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The job market in Niger

USTN—

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Introduction

Niger is a vast, landlocked, sub-Saharan country of 1,267,000 square kilometres. It has a population of 10,000,000. The nearest harbour is located more than 1,000 kilometres away. For more than a decade, Niger has undergone a structural-adjustment programme directed and funded by the World Bank, the International Monetary Fund, and other donors.¹ The programme led to:

- A confirmation agreement² that was approved by the IMF board of directors on Oct. 5, 1983. The agreement was valid until Dec. 4, 1984. It confirmed the amount of 18 million special drawing rights (SDRs).³ In the same year, Niger also received two loans from the IMF worth 12 million SDRs each as part of the compensation funding mechanism.⁴
- A confirmation agreement for 16 million SDRs for the period from Dec. 5, 1984 to Dec. 4, 1985.
- A confirmation agreement⁵ for 13.48 million SDRs for the period from Dec. 5, 1985 to Dec. 6, 1986.⁶
- An agreement for a first loan for structural adjustment.⁷
- A second loan agreement for reforming the public-enterprise sector.⁸

¹ France participated actively from 1983 to 1988, launching a series of special funding programmes. In one of the programmes, the Caisse Centrale de Coopération Economique (CCCE) granted Niger non-project loans called exceptional aid or structural adjustment loans: FF 92.6 million in 1981; FF 60 million in 1982; FF 100 million each year in 1983, 1984, and 1985. The Fonds d'Aide et de Coopération (FAC) provided a budget subsidy of FF 40 million in 1986 and FF 20 million in 1988.

² This was called a standby arrangement, or drawing assurance in the 1950s. In order to access the aid that it needs quickly, a country whose situation is deteriorating can negotiate with the IMF to ensure that it will make a drawing rapidly. These negotiations lead to a letter of intent in which the recipient country specifies its intentions in terms of economic policy. This is called a stand-by or drawing assurance. The fund then writes a confirmation agreement that is ratified by the board of directors, which includes a representative of the recipient country.

³ Agreed-upon schedules were signed with the Paris Club members (from Oct. 1, 1983 to Sept. 30, 1984 and from Oct. 10, 1984 to Nov. 11, 1985) and with the banks (from Oct. 10, 1983 to Sept. 30, 1985).

⁴ This assistance goes to members that are affected by a temporary decline in import revenues due to a decrease in production or prices in foreign markets. This assistance concerns commodities, which account for an important share of total exports.

⁵ The confirmation agreement is dated Nov. 18, 1985 (letter no. 250/PM of March 18m 1986 to Jacques de Larodière, director general of the IMF).

⁶ There was a fourth confirmation agreement that was carried over and then extended through an agreement pertaining to the structural-adjustment programme.

⁷ The approval for the ratification of this agreement, which was signed on March 14, 1986, was granted in orders no. 86-10 and 86-11 of April 3, 1986. Its publication was decided on by decree no. 86-55/PCMS/MAE/C of April 18, 1986 (JORN no. 4, 1986, p. 28).

- A three-year structural adjustment facility (SAF)⁹ for the period from Nov. 17, 1986 to Nov. 16, 1989. This agreement (which comprises annual implementation agreements) was approved by the IMF board of directors on Nov. 17, 1987.¹⁰
- A three-year enhanced structural-adjustment facility (ESAF)¹¹ for the period from Dec. 12, 1988 to Dec. 11, 1991.
- A one-year confirmation agreement¹² in 1994 for the period from March 4, 1994 to March 5, 1995.
- A support grant for economic stimulation from the World Bank.
- An IDA grant for public-sector structural adjustment.¹³
- A three-year agreement for the FASR (1996-99).¹⁴
- 18.3 million SDRs (\$20 million) from the IDA.
- A grant of 36.6 million SDRs (\$40 million) from the Special Aid Fund to Sub-Saharan Africa.

⁸ The approval for the ratification of this loan agreement for \$80 million was granted in order no. 87.39, dated October 16, 1987. Its publication was decided on by decree no. 87-161 PCMS/MAE/C, dated November 4, 1987 (JORN no, 23 Dec. 1, 1987, p.1281).

⁹ The structural adjustment facility was set up on March 27, 1986 to provide concessional assistance for the balance of payments to low-income developing countries. Every candidate country must prepare, along with the IMF and the World Bank, a framework document that sets forth economic priorities as well as the macroeconomic and structural objectives of the country for the next three years. This document also contains an evaluation of the external funding needs of the country and the possible sources of funding. It is supposed to serve as a catalyst for foreign aid for institutions that might wish to support the effort of specific countries. It also shows in detail the reforms adopted for the first year. The first instalment of the loan is released as soon as the programme is approved. The subsequent installments are released upon the approval of the corresponding annual agreements. The progress of the programme during the fiscal year is monitored through quarterly reports that incorporate the main structural measures adopted (Michel Lelart, op.cit., page 80).

¹⁰ Initially concluded for three years, this agreement was implemented for only two years. The first annual agreement is the confirmation agreement for SDRs 10.11, dated Nov. 17, 1986 for the period from Dec. 7, 1986 to Dec.1987.

¹¹ The programme includes only semi-annual implementation criteria. Each country's policy and results are evaluated mid-year. The funds are released every six months. The priority given to longer-term structural measures, whether in the ESAF or in the SAF, is an important step in the evolution of the criteria.

¹² The agreement was based on an economic framework document for 1994-96.

¹³ This grant (for 21,600,000 SDRs (which is \$30 million) based on act 97-13 of June 20, 1997 (special joint order no. 4 dated June 20, 1997) and decree no. 97-139 of March 30, 1997 (joint order no. 20 of October 15,1997, p. 1132).

¹⁴ The agreement was supported by the IMF and the World Bank for up to 57.6 million SDRs for ESAF resources and 21.6 million SDRs as a World Bank grant for adjustment of the public sector. On Jan. 1, 2000, Niger embarked on another structural-adjustment programme, this one within the framework of an "interim strategy document for poverty alleviation" formulated by Niger's government in conjunction with the IMF and the World Bank.

Macroeconomic data

Gross domestic product

Table 1: GDP (in millions of CFA francs at 1987 prices)

	1995	1996	1997	1998	1999	2000	1995-2000
GDP	731,933	760,575	778,604	853,268	849,552	837,263	
Annual % growth in Niger	2.0	4.0	2.0	9.6	- 0.4	- 1.4	2,6
Annual % growth in Africa	2.8	5.5	3.2	3.2	2.9	3.2	2,9

Source: Niger national accounts: final version 1995-97 (Sept.2000); final version 1997 ; preliminary version 1998 ; and provisional version 1999 (April 2001).

The growth rate between 1995 and 2000 followed a jagged course. In 1998 the growth rate exceeded 9% due to an agricultural campaign that achieved a record level in production that year. In 1999 and 2000, however, the economy was in a recession.

The share of GDP from industrial production and trade is shown in **Table 2**. All Structural Adjustment Programs conducted in Niger since 1982 have had the objective of increasing this share significantly, but results have never reached the expected levels.

Table 2: Share of GDP (in millions of CFA francs at 1987 prices)

Year	1995	1996	1997	1998	1999	2000
GDP	731,933	760,575	778,604	853,268	849,552	837,263
Extraction industry, manufacturing, trade, restaurants, and hotels	226,493	237,011	245,671	241,270	232,646	253,841
--Modern sector				71,285	56,152	64,929
--Informal sector				169,985	176,494	188,912
Industry and Trade/GDP in %	30.1	31.2	31.5	28.3	27.3	30.3

Source: Niger national accounts: final version 1995-97 (Sept.2000); final version 1997 ; preliminary version 1998 ; and provisional version 1999 (April 2001).

The informal, non-primary sector is expanding, while the modern private sector is shrinking.

Public finance

Table 3: Public revenue, capital, and debt service (in billions of CFA francs)

Year	1994	1995	1996	1997	1998	1999	2000
Tax revenue	43.1	62.4	68.5	78.1	97.6	99.8	102.8
Annual % change				14.	24.9	2.2	
Gross fixed public capital formation ¹⁶	58.7	32.9	35.2	35.2	39.8	34.4	26.8
Foreign debt service	13.8	21.1	15.9	15.9	17.8	18.5	

Source: Department of Planning: national accounts, final version.

The relationship between material expenditure and personnel expenditure is shown in **Table 4:**

Table 4: Expenditure (in millions of CFA francs)

	Material	Personnel	Material/personnel (%)
1996	26.7	33.4	80
1997	37.7	44.2	85
1998	40.0	44.9	89
1999	49.7	50.7	98
2000	39.9	51.8	77

Source : Ministère des Finances, Direction générale de l'économie et des réformes économiques, TOFE 1998, 1999 et 2000 - Direction des statistiques et des comptes nationaux , comptes économique de la NATION, comptes définitifs 1997.

In 1999, none of the convergence criteria of the West African Economic and Monetary Union (UEMOA) were met. These criteria included: a ratio of personnel expenditure over tax revenue of 40%; a ratio of domestic resources as a percentage of the tax revenue equal to 20%; a ratio of primary balance over tax revenue equal to 15%; a zero or positive change in arrears in domestic and foreign payments; and an inflation rate of 3%.

On Dec. 31, 1999, arrears on the foreign debt were 70.7 billion CFA francs. At the same time, the total external debt was 912.4 billion CFA francs.¹⁷ The increase in arrears is shown in **Table 5:**

Table 5 : Foreign debt arrears (in billions of CFA francs)

1995	1996	1997	1998	1999
31.7	38.2	45.0	51.7	70.6

Source: DSCN, Comptes de la Nation, juillet 2001, page 46, tableau T.32.

¹⁶ Gross fixed capital formation represents the value of durable goods acquired for production and used for at least one year (valued at 1987 constant prices).

¹⁷ The World Bank and IMF debt accounted for 52.57% of total external debt.

The indebtedness of Niger has become what Gilbert Blardorne calls an "*indebtedness of underdevelopment*," meaning an indebtedness that contributes to social decline.

National Production

Table 6: National production by sector (in millions of CFA francs at current rates)

Area	1997	1998	1999	2000
Commerce	1,262,862	1,435,941	1,450,631	1,505,274
■ modern sector	294,154	327,282	312,031	327,608
■ informal sector	968,698	1,108,039	1,148,600	1,177,666
■ non-primary informal sector	613,874	638,197	676,734	716,392
Non-commercial area ¹⁹	152,725	196,140	186,140	170,908

Source : Les comptes économiques de la Nation, comptes définitifs 1995-1997 (édition septembre 2000) ; Comptes économiques du Niger définitifs 1997, semi-définitifs 1998 et 1999 provisoires 2000 (édition juillet 2001), Tableau T14 (Production par branche d'activité économique).

Consumption

Table 7: Final consumption, 1995-99 (in millions of CFA francs at 1987 prices)

	1995	1996	1997	1998	1999	2000
Final consumption, Including:	685,890	675,370	664,389	747,377	800,018	802,979
Public consumption	102,658	103,269	100,059	101,220	102,170	102,192
Private consumption	583,232	572,101	594,330	646,157	697,848	700,787

Source : DSCN, comptes de la nation : définitifs 1997, semi-définitifs 1998-1999 et provisoires 2000, juillet 2001, tableau T11 (Produit intérieur brut et ses emplois).

Over the last five years, private consumption accounted for about 80% of GDP.

Investments

Gross fixed capital formation (GFCF, i.e., gross investment) gives the best picture of investments in Niger.

Table 8 shows the amount of investments for the 1995-99 period.

Table 8: GFCF, 1995-99 (in millions of CFA francs at 1987 prices)

	1995	1996	1997	1998	1999	2000
Total gross investment	78,828	86,796	89,438	95,332	90,113	77,075
Public fixed investment	32,986	33,191	35,285	39,847	34,434	26,868
Private gross fixed investment	45,482	52,605	54,153	55,485	55,679	50,207
Gross domestic savings (% of GDP)			9.5	10.6	5.2	11.7

Source: Investment: DSCN, comptes de la nation : définitifs 1997, semi-définitifs 1998-1999 et provisoires 2000, juillet 2001, tableau T11 (Produit intérieur brut et ses emplois); savings: Comptes économiques de la Nation, juillet 2001, Tableau T31, page 44.

¹⁹ This comprises free or quasi-free public services for the entire community or a particular group of households.

Imports and exports

Table 9 : Exports, imports, 1995-99 (in millions of CFA francs, current prices)

	1995	1996	1997	1998	1999	2000
Trade (special)						
Exports	96,222	112,251	112,212	121,612	110,018	139,362
Imports	149,303	147,864	171,560	213,547	194,021	199,932
Degree of openness (Exports + Imports)/GDP			17.4	20.2	17.5	17.6

Contrary to the goals of the adjustment programmes, imports have increased, surpassing pre-adjustment programme levels. The current balance-of-payment deficits are well above the average in Africa.

Balance of payments

Table 10: Balance of payments, 1995-99

Year	1995	1996	1997	1998	1999	2000
Nominal GDP (billions, CFA Francs)			953,5	1078,5	1096,4	1112,3
Balance of payments (billions, CFA Francs)	-21,1	-74,5	-77,9	-89,9	-84,6	-74,3
Current account balance /GDP (%)						
Niger			-8,2	-8,3	-7,7	-6,5
West Africa*	-4,9	0,8	-0,6	-6,5	-8,3	-1,9
Africa**		-1,0	-1,2	-4,5	-3,4	-0,3
UEMOA***				-6,9	-5,7	

SOURCE: NIGER, Comptes économiques de la NATION, juillet 2001, page 45, tableau T.31.

* ADB, report on development in Africa 2001, Table 2.6.

** ADB, report on development in Africa 2001, Table 2.5.

*** ADB, report on development in Africa 1999, p.43.

Inflation

After a period of deflation in 1990-93 due to a gradual decrease in prices for agricultural products, an important price increase occurred in 1994 because of the Jan. 12, 1994 currency devaluation. The consumer price index rose 33.4% in 1994. By 1999, however, inflation had fallen to -3.8% per year. The national statistical agency attributed the declining price level in 1999 to a steep drop in food prices (down 5.1% on average), which principally reflected a grain surplus and weak demand. The price increases in 2000, in turn, responded to a grain shortage exacerbated by rising transportation in the wake of oil-price increases.

The reconciled consumer price indexes in Niamey, Niger's capital and largest city, underwent the changes shown in **Table 11**.

Table 11 : Consumer price index, 1993-99 (base year : 1989)

Year	Annual average	Annual change (%)
1993	94.2	
1994	127.6	33.4
1995	141.6	14.0
1996	149.1	7.5
1997	153.5	4.4
1998	161.3	7.8
1999	157.5	-3.8
2000	162.1	2.9

Source: Directorate of statistics and national accounts, Department of Planning.

Measured through the index of implicit GDP prices, inflation rose from 0.2% in 1990 to 9.6% in 1994.²¹

Employment conditions and labour revenue

Table 12: Working age population

	1977-88	1960	1977	1988	1993	1997	1998	2000
Average annual growth in the population age 10 and older (%)	2.5							
Growth rate of the economically active population	4.3							
Women	14.0							
Employment rate (%)		90.9	98.8	97.7		97.7	92.0	81.5

Source: Direction de la Population, « Population et Développement », Niamey, février 1994 /- Ministère de l'économie et des finances, Bureau Central de Recensement "Recensement général de la population 1988, analyse des données définitives, rapport de synthèse, Niamey Février 1992" /- CARE International/NIGER and Demographic and Health Surveys Macro International Inc., "Enquête démographique et de santé 1998" - BIT, Rapport sur le travail dans le monde 2000 /- Direction des Statistiques et des comptes nationaux, "Comptes de la Nation, juillet 2001".

The secretariat of the National Commission of the Population (CONAPO) provided the data on the dependency ratio (RD), which is shown in **Table 13**. The dependency ratio is an indicator of the total number of people to be supported by the potential total number of workers. Specifically, it represents the population younger than 15 and older than 60 relative to the population from 15 to 59.

Table 13 : Dependency ratio, 1977-99

Residential environment	1977	1988	1994	1999	2000
Urban	90	114	113	95	
Rural	88	120	118	100	
Niger	89	111	117	99	103

Source : "Demographic Situation of Niger in 1999 and Prospects, Synthesis," Project NER/98/PO1/SPDE, June 1999.

²¹ There are uncertainties about these figures. The final accounts of 1995-97 give a rate of -4.7% at 1996 prices. (Source: National accounts, final accounts, 1990-94, p. 6.)

Table 14: Employment in the modern private and the parastatal sectors

Year	Persons	Annual change (%)
1990	25,238	-9.9
1991	24,131	-4.3
1992	23,075	-4.3
1993	18,064	-21.7
1994	18,675	3.3
1995	16,511	-9.5
1996	16,895	2.3
1997	20,805	23.1
1998	22,762	9.4
1999	28,778	26.4
2000	30,554	6.2

Source: Directorate of Employment (based on employers' annual labour statements).²²

Employment in the modern private and in the parastatal sectors decreased by an average of 2.6% per year between 1982-97. The two sectors, however, have grown rapidly since 1997.

Table 15: Change in number of employees by sector, 1996-98

Sector	1996	1997	1998	1999	2000
Agriculture	884	1536	1358	1412	1343
Extracting industry	3171	3544	1774	2371	2350
Manufacturing industry	1006	539	2023	1313	2574
Water, electricity, gas	1756	2119	2087	2700	2862
Public works, construction	3302	2536	2913	3679	3224
Commerce, bar, restaurants	1573	3250	3308	4077	5265
Transport, warehousing	1477	2150	1634	4504	4601
Banking, insurance	263	344	534	1136	1518
Social services	3463	4787	5905	6259	6769
Total	16895	20805	21536	27451	30554

Total modern and parastatal employment almost doubled between 1996 and 2000, with the biggest contribution to the increase coming from the commerce and transportation sectors.

²² However, some companies fulfill this obligation irregularly (as indicated in the directory from the Directorate of Statistics and National Accounts).

Table 16 : Unemployment rate, 1997-98 (%)

Age	1960	1977	1988	1997	1998	2000
15-19 years		4.6	4.7			
20-24 years		1.3	3.8			
Men		0.9	2.1			
Women		4.1	3.0			
Total		1.2	2.3	2.3	8.0	18.1

Internationally defined unemployment rates have almost no meaning in an economy like Niger's, which lacks an unemployment insurance system and whose households have little or no savings to finance job search.

Salaries

The guaranteed minimum wage (SMIG) was fixed by decree in 1980 at 19,651 CFA francs per month. The legal work week is 48 hours.

Table 17 : Maximum and minimum legislated salaries by occupation (in CFA francs)

Type of jobs	Minimum	Maximum
Professional in commerce sector	20,270	82,771
Professional in banking	20,270	52,979
Construction and public works	20,270	132,788
General mechanic	20,270	90,248
Truck driver	20,270	41,745

Table 18 : Employees and average salaries by sector (in CFA francs), 1998

	Average weekly salary ^{*23}	Number of employees ^{**}	Average annual salary	Average monthly salary
Modern sector	55,499	21,536	2,577,033	214,752
Industries	20,888	3,797	5,501,185	458,432
Informal sector	49,274	247,293 ^{***}	189,253	15,771
Administration	63,757	42,706	1,992,928	166,077

* Source: National Accounts of Niger, April 2001 Edition.

** Source: Directorate of employment, based on employers' annual labour statements.

*** Source: national survey on the informal sector, Niger 1995, Department of Planning, U.N. Department of Economic and Social Development, June 1977, p. 75, Table 1.

Poverty

The *National Human Development Report 1999* (2000 p. 115) notes a gradual decrease in the income of Niger's population over the preceding three years and a generalization of poverty at all levels, which makes most families vulnerable in Niger.

According to the World Bank's *World Development Report 2000*, 61.5% of Niger lived on income of less than one US dollar (1985 purchasing power parity basis) per day; while 92.2% of

²³ Salaries are defined as the total amount paid by an employer to employees, in nature or in kind, in exchange for their work during the accounting period.

the population had income of less than two US dollars per day. The poorest 10% of households received only 0.8% of total national income and the bottom 20%, just 2.6%. Meanwhile, the top 10% received over 35% of total national income.

Année de l'enquête	1 dollar par jour	2 dollars par jour
1992	Pourcentage de personnes en deçà du seuil de pauvreté	
	61,5	92,2

The extent of poverty and inequality is so great in Niger that it has an impact even on the managerial sector.²⁴ The distribution of the poor and the very poor²⁵ by residential environment is shown in **Table 19**.

Table 19 : The poor and very poor by area of residence

Residential environment	Total population	Ratio of poor to very poor	
		Poor	Very poor
Niamey	493,300	42%	18%
Other towns	884,100	58%	31%
Rural areas		66%	36%
Nationwide	8,229,600	63%	34%

Source: Department of Planning, Profile of poverty, November 1994, p. 8.

Table 20 : Changes in population size and per capita GDP, 1982-98

Year	Resident population in mid-year (in thousands)	Per capita GDP (in thousands of CFA francs)
1982	5954	111.5
1990	7739	85.2
1991	7991	82.3
1992	8258	79.2
1993	8530	76.3
1994	8493	
1995	8722	107.9
1996	8960	113.5
1997	9586	99.5
1998	9893	109.0
1999	10210	107.4
2000	10537	105.6

Source: DSCN statistics, Table 17,01, p. 231; « Demographic Projections 1994-2035, » Directorate of the Population

Between 1982 and 1993, per capita GDP fell year after year. Since 1993 it has recovered, though, real GDP per capita fell again in 1999 and 2000.

²⁴ See the survey on household consumption budgets in Niger, urban phase (1989-90), part A, DSD/ONU/PNUD, August 1992; "Profile of rural poverty in Niger and identification of vulnerable groups," February 1992; Profile of poverty, November 1994.

²⁵ The minimum poverty line in Niger is 75,000 CFA francs in urban areas and 50,000 CFA francs in rural areas. Mali has adopted a minimum poverty line of 89,170 CFA francs. The line for the very poor in Niger is 50,000 in urban areas and 35,000 in rural areas.