996

The wage distribution from 1998 to 2000 shows a slight improvement. Not only did the average rise (from 139,000 FCFA to 150,000 FCFA), but so too did the median wage (from 96,000 to 106,000 FCFA). Wages in the first quartile, however, fell (from 81,000 to 79,000).

Table n°5 : Wage distribution from 1998 to 2000

(Thousands CFA francs per month)

Wage Distribution	1998	1999	2000
Number	18,792	19,872	19,543
Average wage	139	146	150
Median wage	96	99	106
Quartile 1	81	81	79

Source : OEF mars 2002

Article D.86 - 10 of Decree 96 – 178/PRM of the 13 June 1996 fixing the terms of the labour law, including the minimum monthly salary:

Category I	21, 936 F CFA
Category II	23, 338 F CFA
Category III	25, 641 F CFA
Category IV	28, 947 F CFA
Category V	32, 346 F CFA
Category VI	33, 646 F CFA
Category VII	35, 049 F CFA

However, some categories of workers continue to earn salaries that are far below the legal minimum wage. This is especially true for domestic workers.

The SMIG (Minimum Guaranteed Inter-professional Salary) has also increased in recent years. The following picture shows the evolution of the minimum salary in the public sector, by pay grade, for recent years.

**Table N°6 : Nominal Minimum Wages and Salaries in the Public Sector, 1995-2000
(In CFA francs per month)**

	1995	1997	1999	2000 est
Contractual workers				
Minimum wage for unskilled agricultural workers (SMAG)	21015	23224	24085	24085
Basic wage	11265	13474	14335	14335
Special allowance	1000	1000	1000	1000
Cost of living allowance	2250	2250	2250	2250
Solidarity allowance	6500	6500	6500	6500
Minimum wage for unskilled workers outside agriculture (SMIG)	20965	23301	24162	24162
Basic wage	11138	13474	14335	14335
Special allowance	1000	1000	1000	1000
Cost of living allowance	2250	2250	2250	2250
Adjustment, March 1980	77	77	77	77
Solidarity allowance	6500	6500	6500	6500
Government employees				
Grade 100	33800	34040	37254	41637
Base salary	24800	26040	29254	33637
Housing allowance	1500	1500	1500	1500
Special allowance	1000	0	0	0
Solidarity allowance	6500	6500	6500	6500
Grade 316	81868	85786	95942	109677
Base salary	78368	82286	92442	106177
Housing allowance	1500	1500	1500	1500
Solidarity allowance	2000	2000	2000	2000
Grade 650	164700	172760	193650	221998
Base salary	161200	169260	190150	218498

Housing allowance	1500	1500	1500	1500
Solidarity allowance	2000	2000	2000	2000

Source : Malian authorities.

From 1995 to 2000, nominal minimum wages and salaries have increased considerably, for both public-sector employees and contract workers. Despite these sizeable increases, pay in Mali remains relative to that of public employees in neighbouring Burkina Faso, Cote d'Ivoire, and Senegal.

Another serious problem is the process of job search. In addition to the imbalance between demand and supply, which the OEF has been attempting to address since the organization's creation, the process of job search, which is the result primarily of asymmetric information in the labour market, also contributes to the unemployment problem.

Formal channels of job search are largely cut off to the unemployed. In fact, two out of three unemployed workers use their relatives and friends to find a job. Private placement offices have shown their limitations, frequently demonstrating clientelism, corruption and even blackmail. Newspaper advertisements are not satisfactory because advertised positions have often been filled before the advertisement appears.

Despite the efforts made by the ANPE (National Agency for the Promotion of Employment) employment growth remains dominated (about 80%) by direct recruitment. The private sector rarely recruits. Particularly with subregional integration, competition is very keen for positions in the private sector and successful candidates are generally qualified foreigners, more than the nationals.

Table n°7 : Recruitment system in Mali from 1998 to 2000

Recruitment system	1998	1999	2000	Annual growth
Direct	89%	81%	86%	11.4%
ANPE	9%	16%	12%	30.6%
Private	2%	3%	2%	2.9%
Total	699	1028	893	13%

Source : OEF March 2002

Recruitment in Mali differs markedly by gender. Table 8 shows that, at all levels, men have a higher employment rate than women do. This situation indicates discrimination in the labour market in Mali. But, it's quite different, because recent research indicates the opposite. That is to say, a positive discrimination towards women. That means that when both have the same qualifications, the woman is given the chance to hold the post. In addition, it is common to read in job advertisements in Mali "Applications from women are encouraged" or "60% of the positions are reserved for women".

Table n°8 : Employment by sex in Mali from 1998 to 2000

	Young graduates			First job			Already worked		
	1998	1999	2000	1998	1999	2000	1998	1999	2000
Men	243	325	322	188	239	239	173	211	209
Women	42	78	65	41	28	28	13	33	33
Total	285	403	387	229	267	267	186	244	242

Source : OEF March 2002

3.2.2. Unemployment in Mali

The economically active population is defined as anyone who is old enough to work, who either has a job or is currently unemployed. The activity rate is the proportion of people who at a given moment are in the labour force relative to the overall working-age population. These rates were measured according to ILO definitions. An unemployed person, according to the ILO, is a person who is out of a job, looking for work, and currently available to work. In its widest sense, this definition in Mali recognises that a person may not have done anything active to find a job.

Table n°9 : The economically active population, 1976-97

	RGPH 1976	ED 1985	RGPH 1987	ENAEM (ESI) 1989	EMCES 1994	OEF 1996-97
Total Population	6,394,918	7,346,382	7,696,348	7,721,076	8,071,000	8,334,817
Active Population	3,808,053	3,229,500	3,275,538	3,372,961	4,476,772	3,154,169
Economic Activity Rate (%)	59.5	44	44.5	38.1	57.9	37.8
Average gross wage (FCFA per month)	-	-	54 358	-	-	84 312
Unemploy- ment rate (%)	1.1	2.2	0.8	1.3	1.4	3.1
Informal sector work force	193,776	-	-	382,975	662,115	1,176,064

Source : OEF 1997

This table gives us information about the labour market, even though the underlying sources are not identical. The active population hasn't changed much from 1976 to 1997, despite the 1994 peak reflected in the Malian Social and Economic Situation

Survey (EMCES). From the general census on Population and Housing (RGPH) of 1976 to the Demographic Survey (ED) of 1985, the unemployment rate was almost unchanged. This table gives us an idea of the evolution of informal-sector employment. In 1976, 193,776 people were employed in the sector. By 2000, this number had almost been multiplied by six, to 1,176,064.

Table n°10 : Economically active population in Mali, 2002.

	Employed	Unemployed by ILO definition	"Discouraged workers"	Inactive by ILO definitio n	Activity rate by ILO definition	Broad activity rate
Number	292,086	24,078	51,293	389,439	41.8%	48.5%

Source : OEF March 2002.

Looking at these results, we can state that unemployment is not an alarming phenomenon in Mali. From 1976 to 1997 the unemployment rate reached 3%,, although the rate in 2000 was above earlier levels. Part of the increase in 2000 relative to the earlier period was due to the differences the underlying data and the definition of unemployment used.

The table below shows that unemployment is not higher among women than it is among men .

Table n°11 : Unemployment rate according to sex in Bamako in 2000

Unemployment rate	Men	Women	Total
ILO	6.9%	9.0%	7.6%
ILO extended	13.2%	31.3%	20.5%

Source : OEF March 2002

In developed countries, a high school diploma is seen as a way to get employment. In the case of Mali it is different and unemployment concerns all sectors of the population. As an example, the unemployment rate is 15.9 % for people who did not attend school and 25.9 % for those who hold a CEP (primary school certificate). The unemployment rate is 32.4 % for those holding the CAP (Professional ability certificate) and the BT (Technician Certificate) and 17.4 % for all the people holding the baccalaureate degree (A. Levels or school leaving certificate).

Table 12 : The unemployment situation in 1994

Unemployment /gender	1994	
	Urban	Rural
Men	25793	12913
Women	20657	6554
Total	46450	19467

Source : OEF 1996

The situation in 1994 demonstrates that Mali is moving toward gender equality with respect to unemployment in urban areas. In rural areas, however, more than twice as many men as women are unemployed.

Unemployment is a rare phenomenon in rural areas because the economic activities in rural areas are very often family businesses and all able-bodied people work. In the rural sector, unemployment is primarily a problem of underemployment.

Table n°13 : The characteristics of the unemployed

Caract.	Numbers	% of total	Avg. age	Average years of schooling	Average unemployment duration (months)	Weekly duration of work expected [? translation needs clarification]	Reservation wage in FCFA
First job applicants	65,000	85.5	25.9	5.6	51	40.3	45,000
Employed	11,000	14.5	36.8	5.7	54	43.4	52,000
Together	76,000	100	27.4	5.6	51	40.8	46,000

Source : OEF March 2002

More than 85% of the unemployed are young people looking for their first job. The group has an average age of about 25 and average years of schooling of about 5.6. The unemployed entrants who are applying for the first time spend on average 51 months (more than four years) looking for work. Such long delays in finding work are likely to lead to a deterioration of their skills. Prolonged unemployment can also lead discouraged young people to unhealthy activities. The reservation wage for recent school leavers is about 45,000 FCFA per month; the reservation wage for older unemployed workers is about 52,000 FCFA per month.

4. The state of poverty in the country.

Poverty is a major issue in Mali. The country has a sad record with respect to poverty, as evidenced by the results of various reports on sustainable human development. Mali was admitted to the HIPC (Heavily Indebted Poor Countries) initiative in September 1998. In the past, in order to alleviate poverty in the country through targeted and relevant policies, Mali created a research institute to analyse and produce reliable statistics to be used as benchmarks for policy makers (ODHD/LCP) (Institute of Sustainable Human Development and Poverty Alleviation).

4.1. Poverty Indicators

The four basic indicators produced by the ODHD are: the poverty line (Z), the headcount rate of poverty (P0), the poverty gap (P1), and the severity of poverty (P2).

Table 14 : Development of Poverty Baseline and Rates in Mali (baseline in FCFA)

Indicators	1989	1994	1996	1998	1999
Poverty line (Z)	110,000	77,204	102,971	103,130	97,843
Poverty rate (Po)	40.8%	68.8%	71.6%	69%	64.2%
Poverty depth (P1)	31.9%	46.9%	48.4%	31%	44.3%
Poverty severity (P2)	14.1%	26.9%	28.4%	17.3%	24.4%

Source : DNSI2000-ODHD2000

The poverty line (z) is the limit below which a person may be considered as poor. That is the minimum level of required consumption to enable an individual from a given society to subsist. Two elements must be taken into account: on the one hand, what is to be spent to provide the minimum level of nutrition and other necessities of life, and, on the other hand what is required in order to take part in the everyday life of the society.

The calculation of poverty for the years 1996 and 1998 is based on WHO standards that set 2,450 kilo-calories as being the daily energy need of a healthy adult person. To be able to take part in the everyday life of the society and, on the other hand, the consumption in rice equivalent (3,500 kilo-calories per kg) that provide the person such a quantity of energy. In Mali, this baseline has changed considerably over the years. This baseline was very high in 1989 (FCFA 110,000) and fell to 77,204 in 1994.

In 1999, the poverty baseline rose to FCFA 97,843. The PO indicator measuring poverty incidence went down -1.8% between 1996 and 1998. This decline continued until 1999. As for the poverty gap (P1) and the severity of poverty (P2), 1998 was an exceptional year when both indicators were particularly low. On the contrary, the same indicators P1 and P2 steadily increased from 1989 to 1996.

4.2. Area poverty indicators

Table 15 : Poverty indicators, by region

Indicators	1989		1994		1996		1998		1999	
	Urban	Rural	Urban	Rural	Urban	Rural	Urban	Rural	Urban	Rural
P0	15.0	46.7	36.6	75.6	40.6	78.3	36.3	76.0	31.2	71.3
P1	27.7	32.2	33.0	48.3	33.9	50.0	12.1	35.1	31.1	45.5
P2	12.4	14.2	14.8	28.1	15.6	29.8	5.5	19.8	13.3	25.5

Source : DNSI2000-ODHD2000

The data in Table 14 show that poverty in Mali is primarily a rural phenomenon. Generally, more than 70% of the rural population is poor. The urban level is slightly low, however with a greater ascendance of the rural over the urban area (more than double). This regional inequality persists not only with respect to the poverty gap, but also with respect to the severity of poverty. The lower level of the depth of poverty in urban areas

than in rural areas could be explained by a high concentration of revenue generating activities in the urban areas.

This is a sign that it will be easier to eradicate poverty in urban areas than in rural areas. Poverty severity is particularly alarming in rural areas. That means that about a quarter of the rural poor are in a state of complete impoverishment.

Statistics by climatic zones give another spatial vision of this phenomenon. The rural south appears to be the poorest zone of the country (with about 88 % below the poverty line), however, taking into account the favourable climatic factors (rainfall, soil fertility) this southern area should have been among the most prosperous.

Inequality is a separate problem facing the people of Mali. Inequality has tended to decline since the devaluation of the FCFA, thanks to government policy and various actions of solidarity. The struggle against social exclusion is one of the government's priorities. In order to perpetuate these actions in favour of the most vulnerable strata, the government has ordered the month of October as a month of solidarity and the fight against exclusion. As a result, of all these actions, the GINI inequality index fell from 0.44 in 1994 to 0.42 in 1996.

Last year, the government created a new agency in charge of promoting solidarity among the population. The new agency includes a solidarity bank, designed to combat poverty and inequality. Conclusion

The macroeconomic achievements of Mali tend to hide the thorny issue of unemployment. Many actors operate in the job market, but their efficacy is not always perceivable. Now that there are private employment agencies in addition to the ANPE public agency and with representation throughout the entire country, there is a need for rapid data transmission from employment agencies to the OEF to enable the latter to quickly carry out the job market calculations and analyses. Many indicators, besides those in use, can be monitored and analysed for market imbalance, corrections, and adoption of a coherent policy of support to people out of a job and those living in poverty.. The fight against unemployment is an essential component of the overall fight against poverty.

Some analyses suggest that one of the reasons for unemployment is the low level of job applicants' qualifications. This analysis also shows that unemployment is mainly an urban phenomenon where it is at least, seven times greater/higher than in rural areas.

The unemployed are, mostly, people seeking their first job (about 85%). Women and young people are most affected by unemployment and young school leavers/graduates are also more and more affected by the phenomenon. However, it is also very important to note that the unemployment period is long, more than four years, on average.

Lowering unemployment will require greater economic growth. Government policy will not succeed if policies do not generate employment and do not contribute to the fight against inequality. One important policy should be a reduction in taxes on work.

A review of poverty in Mali shows that poverty has declined, but great efforts are still needed to deliver the population from the stagnation that the country has been experiencing now for a long time. Unemployment plays a key role in generating poverty in Mali, and policies that would reduce or alleviate unemployment would certainly be a strategic tool for poverty alleviation.