Workers and Jobs
Improving Human Capital For Better Labor Market Outcomes

World Bank
Jobs Diagnostic

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EXECUTIVE SUMMARY

The demographic projections for Burkina Faso foresee a fast-growing population and an expanding workforce characterized by a youth bulge similar to that of other West African nations. The population of Burkina Faso is expected to grow from around 18 million in 2015 to 43 million by 2050. Between now and 2020 an estimated 300,000 jobs will need to be created each year in order to accommodate the expanding workforce. By 2050, the share of working-age population in total population will increase from 52 percent to 61 percent. With the bulk of labor force tilted towards the youth, this represents both an opportunity and a challenge: a successful response to an increasingly youthful workforce will have to feature more productive and inclusive jobs.

Over the recent past, the economy has created sufficient jobs to keep employment at record levels, but the quality of jobs remains poor. Between 1998 and 2014 the GDP of Burkina expanded by roughly 5.4 percent each year, with roughly 174,000 net jobs added each year. Throughout this period, both the labor force participation and employment have remained very high, for both genders and all age groups, even when compared to other African countries. In 2014, the labor force participation overall stood at 89.8 percent and unemployment was largely non-existent at 0.6 percent. Yet, low-productivity agriculture jobs, informal and unpaid jobs continue to dominate employment.

The high labor force participation reflects persistently high rates of poverty, especially in rural areas. While the poverty rate declined from 52.7 percent in 2003 to 40.1 percent in 2014, the absolute number of poor in Burkina Faso has increased slightly. There is a significant disparity between rural and urban areas, with a poverty incidence of 48 percent in rural areas as compared to 14 percent in urban areas. Employment-to-population ratios in Burkina Faso for ages 15+ for both men and women are—while in general among the highest in Africa—also higher in rural areas. This reflects the obligation, much more present in rural areas, to earn income and generate livelihoods independent of job quality.

MOST JOBS ARE STILL IN AGRICULTURE AND STRUCTURAL TRANSFORMATION IS SLOW

Agriculture still accounts for almost 80 percent of employment, but mainly consists of subsistence farming plagued by low productivity. In a regional comparison, agriculture in Burkina Faso continues to lag behind in value added per worker and has also registered significantly lower rates of growth over the recent period. Outside of agriculture, opportunities for employment are few and are usually found in low-paying informal jobs. This helps explain why agriculture remains dominated by unpaid (family) work; in fact, two-thirds of workers in agriculture are not paid.

Accompanied by urbanization, jobs have started to gradually move from agriculture to services, while the share of industry remains low. Urbanization has taken place only very slowly, with 77 percent of the population still living in rural areas. However, some changes have occurred: over the past years, jobs have been incrementally created in urban areas, mostly in commerce and services. These shifts have been limited and restricted mainly to the two largest cities in Burkina Faso, the capital Ouagadougou and its second largest city Bobo-Dioulasso. The share of the employment in the services sector has increased from 5.7 percent in 1998 to 16.2 percent in 2014, with industry remaining small, representing just around five percent of employment. Public sector jobs pay well but are very rare and mostly urban.

HIGH SHARES OF INFORMAL AND UNPAID JOBS

Informal and non-wage employment remains widespread, with formal and wage employment mostly concentrated in urban areas. Most formal jobs are found in urban areas where they represent 20 percent of all employment compared to only one percent in rural areas. Informality is dominant across all sectors; even in the public sector, 17 percent of wage workers have no contract. The share of wage workers, either public or private, has been stable between 1998 and 2009 and accounted for around 5 percent of overall jobs. Overall, 45 percent of all wage employment in 2009 were formal jobs.

Unpaid jobs are common, especially among women and youth. Overall, unpaid work has decreased from 69 percent in 1998 to 59 percent in 2003 but has stayed on a similar level since. The share of unpaid employment increases to almost 90 percent among young men in rural areas and 86 percent for young girls. Most unpaid jobs are found in agriculture, but there are persistently high levels of unpaid work in industry and services as well. Although the share of unpaid jobs is lower in urban areas, it still accounts for more than half of the jobs held by youth. Women and youth are particularly disadvantaged and often work in unpaid informal jobs.

While unemployment largely remains confined to urban areas and is very low, underemployment is more common. Unemployment is associated with higher levels of education and there are indications that unemployed individuals in urban areas are queuing for better paying jobs, as higher household incomes permit them to do so. Underemployment is common, and particularly pronounced for women and youth, as well as in rural areas, yet limited in a regional comparison with Burkinabe reporting more working hours than their regional counterparts. This—along with the high incidence of secondary jobs—likely reflects the more pressing need to work and sustain a livelihood.

LOW EDUCATION LEVELS REMAIN A MAJOR CONSTRAINT TO BETTER JOBS AND GENDER INEQUALITY IS HIGH

Education is an important driver for higher quality employment among Burkinabe. There is a high correlation between education and the probability of being in wage employment or non-

agricultural employment. Higher education levels also seem to have a significant impact on selection into formal employment, specific sectors and occupations which in turn are highly associated with individuals' consumption levels. Earnings are positively associated with higher levels of education as well. In fact, already completing primary education increases earnings significantly, as does completing secondary and post-secondary education.

Low levels of education remain a major obstacle for better labor market outcomes and structural transformation. Low educational attainment remains the pre-eminent challenge for Burkina Faso. In 2014, approximately four percent of the population of Burkina Faso had completed primary education or further levels of education**.** Despite successful efforts by the government to increase primary school enrolment, more than a third of school-age children still have no access to schooling. Burkinabe youth have higher shares of education compared to adults, but they still register exceedingly high dropout rates at primary level. School attendance is lower in rural areas, in particular for females.

Limited school enrollment and educational outcomes are most often caused by family disapproval, lack of financial resources, and having to work; among girls, marriage and childbearing are also important factors. In general, large shares of early dropouts, or lack of enrollment, are most often the consequence of poverty and the need to work. Low education achievements are determined by late enrollment ages (around 50 percent at age seven, around 65 percent at age nine), early dropouts (around the age of 14-15), and strong gender differences starting at age 17. Marriage and child-birth at a relatively young age seem to be correlated with early dropout especially for female youth. Thus, post-secondary education features the highest gender differences, with men accounting for most of enrollment.

There is a noticeable gender gap in jobs outcomes: women hold jobs of poorer quality, report lower earnings and are often locked out of more dynamic sectors. Women constitute more than half of all farmers but are overwhelmingly involved in subsistence farming. A trend observed throughout West Africa, also valid in Burkina Faso, is that women rarely leave the agricultural sector; it is predominantly men who diversify out of agriculture. Among other impediments to more productive employment—most notably lower educational attainment—women particularly suffer from limited ownership and land use rights, and are also under-skilled. A particular challenge is the inclusion of women in the non-agricultural workforce, in more dynamic sectors that offer better quality jobs. The precarious position of women is confirmed by the UN Gender Inequality Index that ranks Burkina Faso among countries with the highest inequality. The persistent gender gap may be slowing down Burkina's productive employment growth.

LOOKING AHEAD: IMPROVING THE QUALITY AND INCLUSIVENESS OF JOBS

Jobs can be a pathway out of poverty and lead to improved livelihoods for all, but a range of challenges need to be addressed for more, better, and more inclusive jobs in Burkina Faso.

Considering the future jobs needs of the increasing working age population, the following four areas seem key to address constraints from a supply side angle: (i) increasing educational attainment by improving quality and access to education and countering dropouts, (ii) addressing skills mismatches and facilitating transitions to better jobs through active labor market programs (ALMP), including technical and vocational education and training (TVET) programs and on-the-job training; (iii) creating an enabling environment for the growing workforce by supporting urbanization and internal migration through improved infrastructure and secondary cities; and (iv) mitigating poverty and increasing resilience to climate and income shocks through targeted social assistance and broad access to insurance mechanisms.

INTRODUCTION

This report is part of a larger jobs diagnostic effort aimed at better understanding the labor market in Burkina Faso, its link to poverty reduction and prospects for the future. A jobs diagnostic is an important tool for developing jobs strategies to unlock the economic potential, increase productive and inclusive employment opportunities, foster social cohesion, and provide a pathway out of poverty. Jobs are central both to translating economic growth into poverty reduction, as well as to boosting shared prosperity.

This report analyzes employment and workers in Burkina Faso from a supply side perspective. The aim of the report is to provide policymakers with a basic understanding of the workers' profiles and their employment. This can help to better address challenges to the creation of more productive, but also inclusive, jobs. The report describes trends on the supply of labor, illustrates key facts on employment and workers, and outlines the main determinants of labor market outcomes and the generation of livelihoods. The analysis is guided by the following key questions: what kind of jobs do people hold, who holds these jobs, and what determines employment outcomes in terms of quality and earnings?

The report is accompanied by three further studies on the macro environment, labor demand, and agriculture. In order to support the Jobs Agenda in Burkina Faso, four perspectives on jobs challenges have been explored in parallel to help build a foundation for effective jobs strategies. In addition to the present report, there are important conclusions stemming from separate reports on: (i) *Firms and Jobs*; analyzing private sector labor demand outside agriculture and identifying main bottlenecks for further job creation; (ii) *Growth and Jobs;* analyzing the drivers of economic growth and productivity from a macro-economic perspective; and (iii) *Agriculture and Jobs*; looking at specific issues pertaining to employment and jobs in the agriculture sector as the largest contributor to GDP and employment. The combined ambition of these efforts is to provide the Government of Burkina Faso with evidence to consider when drafting policies for more jobs of better quality.

Data. The survey data was provided by the *Institut National de la Statistique et de la Démographie* (INSD), Burkina Faso's national statistical institute. While the surveys had partially different objectives, all surveys contained at least some information relevant to labor markets and respective variables were chosen to maximize validity, robustness, and explanatory power for the analysis under various data constraints. The analysis largely relies on the most recent

household surveys with a labor module available, notably the EICVM from 2009 and the EMC from 2014[1]. More generally, the following household surveys are used:

- *Enquête Prioritaire* (EP) from 1998;
- *Enquête Burkinabé sur les Conditions de Vie des Ménages* (EBCVM) from 2003;
- *Enquête Démographique et de Santé Burkina Faso* (EDSBF) from 2003;
- *Enquête Annuelles sur les Conditions de Vie des Ménages* (EA) from 2005;
- *Enquête Integrale sur les Conditions de Vie des Ménages* (EICVM) from 2009;
- *Enquête Démographique et de Santé et à Indicateurs Multiples* (EDSBF-MICS) from 2010;
- *Enquête Multisectorielle Continue* (EMC) from 2014.

Methodology. The analysis relies primarily on descriptive statistics and regressions with a focus on socio-demographic and labor market related variables. Regression techniques were used to explore the relationship between labor market outcome variables, the dependent variable, and other independent variables. Contingent on the outcome variables, estimation methods had to be adjusted, using in some cases estimations of marginal effects.[2] A detailed explanation of the regression techniques, the interpretation of regression results, and the actual tables can be found in *Annex A* and *Annex B*.

Structure of the report. The report is structured as follows. *Section 1* outlines the main characteristics of the demographic structure of Burkina Faso, projected trends and the recent occurrence of urbanization, noting a looming youth bulge and predominance of employment in rural areas. *Section 2* turns to the illustration of the different types of employment and main labor market indicators: employment, participation, inactivity. *Section 3* opens with the provision of data on educational attainment of the Burkinabe and then provides the analysis of returns to education and drivers of income generation. *Section 4* completes the core of the report by assessing the link between poverty and jobs. The report ends with concluding remarks.

BOX 1: DEFINITION OF KEY TERMS USED IN THIS REPORT

Working age population	Population aged 15-64
Youth	Age group between 15 – 24 years
Elderly	Population aged 65 or above

[1] In case not otherwise mentioned the report uses the third wave of EMC 2014 as it allows better comparison over time. The third wave was conducted in the peak season. If needed, the data are complemented using additional information from the second or fourth wave.

[2] Taking the example of labor force participation, three outcomes are possible: employment, unemployment and out of labor force. To account for these different outcomes in the same variable, a multinomial logit model is estimated. Such a model has the specific characteristic that coefficients are not directly interpretable and marginal effects had to be estimated for interpretation. To further ease the interpretation these marginal effects are presented graphically in the main body of the text, while the calculations and interpretations can be found in the Annex.

Active	Individuals that are employed or unemployed and hence participating in the labor force
Inactive	Individuals not participating in the labor force
Unemployed	Individuals that are not working but actively looking for a job
Unemployment rate	Share of unemployed in the labor force
Underemployed	Individuals who work less than 35 hours per week[a]
Employment-to-population ratio	Share of employed in the working age population
Earnings	Wages, salaries and profits of self-employment
Unpaid workers	Family workers and workers in other unpaid jobs, like interns
Self-employed workers	Remuneration is directly dependent from the goods and service produced and there are no permanent employees
Employees	Business owner with employees
Wage workers	Anyone whose basic remuneration is not directly dependent on the revenue of the unit they work for
Formal workers / jobs	Workers or jobs that are paid and/or covered by social security
Informal workers / jobs	Workers or jobs that are classified as unpaid and/or are not covered by social security

[a] This follows the official ILO definition. ILO reports on International definitions and prospects of Underemployment Statistics (Greenwood, 1999) suggests the "usual" underemployed as those time-related underemployed who usually work less hours than the selected threshold; this threshold is taken as 35 hours per week in most ILO studies.

1. DEMOGRAPHY, MIGRATION, AND THE WORKING AGE POPULATION

Burkina Faso's demographic structure is markedly young. Population projections estimate that in the mid-term approximately 300,000 additional jobs will be needed each year to match the steadily increasing supply of labor. International migration will continue to shape the domestic labor market, with Burkina Faso being a prominent source and destination for migrants. Both international and domestic migration is underpinning structural transformation of Burkina's economy, as laborers move away from farming to non-farm employment. In parallel, domestic migration is slowly accelerating the process of urbanization, but the share of urban working age population is largely limited to Burkina Faso's two main cities and remains overall low when compared to other countries in the region.

THE FAST-EXPANDING WORKFORCE WILL REQUIRE SIGNIFICANT JOB CREATION TO KEEP EMPLOYMENT HIGH

The demographic structure of Burkina Faso is characterized by fast population growth and its labor market by an even faster workforce expansion—both represent challenges and offer opportunities. The total population of Burkina Faso in 2015 was around 18 million and is projected to increase to 27 million by 2030 and to 43 million by 2050, at an annual rate of increase of 2.5 percent until 2050 (*Table 1*). In parallel, the working age population is projected to grow at an even faster pace of 3 percent through 2050, resulting in an increasing share of the working age population and a falling share of dependents, defined as those below the age of 15 and those aged 65 or above. In 2015, 52 percent of the population were of working age and this ratio is set to increase to 56.3 percent by 2030 and 61.1 percent by 2050. If nurtured, this workforce expansion may yield a demographic dividend and reduce poverty by increasing the share of population at work and generating income.

Table 1
Both Burkina Faso's overall population and working age population are expected to grow fast through 2050

Year	Total Population (million)	Working age Population (million)	Share of Working age Population in Total
2015	18.11	9.42	52%
2030	27.38	15.40	56.2%
2050	43.21	26.42	61.1%

Source: United Nations Department of Economic and Social Affairs (UN DESA)

To seize the opportunities offered by the projected demographic changes, job creation will need to keep pace with the expansion of the working age population. In fact, to meet the increasing demand for jobs, an estimated 300,000 additional jobs will need to be created annually during the period of 2016-2020 and beyond.[3] These estimated 300,000 jobs needed per year accounted for around 3.3 percent of the labor force in 2015. Consequently, employment needs to grow by about 3.3 percent annually to remain stable at 2015 levels and follow the projected expansion of the working age population. These projections are relatively favorable, and Burkina Faso has been able to deal with increasing numbers of labor market entrants in the past: the employment to population ratio for ages 15 and above (males and females) in 2014 was among the highest in Africa.[4]

BURKINA FASO FORMS PART OF AN IMPORTANT AFRICAN MIGRATION CORRIDOR

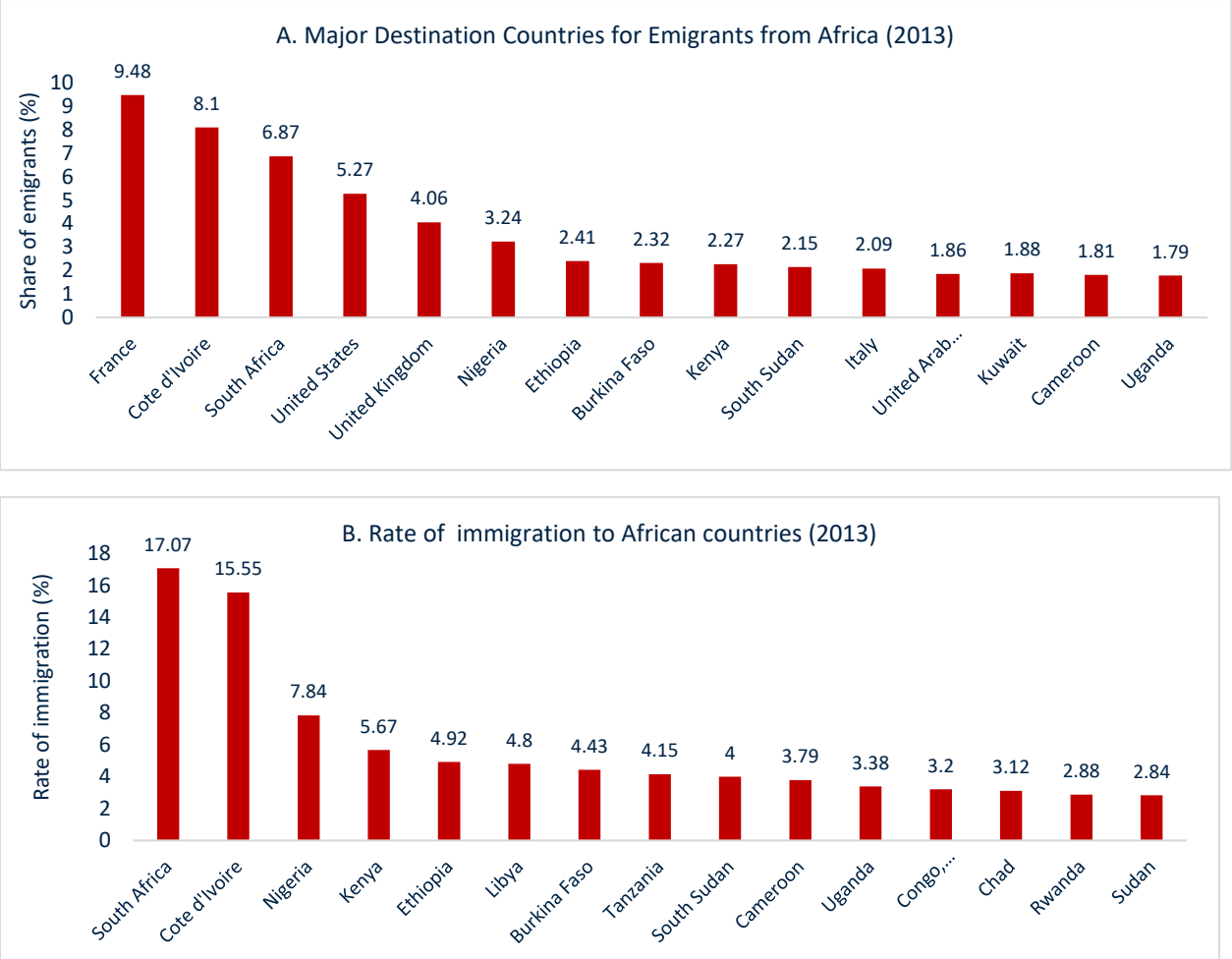
Burkina Faso is both an important source of and destination for migrants and forms part of a migration corridor with Côte d'Ivoire, which influences the composition of its population. In 2013, Burkina Faso ranked seventh in a comparison of major destination countries for African emigrants (*Figure 1***Error! Reference source not found.**). As more than two-thirds of the migration in Western Africa occurs within the region (Ratha et al. 2011), Burkina Faso is also a major destination country for hosting West African migrants which exacerbates the population trend. As of 2013, the migration corridor from Burkina Faso to Côte d'Ivoire was the most important corridor within Sub-Saharan Africa. It featured around 1.5 million migrants moving from Burkina Faso to Côte d'Ivoire and around 558,000 migrants moving from Côte d'Ivoire to Burkina Faso (World Bank 2016a). This population exchange between the two neighboring countries is not a recent phenomenon but has long influenced the population structure of both countries.

[3] Based on population and labor force projections of UN DESA and World Bank Data, Population Estimates and Projections.

[4] Based on data from WDI 2016, available in *Table C.1* in *Annex C.*

Figure 1

Burkina Faso is both an important source of and destination for migrants



Source: World Bank (2013b)

Note: Panel A features the share of all African emigrants that migrated to the respective country. For example, 9.48 percent of emigrants from Africa settled down in France, 8.1 percent in Côte d'Ivoire, etc. Panel B shows the rate of immigration to African countries defined as the share of immigrants to the respective country divided by the overall number of migrants.

Remittances to the migrants' households in Burkina Faso greatly improve livelihoods. Remittances have gained increased importance for the income of households at home and made up 2.6 percent of Africa's GDP in 2010—a share as large as the official aid for Africa in 2010. In Burkina Faso, the average annual remittances sent to the migrants' households in 2010 was around US$1,000, a low number compared to the US$5,000 in neighboring Senegal, but still significant (Ratha et al. 2011). The largest part of total remittances goes to households in the two richest consumption quintiles. They receive more than 50 percent of the total. Wouterse (2010) finds that remittances reduced poverty and inequality in Burkina Faso, underlining the importance of remittances. This is in line with Ratha and others (2011) observing that the largest share of remittances is spent on food, but significant shares also go to education, health, and physical assets, with the latter confirming that many migrants transfer remittances to invest.

Migration—both domestic and international—is leading to significant occupational changes and is driving the shift from agriculture to industry and services. To gain a better understanding of the migrants' motivation, their faring and the importance of remittances, a specific migrant survey targeting households with migrants was conducted in 2009 in selected African countries.[5] Both internal and international migration is resulting in the transition from farming to trading, professional jobs, and semi-skilled or other non-farm employment (*Table 2*). Before domestic migration most migrants are farmers (85.7 percent), but the share of farmers drops dramatically among these migrants after internal migration (36.4 percent). This implies that domestic migration is dominated by moves from rural to urban areas and from farming to non-farming jobs. While this pattern holds also for international migrants, it is less pronounced.

Table 2
Migration is often leading to professional transitions from farming to industry and services

Occupation of individuals from Burkina Faso before and after migrating, 2009

	Domestic migration		International migration	
Occupation	**Before**	**After**	**Before**	**After**
Farmer	85.7	36.4	91.6	58.8
Trader	4.5	20.9	2.4	6.8
Professionals (managers)	4.1	16.0	2.1	23.0
Semiskilled workers	2.5	6.1	1.6	1.3
Unstable occupations	2.1	10.6	1.8	5.8
Other	1.1	10.0	0.5	4.3

Source: Ratha et al. (2011)

THE SHARE OF WORKING AGE POPULATION IN URBAN AREAS REMAINS LOW

Domestic migration is slowly accelerating the processes of urbanization and changes in the employment structure but is largely limited to Burkina Faso's two main cities. According to estimates, rural to urban migration is considerably higher than domestic migration to rural areas. The United Nations (2014) projects a yearly urbanizing rate of 1.6 percent from 2014 to 2050 putting Burkina Faso in the tenth place among the fastest urbanizing countries. Migrating Burkinabe are mostly young, male, better educated, and looking for employment (Ratha et al. 2011; Girsberger 2015). Urbanization is driving the change in the employment structure from agricultural jobs towards more productive non-farm jobs but remains currently limited mostly to

[5] The survey was administered in five countries in Africa, including Burkina Faso where ten provinces with the highest number of migrants were targeted and representative information on 2,106 households collected. Information from households with international migrants, internal migrants and households without migrants was retrieved and specific modules assessed the importance of remittances on the household and the situation of the migrated household member before and after migration. Plaza and others (2011) provide further information on the scope and methodology of the survey and Ratha and others (2011) report and discuss the results.

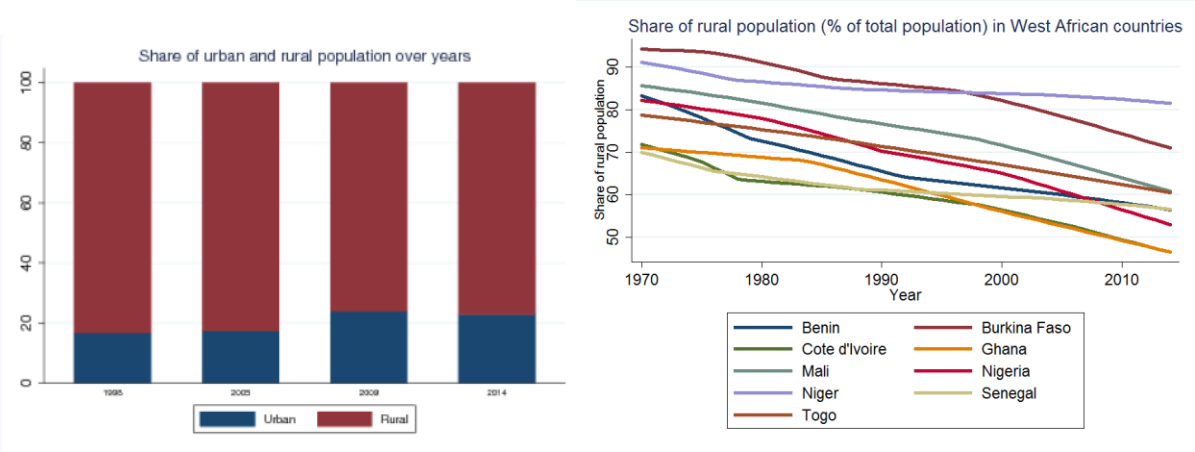
the two economic hubs in Burkina Faso, the capital Ouagadougou and its second largest city Bobo-Dioulasso.

BOX 2. BURKINA FASO'S URBANIZATION AND THE IMPORTANCE OF SECONDARY CITIES

The capital Ouagadougou and Bobo-Dioulasso are the two largest cities in Burkina Faso, as well as the two most important economic hubs. In 2012, almost every fifth person (2.8 million) lived in one of the two cities, which are the main destinations for Burkinabé migrating to urban areas (INSD 2014). As a result, they are expanding and already account for 60 percent of Burkina Faso's urban population, while secondary cities are largely underdeveloped. Cross-country research suggests that the development of secondary cities is an important cornerstone in the alleviation of poverty (Christiaensen and Kanbur 2016). Using data on migration patterns in Tanzania, Christiaensen and others (2013) indicate that transitioning to rural non-farm economies or secondary towns helped more individuals to move out of poverty than migrating to big cities. Consequently, the World Bank highlights the importance of managing urbanization with efficient urban centers in Burkina Faso (World Bank 2017a).

The share of Burkinabe working and living in urban areas has increased only slightly over the past decade and remains low. The vast majority of Burkinabe still live in rural areas and the share of the rural population has been decreasing only slowly, from 82.7 percent in 2005 to 77.1 percent in 2014 according to household survey based numbers (*Figure 2*, left panel) and from 78.5 percent in 2005 to 71 percent in 2014 according to the World Development Indicators (WDI, *Figure 2*, right panel). Comparing the share of urban population in Burkina Faso to other countries in the region using the WDI data, it is still among the lowest in the region. Considering the current pace of urbanization, it will unlikely approach the regional average of 59 percent living in rural areas soon. In fact, the urban population in Burkina Faso increased by around four percent per year between 2000 and 2010 (*Figure 3*), which is close to the average of 3.1 for the countries included in *Figure 2*. This indicates the need for an even steeper increase to catch up with the urbanization levels in the neighboring countries soon.

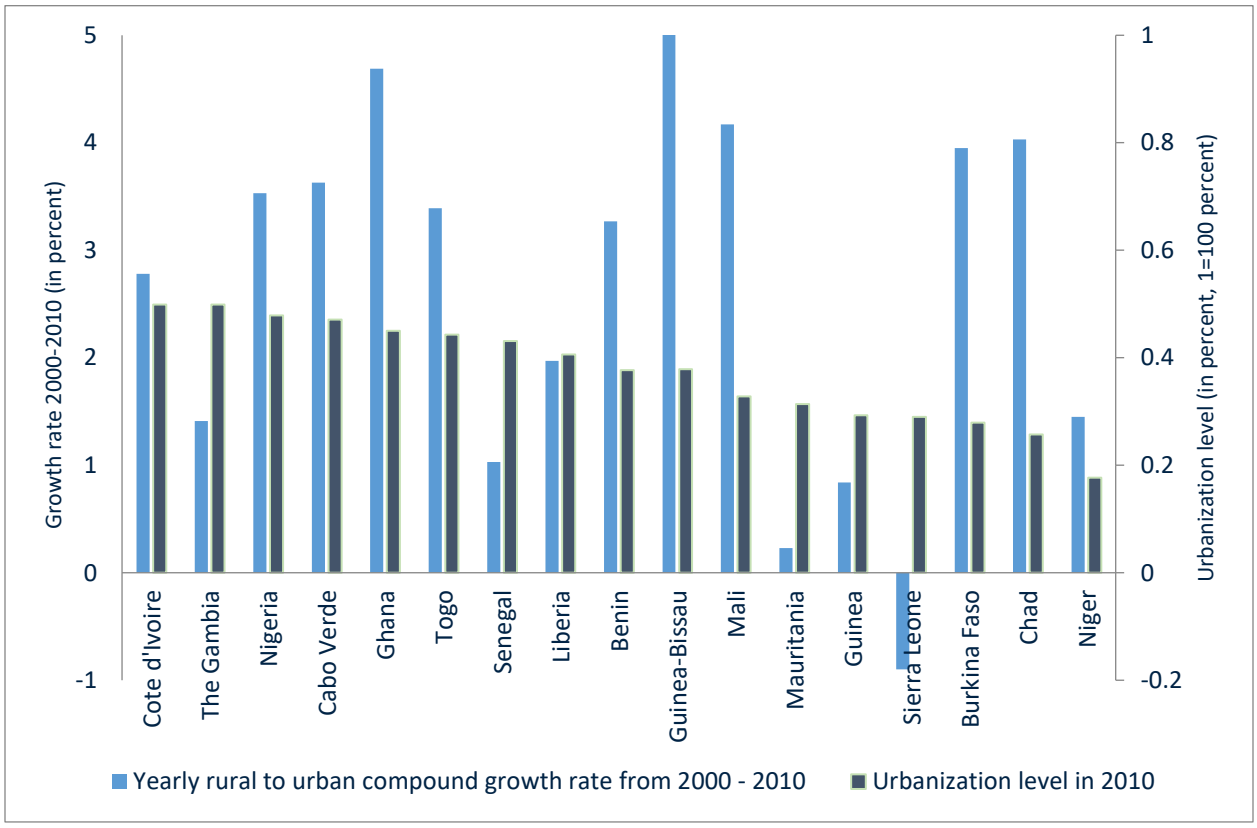
Figure 2
Despite rural to urban migration, the share of rural population in Burkina Faso remain high



Source: Author's calculations based on EMC 2014 and WDI 2016.

Figure 3

Urbanization level and urbanization growth rates in West Africa



Note: The yearly compound growth rate from 2000-2010 is calculated using the formula for the compound annual growth rate and represented in the light blue bars.
Source: Moriconi et al. 2016

2. THE STRUCTURE OF EMPLOYMENT AND TRENDS

Burkina Faso's labor force participation rate has traditionally been among the highest in the region and is currently close to 90 percent. Regardless of age or gender, rural areas feature even higher participation rates than urban areas, likely reflecting the higher levels of poverty and the need to secure any type of income to ensure basic needs. Unemployment is rare, mainly concentrated in urban areas and often associated with high levels of education, as well as higher levels of household consumption. Inactivity is not common and reportedly higher in urban areas and among women in higher consumption deciles. It seems more prevalent with lower education levels. In terms of division of employment among the three main sectors of the economy, jobs in agriculture continue to dominate (providing work to some 80 percent of the workforce), followed by services (16.2 percent) and industry (4.8 percent). The share of wage workers remains very low. While this pattern is typical for West African countries, Burkina Faso stands out given the high proportion of unpaid jobs. Most unpaid jobs are found in agriculture, but there are high shares of unpaid work also in industry and services. The structure of employment by sector has not changed substantially over the past years. There is a gradual shift from agriculture to services in urban areas while employment in industry has remained stable. While jobs in the services sector provide slightly higher earnings than jobs in the agricultural sector, the best paid jobs are found in the public sector. However, public sector jobs are few and concentrated in urban areas. Underemployment is widespread, especially among female workers, youth, and in urban areas. The likelihood of workers holding secondary jobs is high.

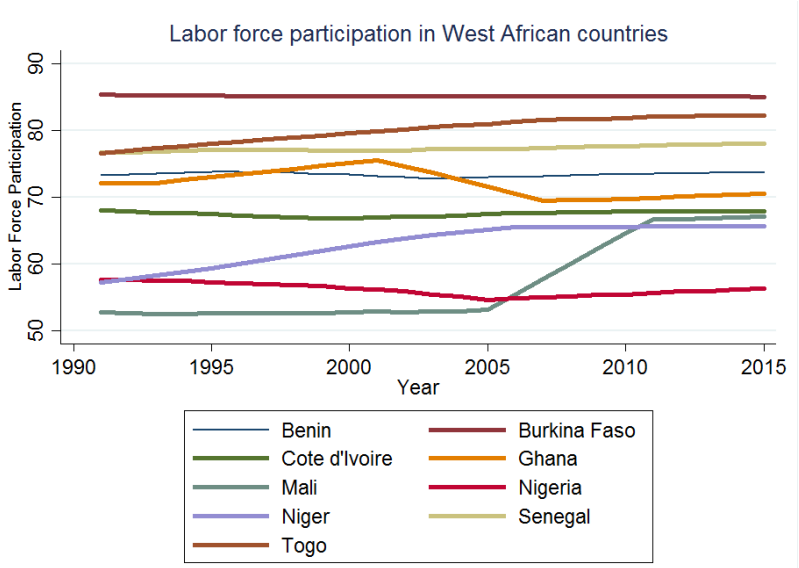
1.1. HIGH LABOR FORCE PARTICIPATION AND LOW UNEMPLOYMENT

Labor force participation in Burkina Faso has traditionally been high and remains high in a regional comparison. Throughout the period between 1991 and 2015, Burkina Faso has seen an extraordinary high labor force participation with the rate revolving around 85 percent (*Figure 4*). In 2014, the overall labor force participation rate amounted to about 90 percent and is high for both genders and all age groups (*Table 3*). These values are higher than in the neighboring countries, as well as in comparison to other Sub-Saharan African countries.[6]

[6] Further comparisons are illustrated in ***Error! Reference source not found.****Figure D.1* and *Figure D.2* in *Annex D.*

Figure 4

Labor force participation rate in Burkina Faso is the highest among West African countries



Source: World Development Indicators, World Bank.

Although estimates vary, the unemployment in Burkina Faso is very low. The survey data from the *Enquête Multisectorielle Continue* (EMC) conducted in 2014 put the unemployment rate at mere 0.6 percent, while the estimates by the International Labor Organisation (ILO) put it at 3.1 percent. Although these rates are calculated using the same underlying concept[7], differences between the ILO and the survey data occur. These differences are likely related to the fact that ILO's rate is an estimate using regression techniques whereas the indicators provided herein are based on the survey data. Additionally, seasonal bias can influence results and explain some differences.[8]

[7] In this report the unemployment rate is calculated as the share of those currently not in employment but actively seeking an employment related to all persons active in the labor force aged 15-64.

[8] It is worth noting that, based on the ILO estimate, Burkina Faso's national statistics office reports an unemployment rate of 6.6 percent (INSD 2015).

Table 3

Key Labor Market Indicators

Category	Labor Force Participation	Labor Force Participation Female	Labor Force Participation Urban	Employment as a Share of the Working-age Population	Unemployment Rate	Unemployment Rate Youth (15-24)
All (15-64)	89.8%	86.7%	72.9%	89.3%	0.6%	0.7%
Age Group						
15-24, all	84.8%	81.3%	56.1%	84.2%	0.7%	0.7%
15-24, not in school	91.1%	86.5%	70.8%	90.5%	0.6%	0.6%
25-64	92.6%	89.6%	83.2%	92.1%	0.6%	-
Gender						
Male	93.6%	-	80.0%	92.9%	0.7%	0.8%
Female	86.7%	86.7%	66.2%	86.2%	0.5%	0.6%

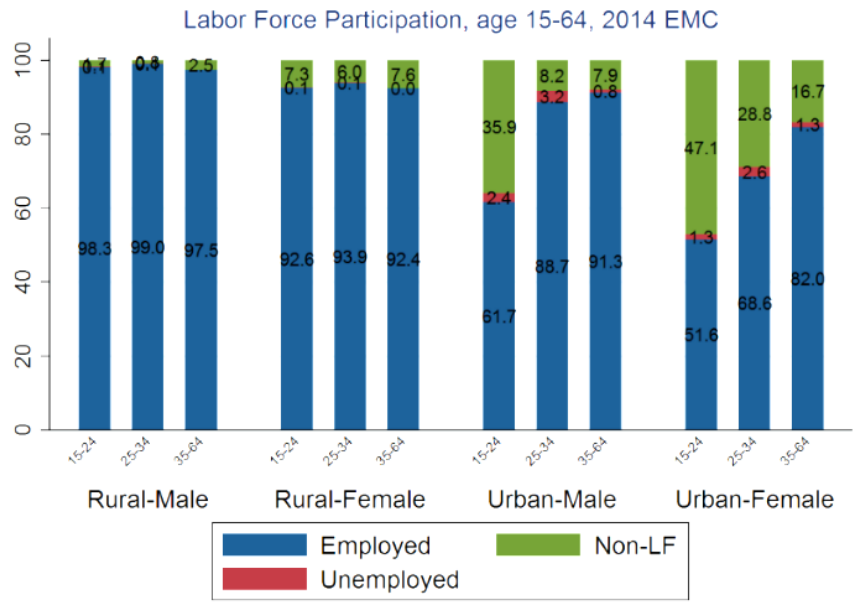
Source: Author's calculations based on EMC 2014 3rd wave.

Labor force participation is particularly high in rural areas, reflecting the pressing need to earn an income in face of high poverty levels. In rural areas, around 99 percent of males and 93 percent of females are in the labor force without much variation across age groups (*Figure 5*). This is likely a reflection of high levels of poverty in rural areas indicating an obligation to earn an income independent of job quality. In fact, according to World Bank (2016b), there is a significant disparity between rural and urban areas, with a poverty incidence of 48 percent in rural areas as compared to 14 percent in urban areas in 2014.

Women, both in urban and rural areas, and youth in urban areas exhibit lower rates of labor force participation. The difference between male and female labor force participation rates increases in urban areas where 66.2 percent of females are working compared to 80 percent of males (*Figure 5*). The labor force participation of youth is also lower in urban (56.1 percent) than in rural (95.3 percent), where the younger age cohort has a higher share of inactivity due to schooling, as also reported in *Table 3*.

Figure 5

Employment and Labor Force Participation by area and age



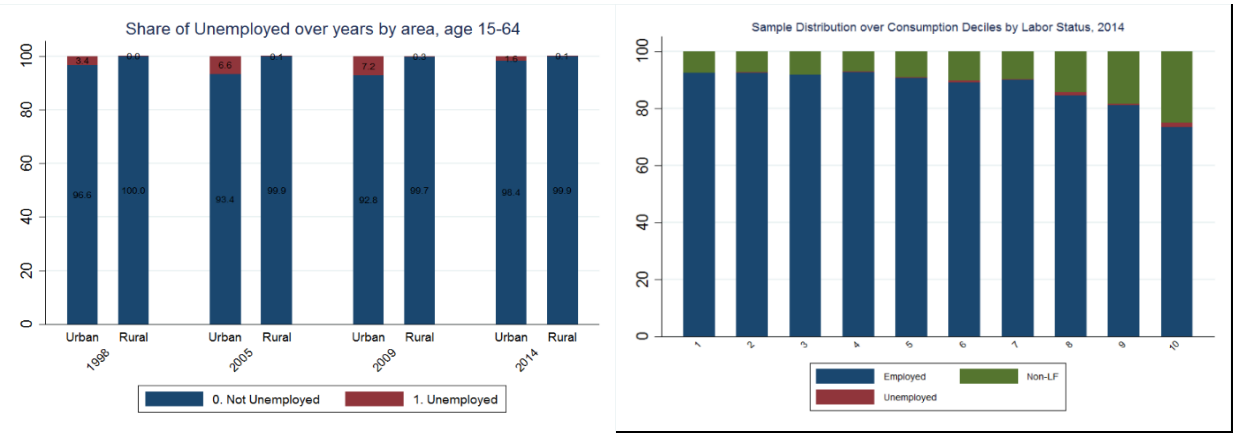
Source: Author's calculations based on EMC 2014.

Unemployment and inactivity are largely registered in urban areas and among households with higher consumption levels, but they differ in their association with educational attainment. Around 25 percent of the unemployed have at least primary education.[9] As with unemployment, inactivity is higher in urban areas, but characterized by low education levels: around 90 percent of inactive men and 97 percent of inactive women have low education levels. Like unemployment, inactivity is more frequently observed in households with higher consumption.

[9] Depicted in *Figure D.6, Annex D.*

Figure 6

Unemployment and inactivity are largely found in urban areas and among higher consumption households



Source: Author's calculations based on EMC 2014 (left panel); Author's calculations based on household surveys: EP 1998, EBCVM 2003, EA 2005, EICVM 2009, and EMC 2014.

1.2. AGRICULTURE CONTINUES TO DOMINATE EMPLOYMENT

Agriculture dominates both economic output and employment in Burkina Faso. Agriculture, including agro-processing, accounts for about 40 percent of the GDP and approximately 80 percent of employment with much of it in subsistence farming and less in commercial farming (*Table 4 and Figure 7*). Service sector accounts for around 16 percent of employment and the industry sector for further 5 percent.[10] On a sub-sector level, the second-largest group after agriculture is commerce with a share of 9.5 percent.

Table 4

Agriculture continues to dominate employment

	Employment share (in %)			
(Sub-)Sector	1998	2005	2009	2014
Agriculture	88.2	84.4	81.4	79.0
Commerce*	4.8	7.2	8.5	9.5
Mining	0.2	0.3	0.2	0.6
Transport and Communications*	0.4	0.6	0.7	1.0
Manufacturing	2.1	2.0	3.5	3.0
Financial and Business Services*	0.4	0.7	0.5	0.4
Public Utilities*	0.1	0.2	0.1	0.1
Public Administration*	1.0	1.6	0.6	1.0
Construction	0.6	0.7	0.8	1.3
Other Services, Unspecified	2.1	2.4	3.7	4.1

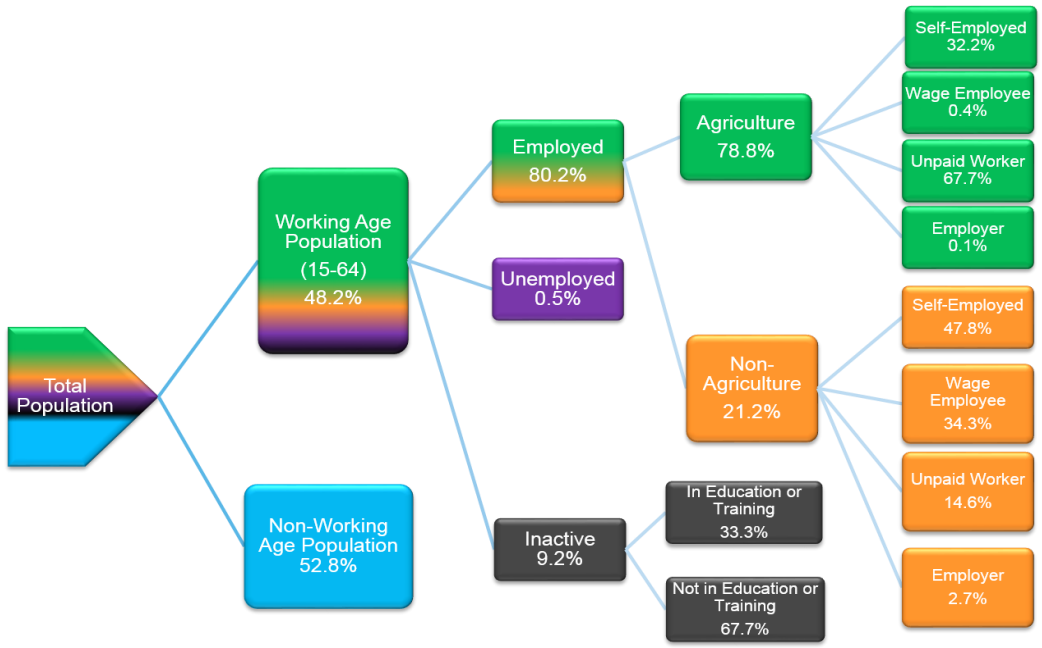
Source: Author's calculations based on EP 1998, EA 2005, EICVM 2009 and EMC 2014.
* part of the broader "services" sector

[10] The service sector comprises "commerce", "financial and business services", "transport and communication", and "public utilities and public administration". In more condensed versions the "other services, unspecified" category is added to services.

The quality of jobs in Burkina Faso is improving only slowly with workers moving mostly out of agriculture into urban jobs in the services sector. The share of the employment in the services sector has increased from 5.7 percent in 1998 to 12 percent in 2014, while the share of agriculture decreased from 88.2 to 78.8 percent (*Table 4*). Within services, the increase can be largely attributed to the share of commerce increasing from 4.8 percent in 1998 to 9.5 percent in 2014. The employment share of industry has largely remained unchanged and small with manufacturing accounting for the largest share with 3 percent in 2014.[11] Most importantly, the share of unpaid work outside agriculture is much lower than in agriculture, reflecting the improvement in job quality for some workers (*Figure 7*).

Figure 7

Job types in Burkina Faso: jobs outside agriculture are of better quality



Source: Author's calculations based on EMC 2014, 3rd wave

Note: 10.2 percent of the working age population has missing labor force status data and therefore the values do not add up to 100 percent for the inactive, unemployed and employed.

Ocupational changes reflect the increased importance of services, but differences exist: women are better represented in services, men in industry. The growing importance of services is also confirmed by changes in occupations. There has been a slight move from skilled agriculture to service and market sales workers, as well as craft workers (*Figure 8*).[12] Between genders, a lower share of male workers in manufacturing and a higher share of female workers in services persists over time.

[11] *Figure D.7, Annex D.*

[12] *Figure D. 8, Annex D.*

Figure 8

Employment across occupations and by gender

Source: Author's calculations based on household surveys: EP 1994, EP 1998, EBCVM 2003, EA 2005, EICVM 2009, and EMC 2014.

The shares of services and industry in real value added are low in regional comparison; within-sector productivity growth potential remains largely untapped. In 2014, the value added generated by industry accounted for 16 percent of the total and the value added generated by services for 44 percent. Both values are lower than the average values in more than 50 African countries where industry and services accounted for 24 and 51 percent respectively (UN 2015b).[13] While Burkina Faso has seen some improvement in within-sector productivity over the last years, the potential for gains—especially in industry and services—remains largely untapped, with detrimental impact on opportunities for more productive employment in Burkina Faso.[14]

Formal wage employment is the exception, informal employment the rule. The share of wage workers, either public or private, has been stable between 1998 and 2009 with around 5 percent of overall jobs and slightly increased in 2014 to a share of 7.6 percent (*Figure 9*, left panel). Most formal jobs are found in urban areas where they represent 20 percent of all employment compared to only 1 percent in rural areas. Almost no wage workers in the private sector are in formal employment.[15] Even in the public sector, informality accounts for up to 14 percent.[16] More vulnerable groups such as youth and females feature a higher share of informality than adult and male wage workers, a common pattern across Sub-Saharan Africa (*Figure 9*, right panel; Filmer and Fox 2014).[17]

[13] Data reproduced in *Table C.2, Annex C.*

[14] For a more detailed discussion see the note on *Growth and Jobs: Creating better jobs for increased prosperity*.

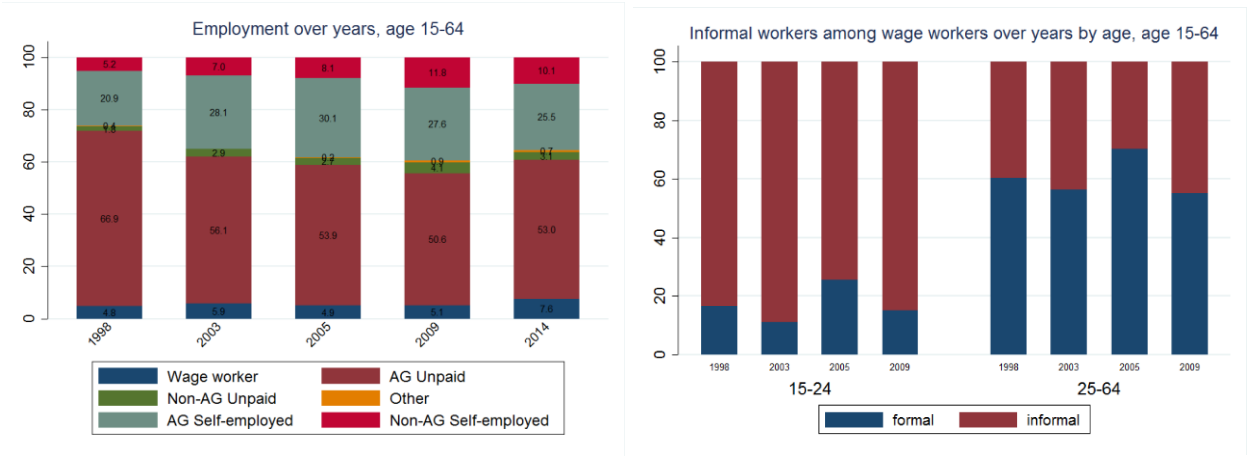
[15] Note that being a wage worker and having an informal employment is possible. Wage work is defined as having a regular, monthly income whereas formal employment is defined as paying into the social security systems.

[16] Illustrated in *Figure D.9, Annex D.*

[17] Additional data illustrated in *Figure D.11* and *Figure D.12, Annex D.*

Figure 9

Employment over years and informality trend among wage workers

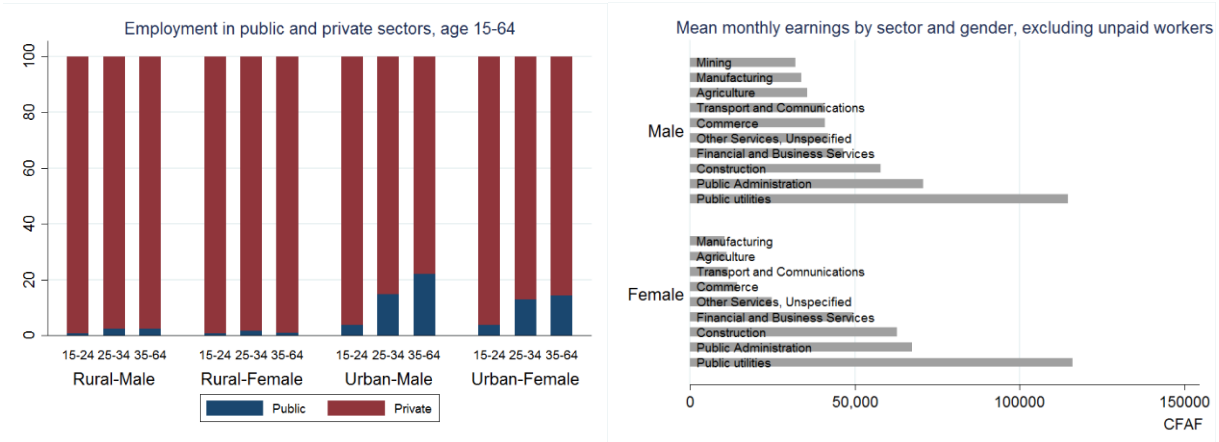


Source: Author's calculations based on household surveys: EP 1998, EBCVM 2003, EA 2005, EICVM 2009, and EMC 2014.

Public sector jobs generate higher earnings but are very rare and almost exclusively located in urban areas. Only around 232,356 workers, or 4.7 percent, of the working age population of Burkina Faso are employed in the public sector and almost all of these jobs are located in urban areas (*Figure 10*). The highest share of public sector workers can be found among male adults in urban areas, but the gender gap is small in comparison with other types of employment. Employment in the public sector also offers significantly higher earnings which may serve as an incentive for more educated individuals in urban areas to queue for jobs in the public sector, thus remaining inactive for longer periods.

Figure 10

Employment and earnings in the public and private sector



Source: Author's calculations based on EMC 2014, wave 2 (left figure) and EICVM 2009 (right figure).

1.3. THE CHALLENGES OF UNPAID AND INFORMAL WORK

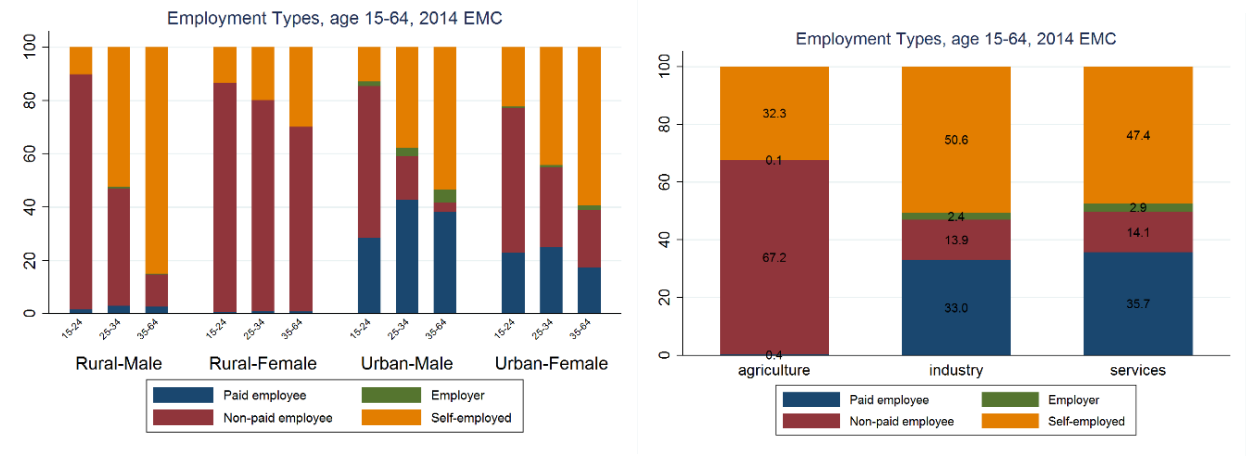
The lack of productive job opportunities in Burkina Faso is best exemplified by the high share of unpaid work which is largely linked to household activities. In 2014, 92 percent of all jobs were either in self-employment or unpaid work, whereby unpaid work has consistently accounted for around 56 percent since 1998 (*Figure 9*, right panel). Unpaid jobs in Burkina Faso consist of family aid (94.5 percent) and interns or apprentices (5.5 percent). The share of unpaid employment increases to almost 90 percent for male youth in rural areas and 86 percent for female youth. For older males in rural areas, unpaid jobs are substituted by self-employment while females remain in unpaid jobs. Overall, unpaid work has decreased from 69 percent in 1998 to 59 percent in 2003 but has stayed on a similar level since.[18]

The large share of unpaid work reflects the organization of work in the agricultural sector, although the share of unpaid work is also high in urban areas. Agricultural is most reliant on unpaid work as more than two-thirds of all laborers work without remuneration (*Figure 11*). As a rule, the head of household—usually a man—in agriculture works as self-employed and other family members work alongside but are counted as unpaid workers. Although the share of unpaid jobs is lower in urban areas, it still accounts for more than half of the jobs held by youth.

[18] Illustrated by *Figure D.14. Annex D.*

Figure 11

Employment types by location, gender and sector

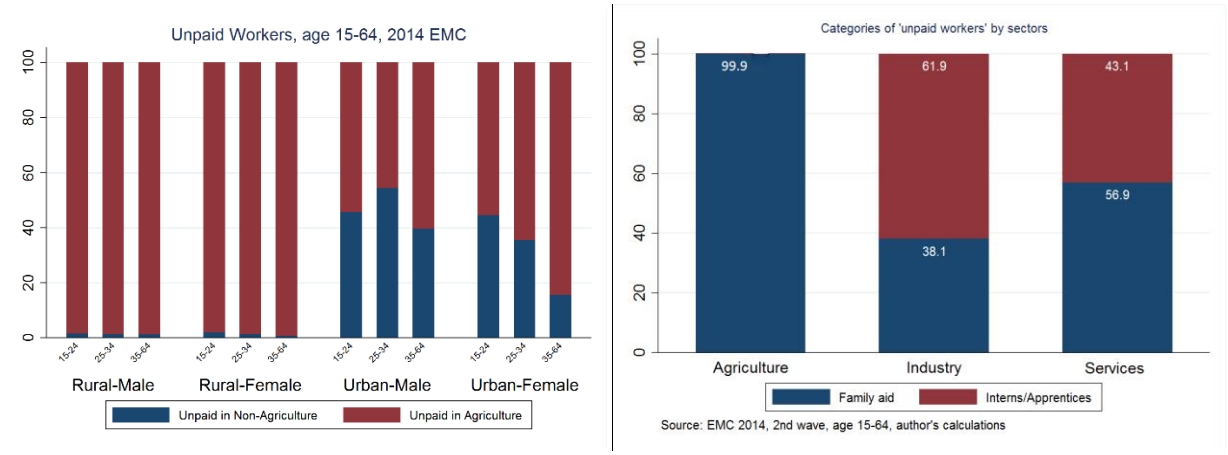


Source: Author's calculations based on EMC 2014.

Unpaid work in agriculture is exclusively found in the form of family aid, while the industry and service sectors employ interns and apprentices as unpaid workers. Unpaid work is rarely found outside the agricultural sector in rural areas, but a substantial share is found in urban areas. Yet, even in urban areas, around half of males and most of females are engaged in unpaid work in agriculture, pointing at the low development of urban areas. In the agricultural sector, unpaid work refers exclusively to family aid. This is different for industry and services. Family aid still represents a large share of unpaid workers, but in the industry sector, 62 percent of those unpaid are interns and apprentices, while in services the share is 43 percent (*Figure 12*).

Figure 12

Unpaid workers and employment types by sectors

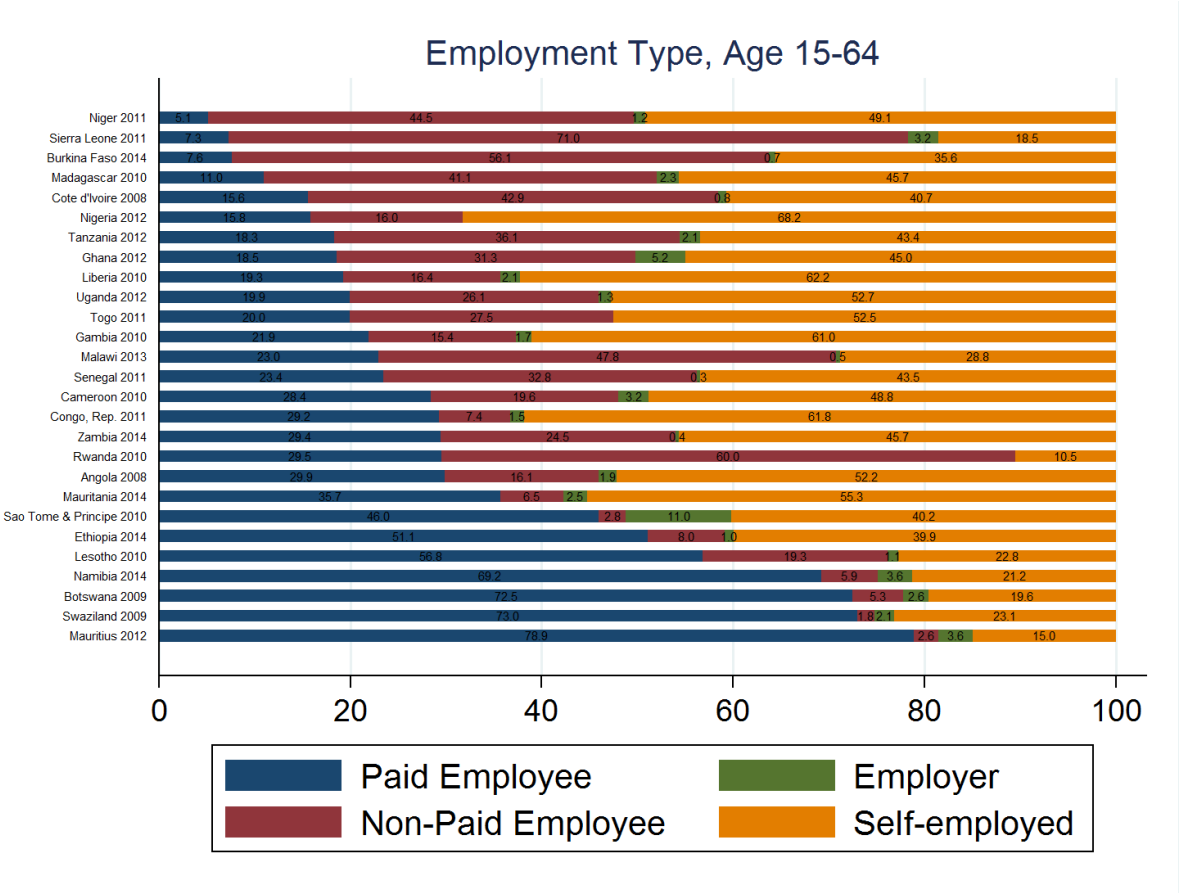


Source: Author's calculations based on EMC 2014.

Compared to other African countries, Burkina Faso's high share of unpaid workers relative to the low share of wage workers stands out. *Figure 13* shows the employment types across Sub-

Sahran African countries. Ranked by the share of wage workers Burkina Faso is one of the countries with the lowest shares. Furthermore, there is a notable difference due to the high share of unpaid employment compared to countries with similar shares of wage worker with the exception of Sierra Leone where the share of unpaid work is the highest overall. The share of self-employed in Burkina Faso is relatively low compared to the other countries.

Figure 13
Employment types across selected countries in Africa



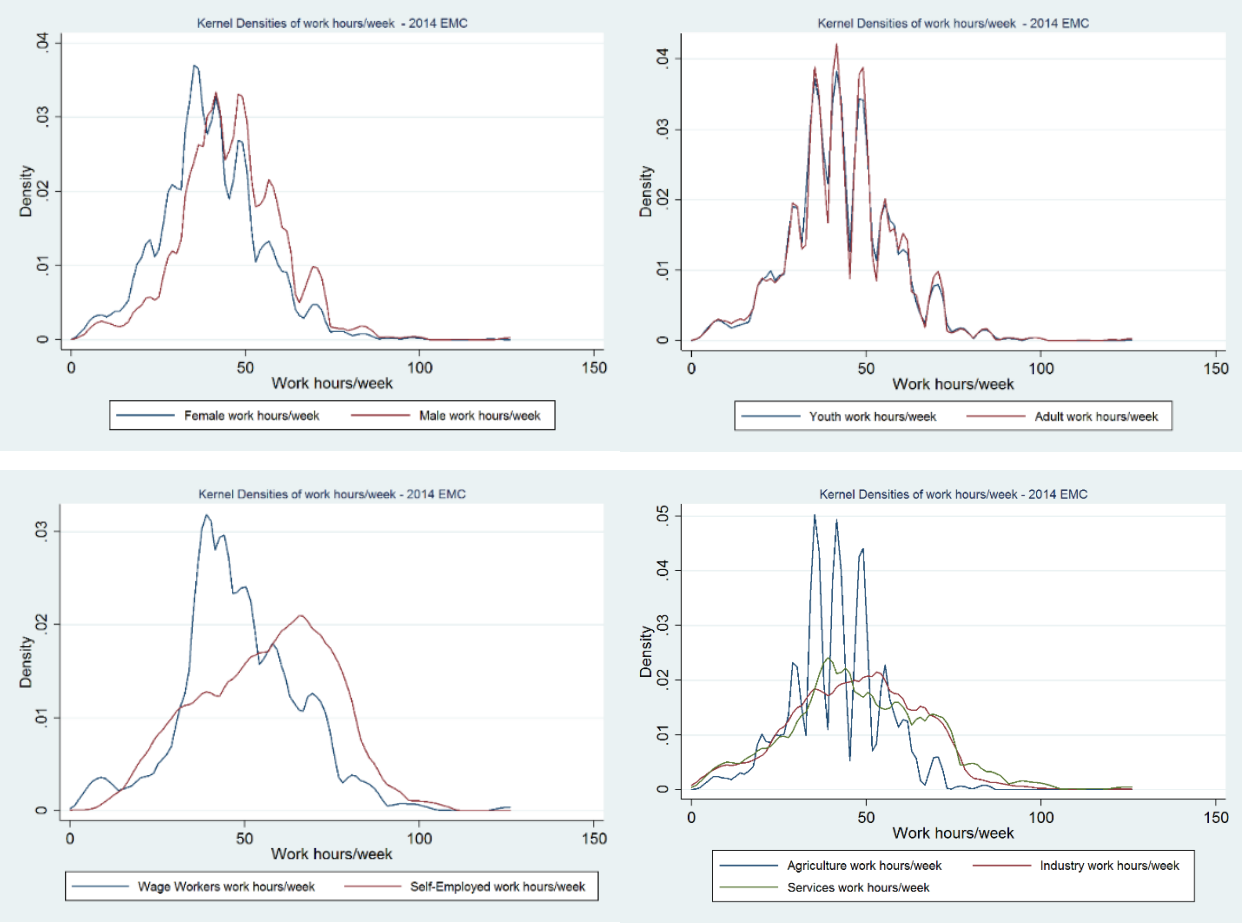
Source: Author's calculations based on household surveys of each country.

1.4. WORKING HOURS, UNDEREMPLOYMENT AND SECONDARY JOBS

The average number of working hours per employee in Burkina Faso is higher than in other Sub-Saharan countries, with differences between gender and types of employment: women work less than men and wage workers less than those self-employed. The number of working hours reported by the self-employed is on average higher than that of wage workers (*Figure 14*). However, there is still a large share of self-employed that report lower numbers of working

hours.[19] The number of working hours among female employees is on average lower than that reported by men. Women also hold a larger share among those employees reporting fewer working hours. In a regional comparison, Burkinabe report more working hours, likely reflecting the more pressing need to work and sustain a livelihood (*Figure 15*).

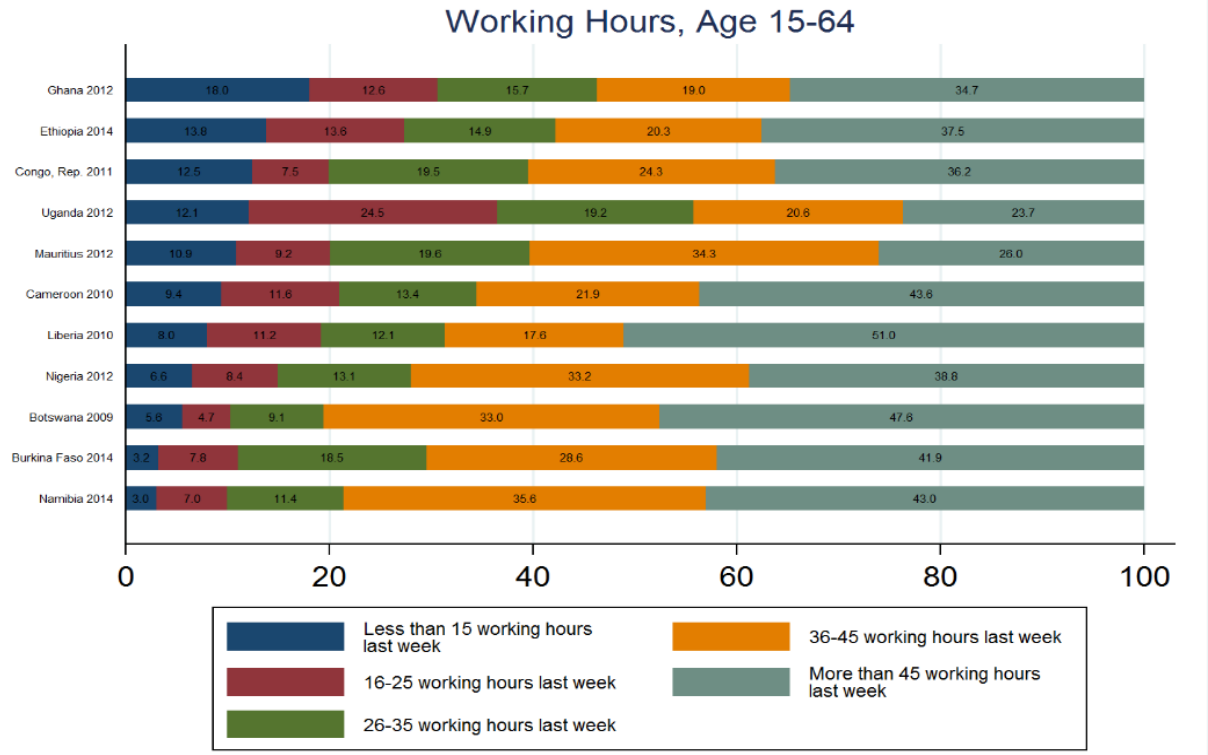
Figure 14
Distribution of working hours in Burkina Faso



Source: Author's calculations based on EMC 2014.

[19] Hours of work per week data is only available in the 2014 EMC. For those that are employed, hours of work are not reported only for 0.4 percent and the missing observations do not feature a particular pattern by gender, age, employment type but seem to be higher among individuals in urban areas.

Figure 15
Working hours across Sub-Saharan African countries



Source: Author's calculations based on household surveys of each country.

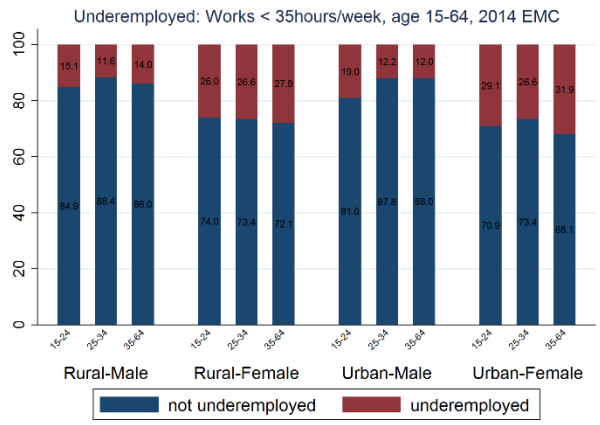
Underemployment is generally high, particularly pronounced for women and youth, and subject to seasonal variations across sectors. A significant part of the distribution of working hours, illustrated in *Figure 16*, lies below the ILO threshold for underemployment defined as working less than 35 hours in the last week. The number is around 21 percent overall in Burkina Faso and values are similar in other Sub-Saharan countries. Underemployment is more common among employed women and youth relative to men and adults, respectively. Particularly unpaid women are working less than 35 hours in their main job.[20] Looking at sectors, agriculture has generally the highest share of underemployed as opposed to industry and services.[21] Disaggregation by the different waves highlights the seasonal character of the agricultural sector. In the months April to June the agricultural sector has the lowest share of underemployment (15 percent) compared to the industry (18.9 percent) or service (24.9 percent) sector. However, this changes between October and December when the share of underemployed in agriculturel increases to 35 percent compared to 20.9 percent in the industry sector and 18.2 in the service

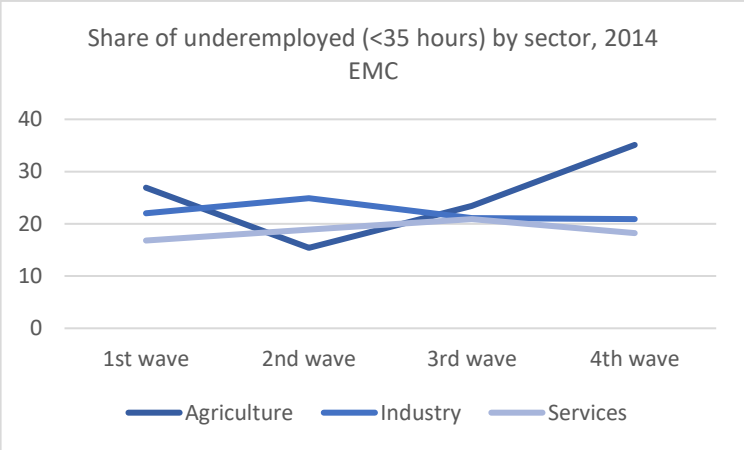
[20] Additional data illustrated in *Figure D.10, Annex D.*

[21] This is also confirmed by the note *Agriculture and Jobs: Fostering Productive Employment in the Food System*. The note uses retrospective questions and calculates that workers in the service sector work, on average, 1.9 times more than workers in the agricultural sector and workers in the industry sector still work 1.6 times more than workers in the agricultural sector.

sector. This is not surprising as the period coincides with the end of the harvest season when the amount of agricultural work declines (FAO 2017).

Figure 16
Women and youth report underemployment more often



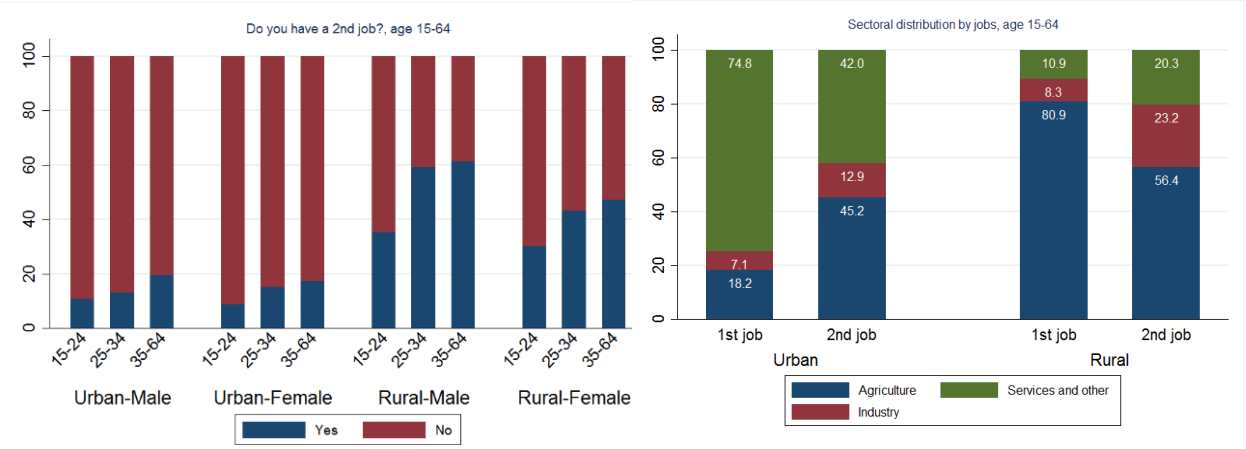


Source: Author's calculations based on EMC 2014.
Note: Wave 1 was conducted from January to March, Wave 2 from April to June, Wave 3 from July to September, and Wave 4 from October to December.

Generating income through a secondary job in Burkina Faso is common in rural areas, but less likely for women and youth. An engagement in a secondary income-earning activity is much more likely in rural than in urban areas for both male and female workers (*Figure 17*, left panel). However, only male rural workers are more likely to have a second job than not, or in other words, only among this group are second jobs reported more than half of the time, for age groups 25-34 and 35-64. Age also plays a role as older workers are more likely to be engaged in a secondary job than youth.

Figure 17

Secondary jobs are common in Burkina Faso and are most often held by men in rural areas



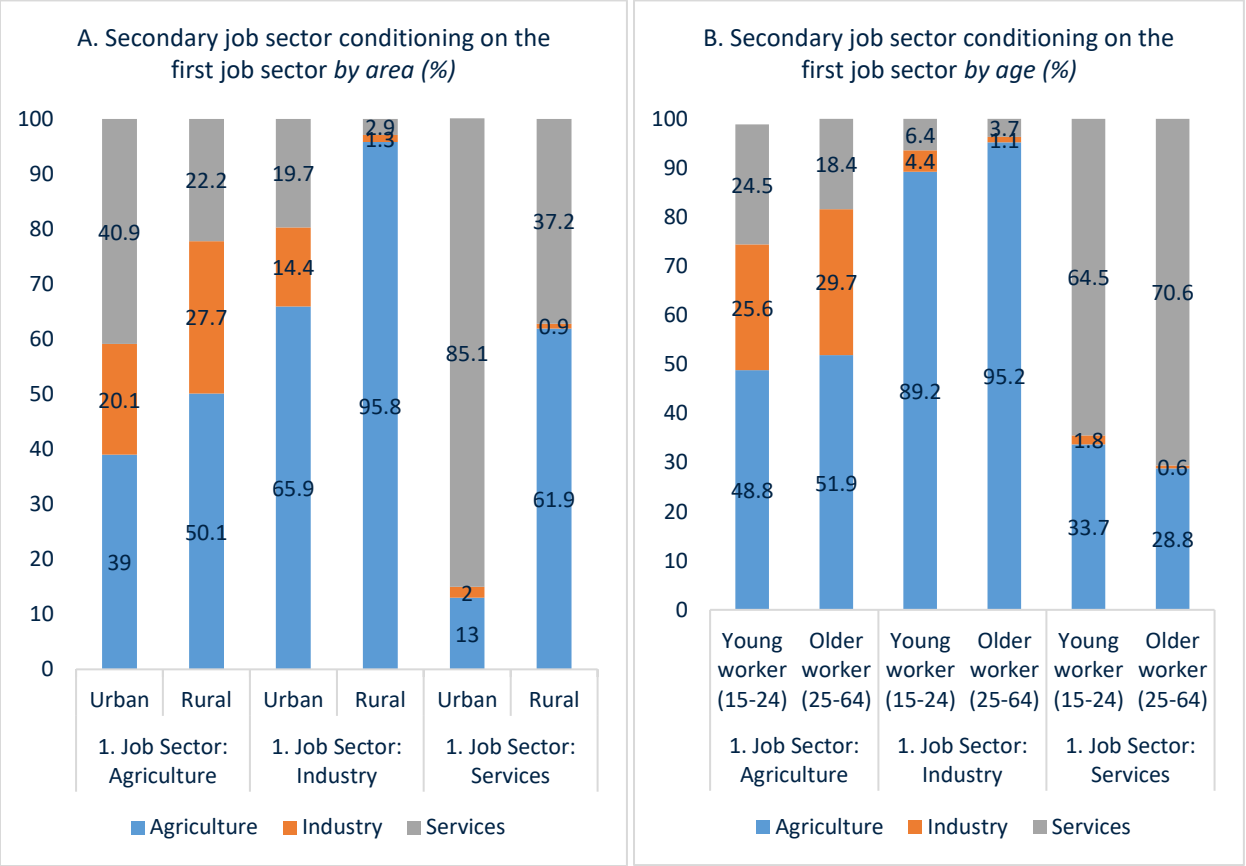
Source: Author's calculations based on EMC 2014

In general, agriculture is the most common choice for a secondary job but is followed closely by services in urban areas. Workers in urban areas that are in general more likely to hold first jobs in services are more often engaged in agriculture as their secondary job than in services, but the difference is not significant (*Figure 17*). In the case of rural workers, agriculture also dominates the secondary activity, but there is a stronger diversification into industry and services for the secondary job compared to the primary job.

For workers with multiple jobs, there are significant differences in the sectoral diversification between urban and rural areas, but not between younger and older workers. Conditioning on the first job, 50 percent of the workers in rural areas have their first and second job in agriculture, while this share drops to 39 percent for urban areas (*Figure 18A*). In urban areas, workers mostly take secondary jobs in services, especially those who work in services in their first job. There is, however, no particular difference between younger and older worker in relation to the first and second occupation (*Figure 18B)*.

Figure 18

Distribution of secondary job sector conditioning on the first job sector



Source: Author's calculations based on EMC 2014

Note: Blue bars represent agriculture as the second job sector, the orange bars industry as the second job sector and the grey bars services as the second sector.

3. EDUCATION AND OTHER DETERMINANTS OF LABOR MARKET OUTCOMES

More favorable labor market outcomes are highly related to education which in the case of Burkina Faso is also found to be the most important determinant of wage employment and a driver for employment outside agriculture. Education seems to have an important influence on selection into specific jobs, formal employment, sectors, and occupations. Earnings are positively associated with higher levels of education as well—completing primary education increases earnings significantly, as does completing secondary and post-secondary education. The services sector seems to provide higher earnings over agriculture, while earnings differ significantly over regions. In general, female workers have worse labor market outcomes, there is also a considerable gender gap in earnings. Nevertheless, low levels of education remain a major obstacle to labor mobility, thereby hindering Burkina Faso's structural transformation. An overwhelmingly high proportion of Burkinabe (96 percent in 2014) have either no education or incomplete primary education, contributing to an adverse skills composition that has not significantly improved over the years. Youth seem to have increasingly higher shares of education than adults, but dropout rates are very high even during primary schooling. School attendance is lower in rural areas, in particular among girls. Family disapproval, lack of financial resources, and having to work are the most frequently reported reasons for not attending school. Marriage and child-birth at a young age also seem to be associated with school dropouts, in particular for girls, but do not lower female labor force participation. There are also indications for sizable skills mismatches for those that manage to graduate.

2.1. ATTAINMENT OF KNOWLEDGE AND SKILLS

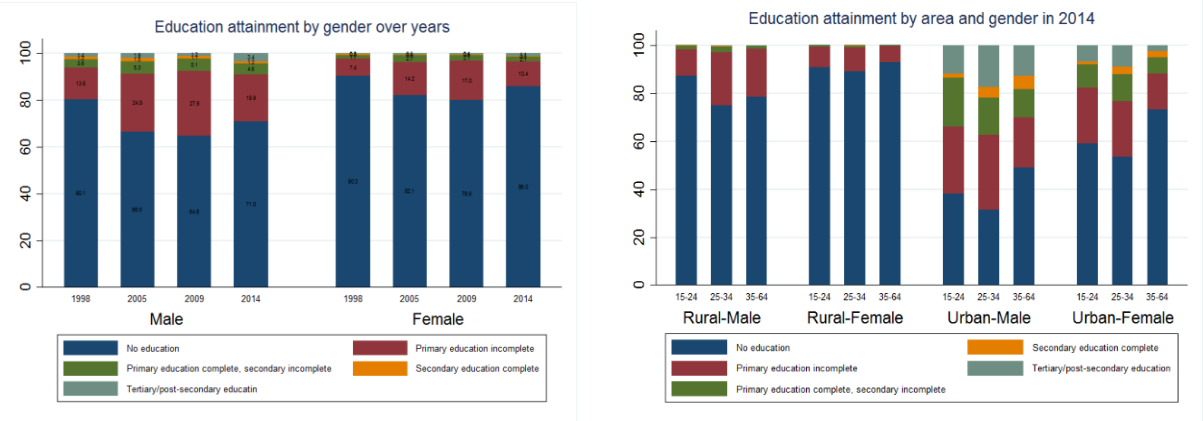
The lack of basic formal education has always been a major issue affecting Burkina Faso. In 2014, only approximately 4 percent of Burkina Faso's inhabitants had completed primary education or further levels of education with strong differences between urban and rural areas (*Figure 19*). In other words, approximately 96 percent of Burkinabe had either no education at all or have dropped out of primary education. Women register on average lower educational attainment than men and this has not significantly changed over the years. In 1994, 98 percent of women had no education or dropped out of primary school compared to 96 percent in 2014. Men follow a similar trend but have slightly higher education levels.

Among the younger population, both men and women show slightly higher levels of education, but despite better access to basic schooling, fewer young Burkinabé seem to have visited a

primary school in 2014 compared to 2009. While participation in education improved from 1998 to 2009, the number of young Burkinabé who are not going to school seems to have increased (*Figure 19*). However, those who attend a primary school are more likely to graduate from it. The primary school completion rate was 25 percent in 2000 and increased to 62 percent in 2013. For comparison, the mean among Sub-Saharan African countries in 2013 was 69 percent (WDI 2016).

Figure 19

The overall educational attainment in Burkina Faso is very low

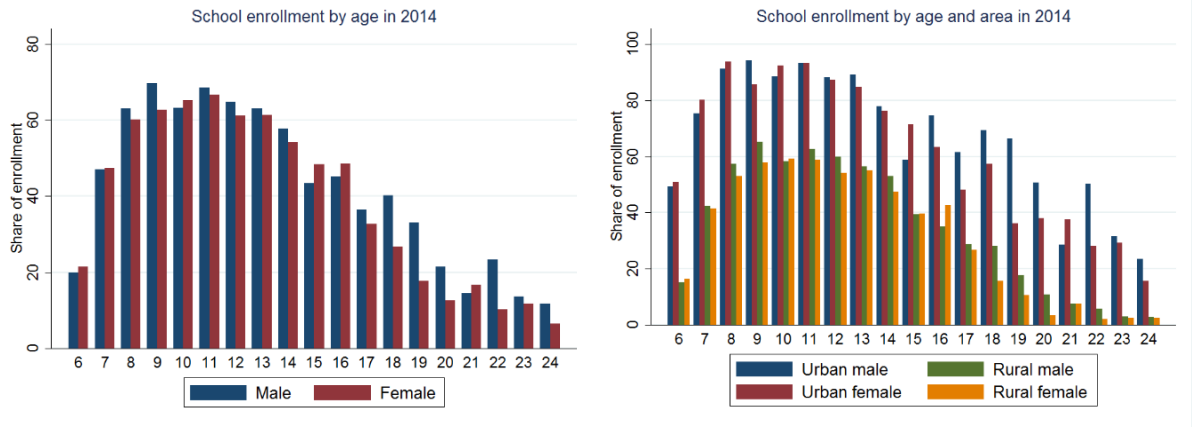


Source: Author's calculations based on household surveys: EP 1998, EA 2005, EICVM 2009, EMC 2014.
Note: The figure includes only those that have already finished the school and are aged between 6 to 25 years.

Overall school enrollment remains low, especially for females in higher age groups and youth in rural areas. More than half of the children aged 7-14 in rural areas are not enrolled in school and even in urban areas around 10-20 percent of these children are not attending school (*Figure 20*
). For youth aged 15-19, school enrollment declines further as about 60 and 40 percent were not enrolled in rural and urban areas, respectively, with an increasing difference between male and females in 2014. The gap in enrollment between urban and rural areas is wide. Although there is no strong gender difference in average school attendance in age groups 6-17, this changes considerably in the age group 18-24, particularly in urban areas.

Figure 20

School enrolment remains low, especially for girls and youth in rural areas

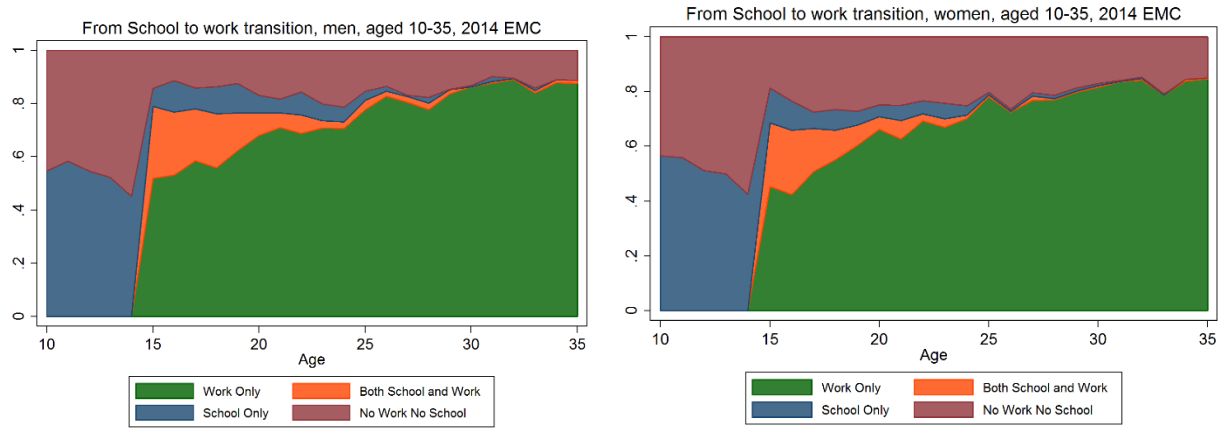


Source: Author's calculations based on EMC 2014, 2nd wave.

School-to-work transitions highlight the low school enrollment rates and the challenges of youth entering the labor market. The issue of low enrollment also becomes apparent in the transition from school to work among men and women. Only around half of the children are enrolled at school by the age of 10 (*Figure 21*). By the age of 13 a large share of young children starts working and drops out of school, while a smaller share continues to go to school but eventually starts working. By the age of 20 the share of men and women attending school is around 21 and 12 percent, respectively. For girls and young women, the share of no work and no schooling is generally higher by around five percentage points. Fewer girls enroll in school and those that enroll drop out earlier.

Figure 21

The level of school enrollment in Burkina is low overall, but also transition from school to work starts early

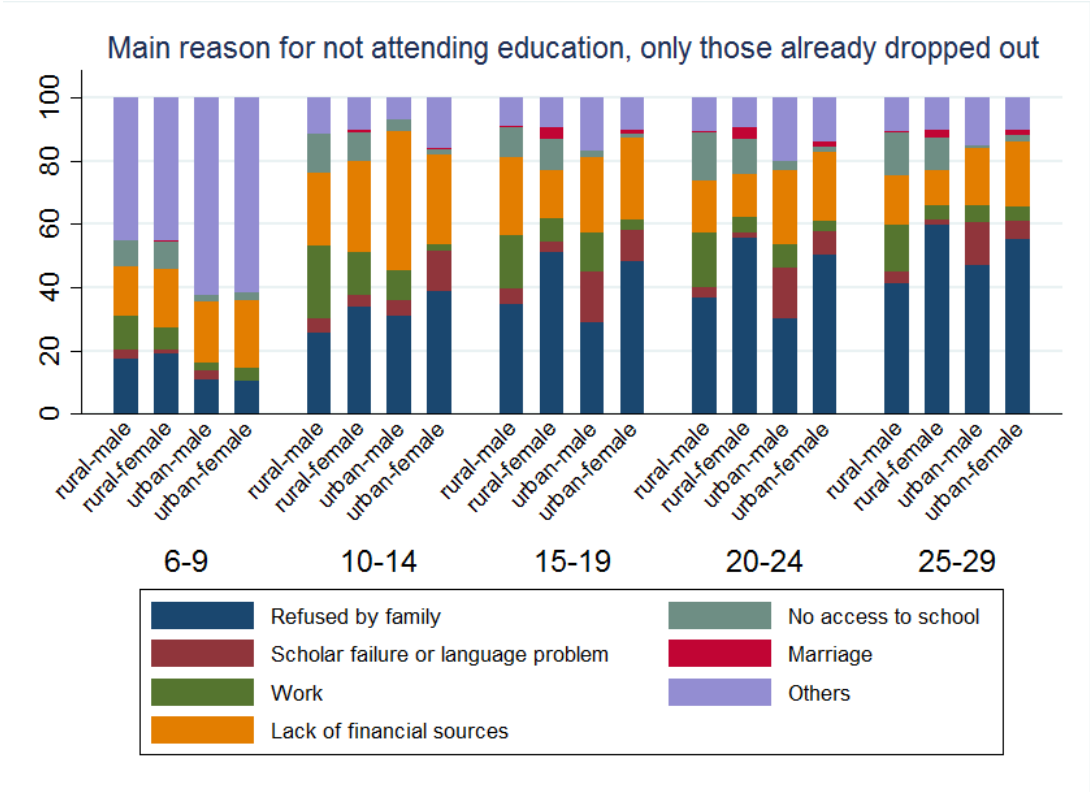


Source: Author's calculations based on EMC 2014.

The most frequently reported reasons for no education across all age groups are family disapproval, lack of financial resources, and having to work; for women in rural areas marriage is also reported as a reason for dropping out. Especially among women and older students, family disapproval is the most important reported reason for not attending school (*Figure 22*). The lack of financial resources is another important reason, reported in similar shares for both urban and rural areas, whereas having to work is a reason that is much more common for male youth in rural areas. The lack of financial resources becomes a more prominent reason to drop out for males in urban areas starting in age group 10-14 and older. Particularly pupils in urban areas in the age group 10-14 and older report dropping out due to 'scholar failure' which could again point to problems affecting higher education levels, including the language of instruction– mainly French after primary education (*Figure 22*).

Figure 22

Low enrollment rates are largely due to poverty and household reservations about schooling



Source: Author's calculations based on EMC 2014.

BOX 3. THE EDUCATION SYSTEM IN BURKINA FASO

A three-tiered schooling system

The formal education system in Burkina Faso is three-tiered and provided through public institutions. Primary school visit is mandatory and includes six years of learning, for the ages 6 to 11. This is followed by secondary school, ages 12-18 and higher education. Pupils in secondary school obtain in the first four years a general diploma equivalent to a technical/vocational certificate and after another 3 years the *Baccalauréat d'Enseignement General* (BAC), which provides access to higher education. In addition to the formal education system, non-formal education, involving literacy training, alternative basic education training, and some vocational training is increasingly offered in rural areas (World Bank 2012).

Access to schooling, retention and completion

Despite successful efforts by the Burkinabé government towards a universal primary school enrolment around 36.3 percent of school-age children still have no access to schooling. Access, retention, and completion rates remain below averages for other Sub-Saharan countries. The reasons are multifold but include the inability to pay school fees and lack of sufficient facilities at primary school level.

Factors affecting secondary schooling

- Distance to school – For more than 51 percent of pupils at secondary school level, the next school is at least 45 minutes away, making it difficult and time-consuming to get there.
- Affordability – Children from the richest household quintile are 38 percent more likely to have access to secondary schooling. One reason are the high cost-barriers through school fees that are hard to afford for poor households. On average, 36 percent of a household income is spent on fees.
- Regional differences – Lower-level secondary education is more difficult to access in certain administrative regions than in others
- Overarching Issues – Supply of post-primary education programs is insufficient, geographic coverage low, many classrooms are too crowded and there is a lack of qualified teachers, limiting the skills children can acquire in school.

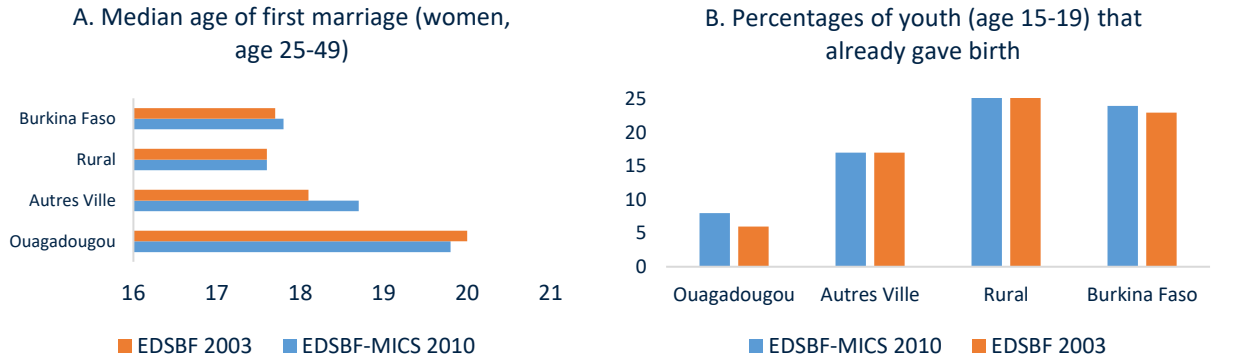
Source: World Bank (2017b)

For women, the first marriage and childbearing can help explain the wide gender gap in school enrollment. The median age at first marriage overlaps with the age at which the gender gap in school attendance rises steeply. The median at which females aged 25-49 report their first marriage is somewhere between 17 and 18 years of age. It differs between urban and rural areas,

with Ouagadougou standing out with median reported age of first marriage closer to 20 years of age (*Figure 23*). This is in line with marriage being reported as a reason for no schooling by female youth in other sources such as the 2014 EMC for Burkina Faso.

Figure 23

First marriage and childbearing can help explain the wide gender gap in school enrollment



Source: Enquête Démographique et de Santé à Indicateurs Multiple, Burkina Faso 2003 and 2010.

BOX 4. BEGINNING FROM BEHIND THE STARTING LINE

Most commonly, women in Burkina Faso start their professional careers at a disadvantage as compared to their male counterparts. The gender gap in education begins in primary school and only worsens through the years. Young girls have 19 percent less access to lower level secondary school than boys. For upper secondary schooling, the lack of access for young girls rises to 29 percent less as compared to boys. What is most striking though is that from the early stages young girls are showing potential: they command higher marks in primary school, yet unfortunately also a lower rate of completion even at this very young age. Several contributing factors exist, including distance to school, the security during travel to school and at school, affordability, high rates of marriage at a young age, and adolescent pregnancy.

Those women who manage to enroll in university face the task of paying for their education, another area where women are disadvantaged as compared to their male counterparts. In 2012/13, just four percent benefitted from national scholarships as compared to six among men. Once these women start studying at the university they face a system that does not represented them. A survey of four of the largest universities in the country conducted in 2012/13 found that just 14.2 percent of faculty members were women. Of those, less than ten percent were full professors.

In the area of technical vocational education and training (TVET) persistent gender roles and a gendered approach to the division of labor keeps women out of more dynamic sectors. In the

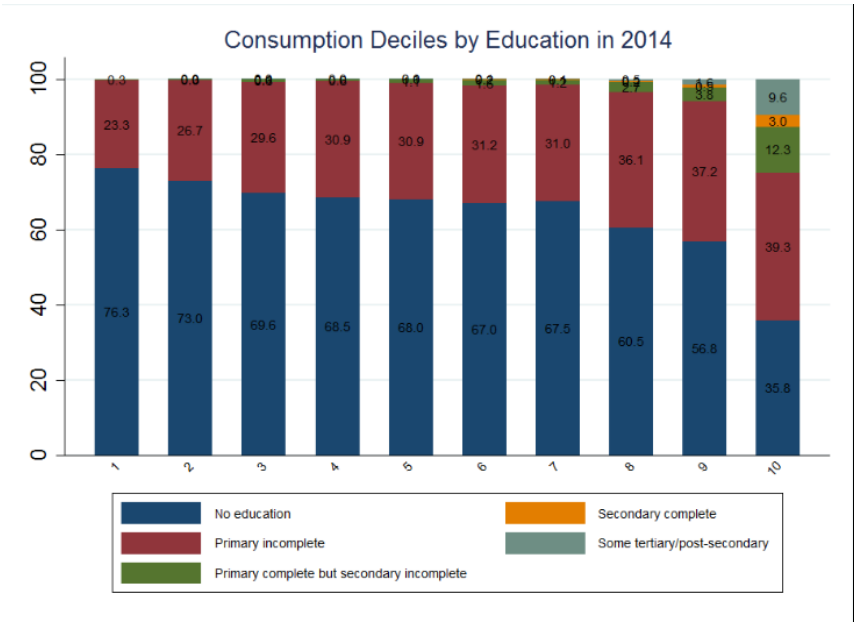
trade skills sector, young women outnumber young men with a ratio 2:1. In the industrial sectors of mechanical, electronics, and construction, young men outnumber young women in Certification of Professional Aptitude with a ratio 4:1 and in Certification of Professional Studies with a ratio 7:1.

Source: World Bank (2017b)

Material well-being seems to be an important enabling factor for accessing higher levels of education. Only Burkinabe in the top two consumption deciles obtain higher levels of education in more significant numbers (*Figure 24*). This is especially valid for the highest decile, but even in this group the share of no education remains as high as 35.8 percent. The overall educational attainment profile of the population controlled by consumption deciles indicates a potentially highly restricted access to education for most households.

Figure 24

Only the most prosperous Burkinabe obtain higher levels of education in more significant numbers



Source: Author's calculations based on EMC 2014.

Apprenticeships in Burkina Faso are common and, generally, help with skills formation but the effect is likely limited by low standardization, low payments and poor working conditions. Apprenticeships are important for skills formation, effectively addressing shortcomings of the education system. In fact, the traditional apprentice system is likely to constitute the most important part of training beyond primary education (World Bank, 2012b). Although exact data on the magnitude of the apprentice sector in Burkina Faso is lacking, the World Bank 2009 Enterprise Survey reveals that 7 percent of the employed population were apprentices or interns

at the time. As apprenticeships combine teaching and working they provide practical on-the-job training of technical tasks and are directly linked to the labor/goods and service markets (World Bank 2012b). However, apprenticeships in developing countries often also suffer from a non-standardization, low payment and exclude the very poorest (World Bank 2012c).

Given low school enrollment rates and reports pointing at quality issues in the education system, on-the-job training becomes essential, but seems to currently be limited mostly to medium and larger formal firms and to higher skilled workers. The World Bank Enterprise Survey (2009) for the manufacturing and services sectors provides some insights into the role of on-the-job training in the private formal sector in Burkina Faso.[22] The results suggest that training is more common in larger firms. While only 17 percent of private firms with fewer employees offer training, this share increases to up to 40 percent for larger firms (*Table 5;* World Bank 2012b). The observation that training opportunities increase with the size of the firm can also be made generally for on-the-job training (World Bank 2012c). Furthermore, those trainings are more often provided to higher skilled workers than lower skilled workers (World Bank 2012b).

Table 5

Share of formal firms training their workers (2009)

Size	Share (in percent)
Small (5-19 employees)	17
Medium (20-100 employees)	40
Large (100+ employees)	40

Source: World Bank (2012b)

2.2. THE IMPACT OF EDUCATION AND OTHER CHARACTERISTICS ON EMPLOYMENT OUTCOMES

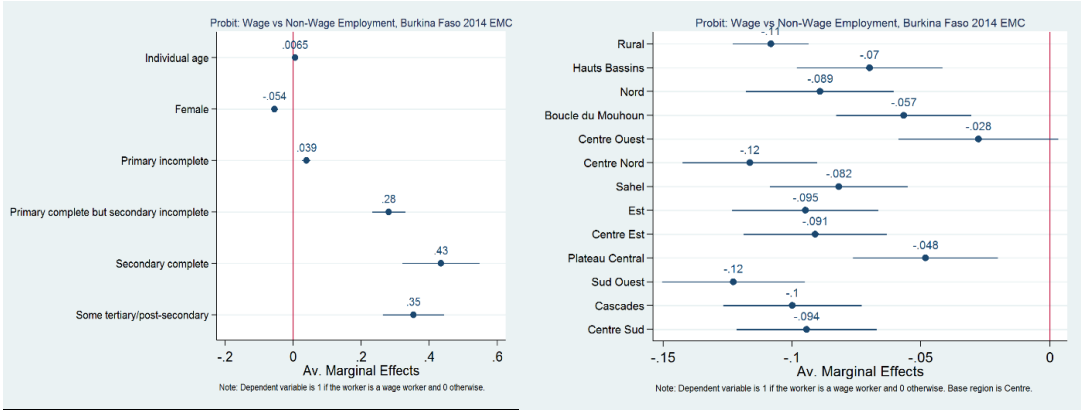
Education is key for accessing higher quality employment in Burkina Faso. Controlling for several important factors, there is a high correlation between higher educational attainment and better employment (*Figure 25*). Having primary education incomplete increases the probability of being a wage worker by 4 percentage points on average when compared with having no education at all, while having primary education complete increases the probability by 28 percentage points. Secondary education and tertiary education increase the probability by 43 and 35 percentage points, respectively. An average worker in rural areas is 11 percentage points less likely to be a wage worker than her counterpart in an urban area. Regression analysis on wage employment in comparison to other types of employment also finds that women are 5 percentage points less likely to be wage workers than their male counterparts.[23]

[22] Current and reliable data is missing on the household level and thus only available using the World Bank manufacturing enterprise survey that, however, only covers enterprises in the formal private sector.

[23] Individual and household level characteristics (age, education, marital status, household size, share of children, share of youth, share of elderly etc.) and urban and regional dummies are included in the model.

Figure 25

More education leads to better employment



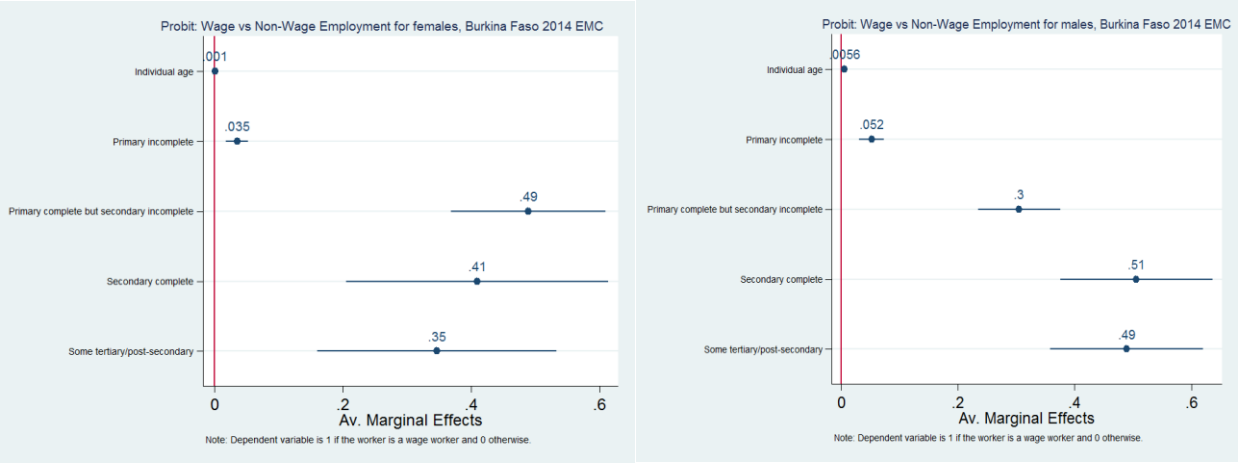
Source: Author's calculations based on EMC 2014.

The same education does not necessarily lead to the same probability of wage employment for women and men. Higher education is associated with a higher likelihood for wage work for both, women and men. However, women that manage to complete their primary education have a broader uncertainty to obtain better wage jobs (*Figure 26*).[24] Moreover, males obtaining a degree from a secondary school increase their likelihood of wage employment by 51 percentage points as opposed to 41 percentage points for women (both compared to no education). This difference widens further from 10 to 14 percentage points for those with post-secondary education. The relationship seems only reverse for women with incomplete secondary education but here the comparison is more difficult as women at this level of education have much higher dropout rates then men, affecting the estimate. Also, wage jobs for incomplete secondary education levels are associated with lower earnings than higher levels, as shown further below in this section.

[24] As expressed by standard errors as also shown in the probit regressions on wage employment by gender in *Annex D.*

Figure 26

Probability of better employment increases with higher educational attainment, but there is a gender gap

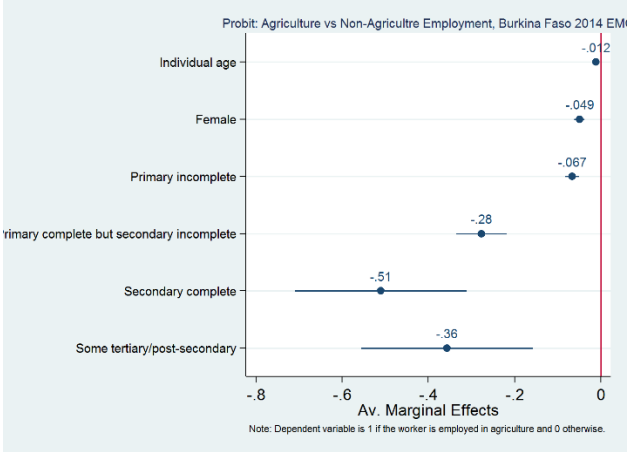


Source: Author's calculations based on EMC 2014.

Similarly, higher levels of educational attainment are strongly associated with the probability of employment outside of agriculture and thus with better employment conditions. Having at least incomplete primary education decreases the probability of employment in agriculture by 7 percentage points while having primary school completed reduces the chances of staying in agriculture by 26 percentage points (*Figure 27*). Completed secondary and tertiary education decrease the likelihood of agricultural employment by 51 and 36 percentage points, respectively.

Figure 27

Probability of agriculture employment by age, gender and education



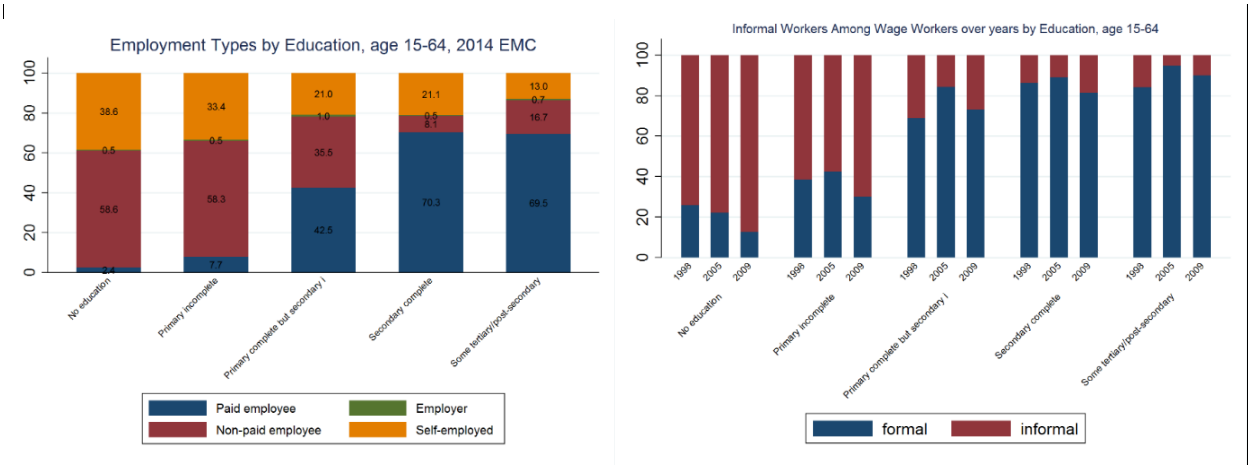
Source: Author's calculations based on EMC 2014.

Selection into higher quality or more productive employment is highly associated with better education, but there are some signs of skills mismatches. Most commonly, wage workers, or paid employees, have at least primary education completed (*Figure 28*). Among workers with completed secondary and post-secondary education around 70 percent are paid employees, but

17 percent of them still engage in unpaid work. Access to the scarcely available formal jobs is also largely limited to workers with higher levels of education. In fact, while almost all workers with no education or incomplete primary education hold informal jobs, the share of formal jobs increases with higher levels of education. On the other hand, even among those with completed secondary education informal jobs account for around 20 percent in 2009. The low demand for labor in the formal sector, both private and public, indicates a mismatch between the skills of recent graduates and labor market needs (World Bank 2013a).

Figure 28

Unpaid employment and informality among better educated Burkinabe are indications of a skills mismatch



Source: Author's calculations based on household surveys: EP 1998, EA 2005, EICVM 2009, EMC 2014.

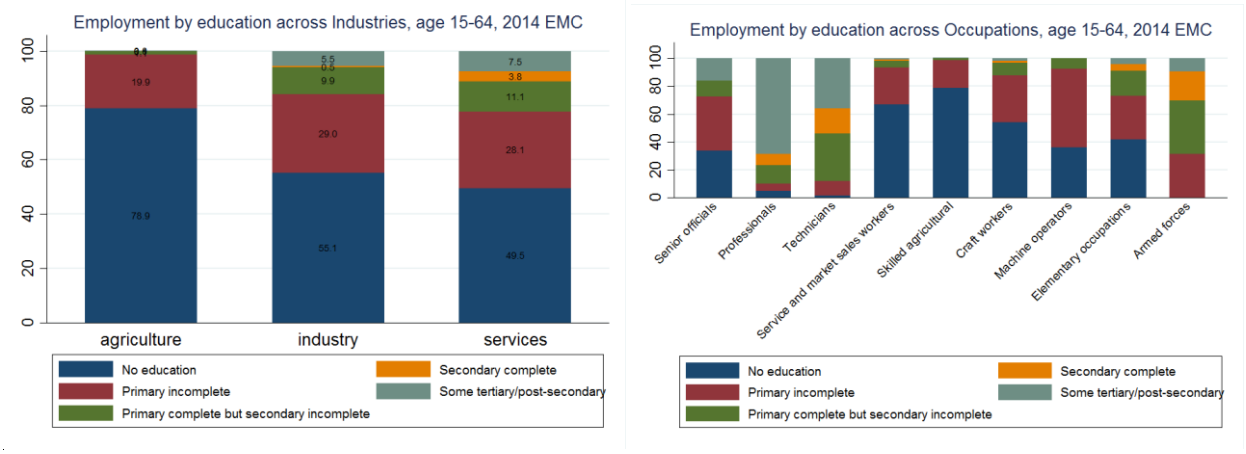
The skills mismatch should be cause for concern. For those students who do make it to the tertiary level of education—their share more than doubled between 2003 (0.73 percent) and 2012 (2.04 percent)—there is a great deal of saturation in certain fields of study. In turn, other areas that are desperately in need of educated professionals are scarcely chosen as a field of study. In 2015, just five percent of first-degree seeking students selected medicine, as compared to the 80 percent that chose English (ISPP Burkina 2015). Unfortunately, the need for translators and English teachers in Burkina Faso is very low in comparison with medical staff (World Bank 2017b).[25]

Selection into sectors and occupations is also highly dependent on educational attainment, highlighting the importance of education in obtaining access to a productive job. Workers with higher education levels dominate jobs in the services sector, while 98.8 percent of workers in agriculture either have no education or are primary school dropouts (*Figure 29*). Occupations such as professionals or technicians are held by workers with higher levels of educational attainment. Shares of workers with no education are overwhelmingly high in basic occupations

[25] The choice of English as a field of study is more likely to signal the determination to migrate than a choice of profession.

and still visible in other categories. The only occupational group in the dataset which has no worker with no education is the armed forces.

Figure 29
Employment across sectors and occupations by education



Source: Author's calculations based on EMC 2014.

The economy of Burkina Faso continues to offer limited opportunities to graduates. While Burkina Faso struggles with fostering continued educational attainment at all levels, for those that do achieve tertiary level degrees, the employment opportunities are limited. Nearly 12,000 graduates are entering the labor market for the first time each year and more than a quarter of them remain unemployed (INSD 1998). The result is a market dominated by a large number of small firms that have little need for graduates with business management degrees. In the meantime, the market for graduates holding humanities and social sciences degrees is saturated and results in limited options of teaching or self-employment (World Bank 2017). These factors act as a disincentive for students to continue with their education. While completing secondary schooling increases one's chance of wage employment by 25 percent, the same cannot be said for tertiary schooling.

2.3. RETURNS TO EDUCATION[26]

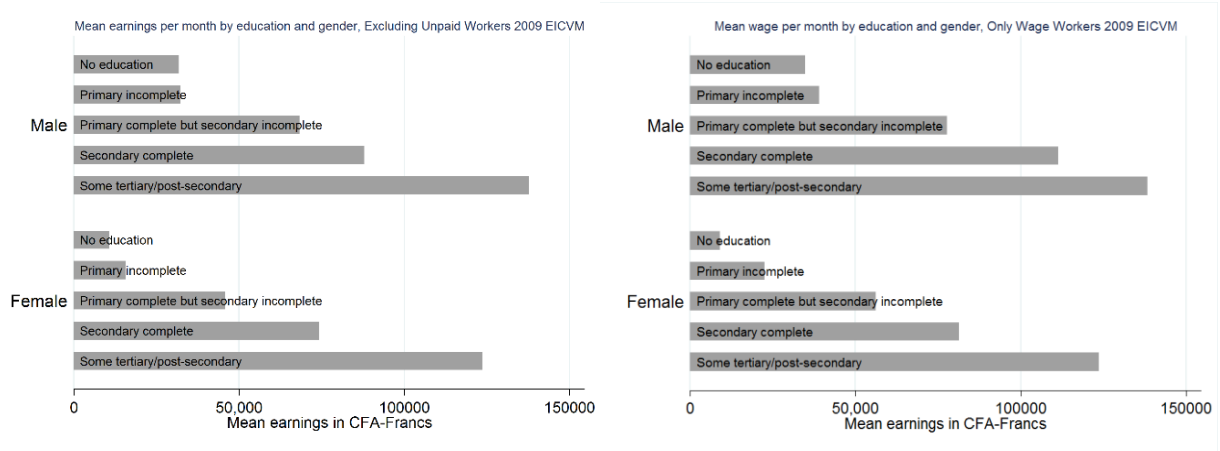
Higher educational attainment is strongly associated with higher earnings for both genders, but a gender gap is noticeable. Completed primary education and some secondary education lead to a significant boost in earnings for both genders, while highest earnings are held by those who managed to complete some post-secondary education (*Figure 30*). However, within these broader trends, there is a noticeable gender gap as female earnings are always lower than earnings of men within each category of educational attainment. The highest difference in terms of absolute average earnings by education levels is between the groups with incomplete

[26] Regressions in this section include only wage workers.

secondary schooling and completed secondary schooling for both women and men. The largest relative difference is between men without education and women without education since men earn around 30,000 CFA-Francs, which is three times the amount women earn. The results remain the same for wage workers only, but the average earnings are higher for this specific sub-group of workers.

Figure 30

Higher educational attainment leads to higher earnings, but women earn less than men



Source: Author's calculations based on EICVM 2009.

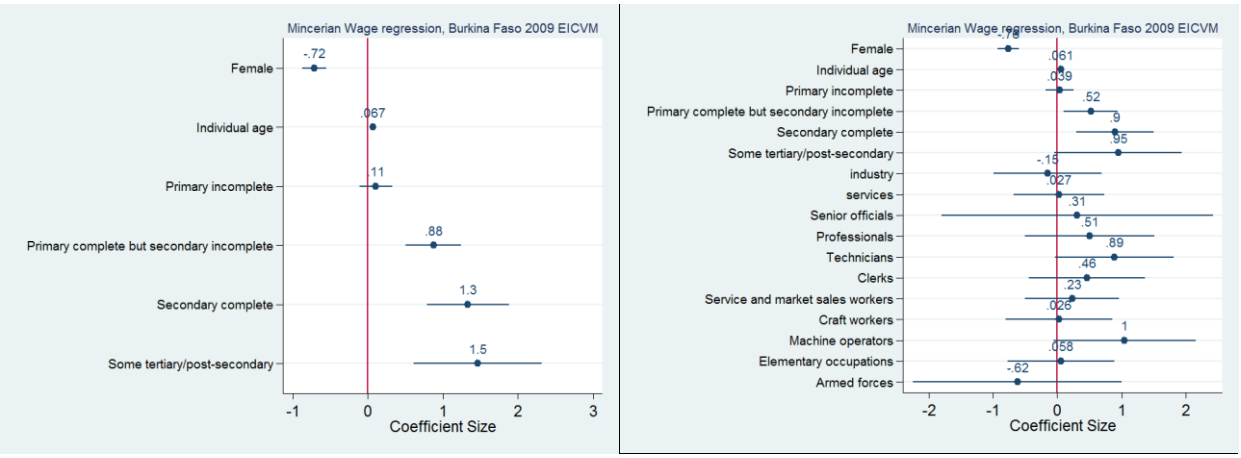
Completing primary education increases earnings significantly.[27] Given that the 'no education' category is used as a basis for comparison, primary school dropouts do not earn significantly more than workers with no education. However, completing primary school is associated with 88 percent increase in earnings compared to no education (*Figure 31*, left panel). Since education is strongly related to selection into industry and occupations, the effect of having primary education completed decreases to 52 percent in further specifications where industry and occupation are included.

Secondary and post-secondary education have a strong impact on earnings, showing that it is the last extra years of schooling that pay off most significantly. Having secondary and post-secondary education is associated with 134 percent and 147 percent higher wages, respectively, in comparison with having no education (*Figure 31*, left panel). However, returns to education are lower once we control for industry and occupations: using the same example of secondary and post-secondary education, they drop to 90 percent and 95 percent, respectively (*Figure 31*, right panel).

[27] *Annex A* provides regression results for earnings.

Figure 31

Mincerian wage regression with controls for industry and occupation (right panel) and without (left panel)



Source: Author's calculations based on EICVM 2009.

Note: No education is used as base for the educational indicators and agriculture for the industry indicators.

The services sector seems to provide higher earnings over agriculture, while earnings differ significantly over regions. The services sector provides 26 percent higher earnings compared to agriculture in a simple specification.[28] However, this premium disappears if additionally controlled for occupation (*Figure 31*, right panel).[29] Similarly, when controlled for all individual-level characteristics, individuals in rural areas are not significantly associated with lower earnings (*Figure 32*). However, due to the nature of the data, this result is not entirely surprising: most Burkinabe live in rural areas and are engaged in unpaid jobs, therefore excluded from the sample. In terms of regional differences, when the Hauts Bassins region is used as the base category for other regions, earnings are generally higher in the other regions.[30] Controlling for individual and household level variables, Centre displays 84 percent higher earnings than Hauts-Bassin. When controlling for occupation and industry, this earning gap increases up to 97 percent. Sahel and Est have around 140 and 130 percent higher earnings relative to Centre in all specifications.

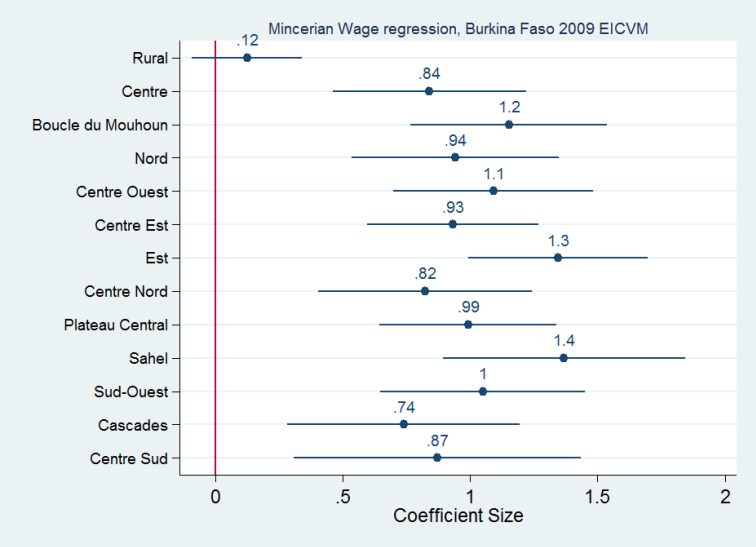
[28] *Table A.2, Annex A.*

[29] Controlling for additional variables also changes the variable coefficients in the old specification, e.g. the female dummy.

[30] Idem.

Figure 32

Results for Mincerian wage regression by region

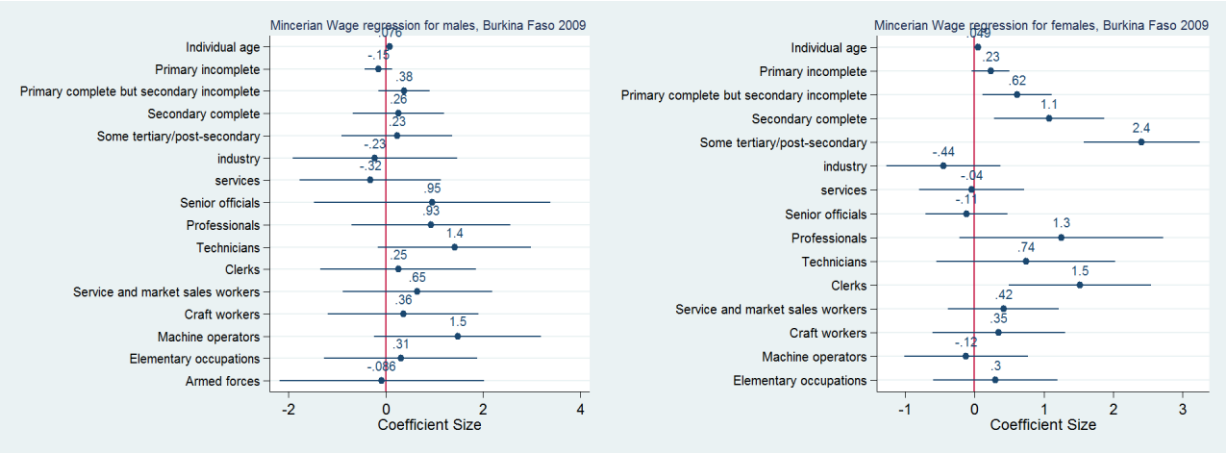


Source: Author's calculations based on EICVM 2009.

Education has a large effect on earnings for females but not for males. Splitting up the Mincerian wage regression between genders, shows that the earnings surplus from education accrues mainly to females but not to males (*Figure 33*). Controlling for the same confounders as in *Figure 31* (right panel) demonstrates that obtaining tertiary education increases the female earnings by 240 percent. The same estimation also produces a positive correlation of 23 percent of tertiary education for males, but it is not significant. As the sample size decreases when splitting up the sample further, caveats remain around the interpretation of this result.

Figure 33

Mincerian wage regression for females and male



Source: Author's calculations based on EICVM 2009.

4. JOBS AS A PATHWAY OUT OF POVERTY

Burkina Faso's poverty rate has decreased during the recent period of stronger economic growth. Growth, rural to urban migration and redistribution policies enacted during the period have all contributed to the lowering of the poverty rate. Better jobs were an important contributor in this development as shown by the poverty reduction effect of the transition to sectors with better jobs as well as to urban employment. However, more than 90 percent of the poor are living in rural areas where income shocks are common. These shocks further exacerbate the situation for already poor households. More productive and inclusive jobs that help address risks are an important pathway out of the poverty trap and towards better livelihoods.

THE POVERTY RATE HAS DECLINED, BUT NOT THE ABSOLUTE NUMBER OF POOR

According to the latest poverty assessment, Burkina Faso has witnessed a significant reduction in poverty between 2003 and 2014 due to solid economic growth, urban migration and a reduction in inequality.[31] The poverty rate was as high as 52.7 percent in 2003 and declined by almost 13 percentage points to 40.1 percent by 2014. This reduction occurred during a period of strong economic growth in the last years, mostly stemming from the good performance of the industry and exports that resonated in the services sectors. An increased rural to urban migration and accompanying occupational changes also played a role in reducing poverty. However, it is estimated that half of the decline in poverty is due to a reduction of inequality through redistribution policies, such as tax, subsidies and transfers.

However, the absolute number of poor in Burkina Faso has not decreased and poverty remains concentrated in rural areas where most Burkinabe live. The decline in the poverty rate was not strong enough to stop the increase in the absolute number of poor which rose from 7,012,000 to 7,473,000 between 2003 and 2009, and dropped again to 7,171,000 by 2014, remaining above its 2003 level. Poverty in Burkina Faso is mainly a rural phenomenon, with more than 90 percent of the poor living in rural areas and working in subsistence or semi-subsistence farming.

WELFARE IMPROVEMENTS THROUGH BETTER JOBS ARE TANGIBLE

Inequality has declined substantially in urban and rural areas between 2003 and 2014 among all relevant inequality indicators. Applying four different inequality indices, namely the Gini-Index, the Theil (0) and Theil (1) index and the ratio of the consumption share of the wealthiest 20 percent compared to that of the poorest, all show that inequality declined substantially between 2003 and 2014 (*Table 6*). The Gini index declined by 7 percentage points between 2003 and 2014 (from 42.3 percent to 35.3 percent). Similarly, the consumption share of the wealthiest

[31] This section incorporates the poverty and inequality indicators as presented in the poverty and vulnerability analysis the World Bank conducted in 2016 (World Bank 2016b).

20 percent compared to the 20 percent poorest households declined from 7.8 percent in 2003 to 5.3 percent in 2014. These declines occurred equally in rural and urban areas, suggesting that the economic growth was pro-poor.

Table 6

Inequality in Burkina Faso has declined since 2003

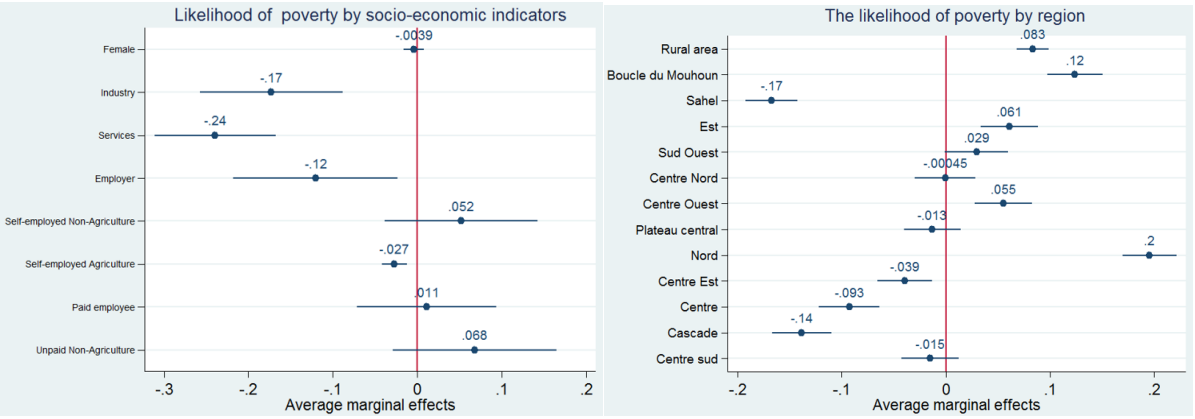
	2003			2009			2014		
	Urban	Rural	Total	Urban	Rural	Total	Urban	Rural	Total
Gini	46.2	36.3	42.3	43.6	35.0	39.8	38.4	27.3	35.3
Theil(0)	35.7	22.0	29.8	31.9	20.3	26.3	24.1	12.0	20.2
Theil(1)	41.2	26.0	36.9	37.3	22.7	31.5	26.2	13.4	24.2
Q5/Q1	9.7	6.0	7.8	8.5	5.7	7.0	6.7	3.8	5.3

Source: World Bank (2016b) calculations using INSD surveys QUIBB-2003, EICVM-2009, EMC-2014.

Jobs are a pathway out of poverty in Burkina Faso as shown by the poverty reduction effect of the transition to sectors with better jobs. A comparison of employment, poverty and sectors over time discerns two patterns: the share of poor people has been reduced between 2003 and 2014 and poverty is more common for those employed in agriculture compared to those in industry and services. A regression analysis for 2014 shows that, working in the industry sector decreases the likelihood of poverty by 17 percent and working in the service sector by 24 percent (*Figure 34,* left panel). These results control for the urban/rural divide, employment types, and household factors. The trend is confirmed by analyzing the poverty development and employment status from 2003 to 2014 in Burkina Faso (*Figure 35*, right panel). Paid employees, employer and non-agricultural workers are in less than 15 percent of the cases suffering from poverty as measured by the poverty line, while 38.8 percent of the self-employed agricultural workers and 48.7 percent of the unpaid agricultural workers do.

Figure 34

The transition to better jobs is a pathway out of poverty



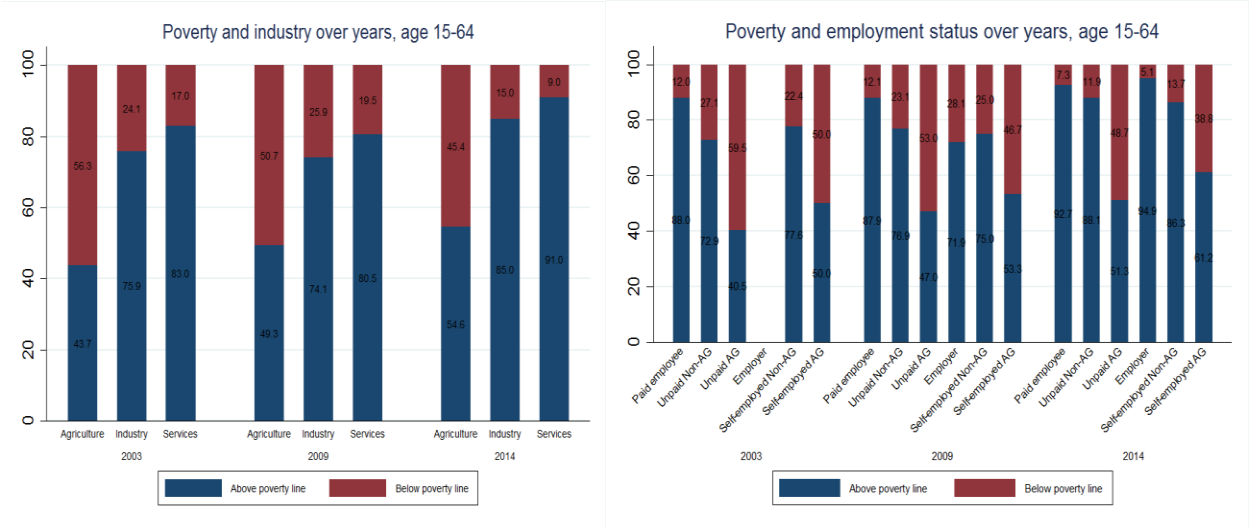
Source: Author's calculations based on household survey EMC 2014

Note: Base case for industry is agriculture and for employment status unpaid work in agriculture (left panel); base region is Hauts-Bassin (right panel).

Transitioning to urban jobs also seems to help reduce poverty as workers in rural areas are more likely to be below the poverty line. Compared to workers in urban areas, those living in rural areas are 8.3 percentage points more likely to be below the poverty line (*Figure 34,* right panel). There is quite some variation between the different regions and the poverty status in Burkina Faso. With the Hauts-Bassin region as base region, people in the Nord have a higher likelihood of 20 percentage points to be among the working poor. In contrast, those living in the Centre region are by 9.3 percentage points less likely to be below the poverty line.

Figure 35

Poverty is most widespread among those working in agriculture



Source: Author's calculations based on household surveys EBCVM 2003, EICVM 2009, EMC 2014.

CHALLENGES AHEAD: STRENGTHENING RESILIENCE TO WELFARE-REDUCING SHOCKS AND FURTHER STRUCTURAL TRANSFORMATION

Welfare-reducing shocks are common in Burkina Faso and are reinforcing poverty. Burkina Faso is extremely vulnerable to both *covariant* shocks, particularly environmental hazards, and *idiosyncratic* shocks, such as illness or divorce, that affect a specific household only. It is estimated that around two-thirds of Burkinabé households encounter shocks each year (World Bank 2017a). These shocks have a direct negative impact on household income and welfare, for example in case the farmer loses the harvest. Based on the 2014 household survey, the World Bank (2017a) estimates that households affected by any shock have 11 percent lower per capita expenditures than households not affected by shocks and that shocks are more likely to occur in rural regions. As social protection is often not available, households are forced to sell assets or draw on savings to cope with shocks. For already poor households this only strengthens their poverty status.

Burkina Faso's current employment structure may impede greater poverty reduction and the handling of income related risks. The largest share of employment lies in small-scale farming

that highly depends on seasonality. In urban areas, the significant poverty reduction is strongly linked to increased employment in the industry and services sectors. However, even in non-agricultural sectors most jobs offer only a modest level of income security due to the prevalence of informality and self-employment. Further poverty reduction potential is limited without substantial interventions or investment for better employment opportunities. Better jobs would need to also provide access to insurance mechanisms. Related, social assistance needs to effectively cover also the working poor.

CONCLUSIONS

The upcoming five years present an opportunity for Burkina Faso to actively address the low productivity, quality, and inclusiveness of jobs. In 2016, Burkina Faso adopted the five-year National Strategy for Economic and Social Development 2016-2020 (PNDES 2016) that is focusing on the structural transformation of the economy. The aim is to foster strong, sustainable, and inclusive growth that will support the creation of good jobs and increase everyone's well-being. Already recorded declines in inequality attest that recent economic growth was pro-poor and supported by poverty-reducing redistribution policies.

An integrated jobs strategy can guide interventions for better and more inclusive jobs. The jobs challenges facing Burkina Faso are numerous. A comprehensive and broad discussion that eventually focuses on the most effective actions will thus be key. This report provides only a partial assessment of which areas might be pivotal and is one out of four Jobs Diagnostic notes for Burkina Faso. Further accompanying notes are on macro-economic aspects, labor demand, and agriculture. This note provides an identification of constraints from a worker's perspective that—together with the other notes—can form the basis for informing a comprehensive Jobs Strategy. A separate note entitled *Jobs Diagnostic: Burkina Faso – Overview and Suggestions for a Jobs Strategy Framework*, summarizes all perspectives and provides a preliminary policy framework with initial suggestions to guide a potential future Jobs Strategy for Burkina Faso.

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ANNEX A. Mincerian earning estimations

In order to gain a deeper understanding and enable a more comprehensive analysis of education and labor market outcomes, Mincerian earning estimations were used. They provide estimates of returns to education for individual- and household-level, as well as regional, characteristics while holding other observable characteristics constant.

Table A.1 provides results on the impact of individual-level characteristics on earnings. *Table A.2* presents the results on the impact of being employed in industry and services on earnings compared agriculture. Finally, *Table A.3* features the results for the regional variation on earnings controlling for other observable characteristics.[32]

The entire sample, as well as the male and female subsamples, is subject to four specifications.[33] The basic model includes individual and household level characteristics, as well as regional and urban/rural dummies. The second specification adds three-category dummies to the basic specification for sectors as agriculture, industry, and service where agriculture is treated as base category. The third specification adds 1-digit sector dummies to the basic specification with agriculture as the base category. Finally, the fourth specification adds 1-digit occupation dummies to the second specification with skilled agriculture worker as the base category.

Table A. 1
Earnings and Returns to Education

Mincer Equations - All Sample - Individual Coefficients				
	Basic	**Incl. 3 category**	**Incl. 1-digit industry**	**Incl. 1-digit**
Female	-0.716***	-0.739***	-0.762***	-0.737***
	(-8.72)	(-8.49)	(-8.85)	(-8.43)
Individual age	0.0667***	0.0691***	0.0614***	0.0669***
	(3.21)	(3.17)	(2.83)	(3.15)
Primary incomplete	0.109	0.0678	0.0387	0.0836
	(0.98)	(0.59)	(0.35)	(0.75)
Primary complete	0.877***	0.752***	0.521**	0.772***
	(4.68)	(3.72)	(2.44)	(3.70)
Secondary complete	1.335***	1.177***	0.900***	1.250***
	(4.77)	(3.68)	(2.93)	(3.89)

[32] More specific results e.g. on gender specific results, can be provided. Only individual level variables are presented here.

[33] The log monthly wage is used as dependent variable to interpret coefficients as percentage changes in wages. Since earnings and wages are observed for unpaid workers and excluded from this analysis, results should be interpreted with care considering the high shares of unpaid workers in employment in Burkina Faso.

Some tertiary/post-	1.465***	1.319***	0.950*	1.431***
	(3.37)	(2.73)	(1.88)	(3.13)
Observations	2640	2457	2445	2457

Note: Author's calculations based on EICVM 2009. t-statistics are in parentheses. Significance levels are indicated by * p<0.1, ** p<0.05, *** p<0.001.

Table A. 2

Earnings and Returns across sectors

Mincer Equations - All Sample - Industry Coefficients, Base category: Agriculture		
	Incl. 3 category industry	**Incl. 1-digit occupation**
Industry	-0.0149	-0.150
	(-0.10)	(-0.35)
services	0.267**	0.0270
	(2.08)	(0.08)
Observations	2457	2445

Note: Author's calculations based on EICVM 2009. t-statistics are in parentheses. Significance levels are indicated by * p<0.1, ** p<0.05, *** p<0.001.

Table A. 3
Earnings and Returns across regions

Mincer Equations - All Sample - Regional Coefficients				
	Basic	**Incl. 3 category industry**	**Incl. 1-digit industry**	**Incl. 1-digit occupation**
Rural	0.124	0.183	0.151	0.171
	(1.13)	(1.52)	(1.26)	(1.39)
Centre	0.841***	0.945***	0.977***	0.962***
	(4.34)	(4.96)	(5.11)	(5.18)
Boucle du Mouhoun	1.152***	1.203***	1.207***	1.185***
	(5.85)	(6.19)	(6.14)	(6.04)
Nord	0.942***	1.035***	1.025***	1.023***
	(4.53)	(4.86)	(4.74)	(4.79)
Centre Ouest	1.092***	1.215***	1.206***	1.218***
	(5.46)	(5.89)	(5.78)	(5.86)
Centre Est	0.932***	1.038***	1.025***	1.018***
	(5.46)	(6.06)	(6.02)	(5.99)
Est	1.344***	1.453***	1.433***	1.464***
	(7.49)	(8.18)	(8.04)	(8.21)
Centre Nord	0.822***	0.942***	0.930***	0.948***
	(3.84)	(4.28)	(4.21)	(4.30)
Plateau Central	0.992***	1.113***	1.119***	1.121***
	(5.60)	(6.11)	(6.14)	(6.11)
Sahel	1.369***	1.492***	1.453***	1.493***
	(5.66)	(6.27)	(5.96)	(6.27)
Sud Ouest	1.050***	1.178***	1.177***	1.173***
	(5.12)	(5.63)	(5.69)	(5.78)
Cascades	0.739***	0.941***	0.958***	0.937***
	(3.17)	(3.87)	(4.04)	(3.83)
Centre Sud	0.872***	0.941***	0.907***	0.921***
	(3.04)	(3.33)	(3.16)	(3.23)
Observations	2640	2457	2445	2457

Note: Author's calculations based on EICVM 2009. t-statistics are in parentheses. Significance levels are indicated by * p<0.1, ** p<0.05, *** p<0.001.

ANNEX B. Probit tables

Coefficients in the probit model cannot be interpreted directly and marginal effects are needed. *Table B.1* and *Table B.2* report the results for a probit estimation on agricultural employment and wage/salary employment. The results are those presented in the body of the report in *Figure 25* and *Figure 27*. They confirm that education is an important driver out of agricultural employment and into wage work, but gender effects are still important, and women have a 5.4 percentage points lower probability of wage work.

Table B. 1

Probit model results on probability of agriculture employment: Marginal effects

	Marginal Effects
Individual age	-0.012***
	(0.00)
Age Squared	0.000***
	(0.00)
Male	0.000
	(.)
Female	-0.049***
	(0.01)
Single	0.000
	(.)
Ever Married	-0.028***
	(0.01)
Urban	0.000
	(.)
Rural	0.472***
	(0.01)
No education	0.000
	(.)
Primary incomplete	-0.067***
	(0.01)
Primary complete but secondary incomplete	-0.277***
	(0.03)
Secondary complete	-0.510***
	(0.10)
Some tertiary/post-secondary	-0.357***
	(0.10)
Size of Household	-0.007***
	(0.00)
Number of children	0.017***
	(0.00)
Number of youth	-0.002

	(0.00)
Number of elderly	0.020***
	(0.01)
Centre	0.000
	(.)
Hauts Bassins	0.168***
	(0.02)
Nord	0.173***
	(0.02)
Boucle du Mouhoun	0.166***
	(0.02)
Centre Ouest	0.132***
	(0.02)
Centre Nord	0.264***
	(0.02)
Sahel	0.220***
	(0.02)
Est	0.274***
	(0.02)
Centre Est	0.251***
	(0.02)
Plateau Central	-0.095***
	(0.02)
Sud Ouest	0.331***
	(0.02)
Cascades	0.209***
	(0.02)
Centre Sud	0.312***
	(0.02)
Observations	16,798

Note: *, **, *** indicate significance level at 10, 5 and 1 percent, respectively. Standard error in parentheses
Source: EMC 2014

Table B. 2

Probit model results on wage/salaried employment probability: Marginal effects

	Marginal effects
Individual age	0.007***
	(0.00)
Age Squared	-0.000***
	(0.00)
Male	0.000
	(.)
Female	-0.054***
	(0.01)
Single	0.000
	(.)
Ever Married	0.002
	(0.01)
Urban	0.000
	(.)
Rural	-0.108***
	(0.01)
No education	0.000
	(.)
Primary incomplete	0.039***
	(0.01)
Primary complete but secondary incomplete	0.281***
	(0.02)
Secondary complete	0.435***
	(0.06)
Some tertiary/post-secondary	0.354***
	(0.05)
Size of Household	0.002
	(0.00)
Number of children	-0.009***
	(0.00)
Number of youth	-0.002
	(0.00)
Number of elderly	-0.001
	(0.01)
Centre	0.000
	(.)
Hauts Bassins	-0.070***
	(0.01)
Nord	-0.089***
	(0.01)

Boucle du Mouhoun	-0.057***
	(0.01)
Centre Ouest	-0.028*
	(0.02)
Centre Nord	-0.116***
	(0.01)
Sahel	-0.082***
	(0.01)
Est	-0.095***
	(0.01)
Centre Est	-0.091***
	(0.01)
Plateau Central	-0.048***
	(0.01)
Sud Ouest	-0.123***
	(0.01)
Cascades	-0.100***
	(0.01)
Centre Sud	-0.094***
	(0.01)
Observations	16823

Note: *, **, *** indicate significance level at 10, 5 and 1 percent, respectively. Standard error in parentheses
Source: EMC 2014

Table B. 3

Probit model results on wage/salaried employment probability by gender: Marginal effects

	Marginal effects	
	Male	Female
Individual age	0.006**	0.001
	(0.00)	(0.00)
Age Squared	-0.000***	-0.000
	(0.00)	(0.00)
Single	0.000	0.000
	(.)	(.)
Ever Married	0.009	-0.028**
	(0.01)	(0.01)
Urban	0.000	0.000
	(.)	(.)
Rural	-0.160***	-0.052***
	(0.01)	(0.01)
No education	0.000	0.000
	(.)	(.)
Primary incomplete	0.052***	0.035***
	(0.01)	(0.01)
Primary complete but secondary incomplete	0.305***	0.489***
	(0.04)	(0.06)
Secondary complete	0.506***	0.409***
	(0.07)	(0.10)
Some tertiary/post-secondary	0.489***	0.346***
	(0.07)	(0.10)
Size of Household	0.002	0.007***
	(0.00)	(0.00)
Number of children	-0.010**	-0.013***
	(0.00)	(0.00)
Number of youth	-0.000	-0.009***
	(0.00)	(0.00)
Number of elderly	-0.003	-0.017***
	(0.01)	(0.00)
Centre	0.000	0.000
	(.)	(.)
Hauts Bassins	-0.071***	-0.073***
	(0.02)	(0.02)
Nord	-0.072***	-0.095***
	(0.02)	(0.02)
Boucle du Mouhoun	-0.043**	-0.073***

	(0.02)	(0.02)
Centre Ouest	-0.017	-0.044*
	(0.02)	(0.02)
Centre Nord	-0.125***	-0.107***
	(0.02)	(0.02)
Sahel	-0.064***	-0.088***
	(0.02)	(0.02)
Est	-0.085***	-0.093***
	(0.02)	(0.02)
Centre Est	-0.095***	-0.085***
	(0.02)	(0.02)
Plateau Central	-0.017	-0.076***
	(0.02)	(0.02)
Sud Ouest	-0.159***	-0.094***
	(0.02)	(0.02)
Cascades	-0.120***	-0.076***
	(0.02)	(0.02)
Centre Sud	-0.097***	-0.095***
	(0.02)	(0.02)
Observations	7692	8350

Note: *, **, *** indicate significance level at 10, 5 and 1 percent, respectively. Standard error in parentheses
Source: EMC 2014

Table B. 4
Probit model results on poverty status

	Marginal effects
Female	-0.00393
	(-0.63)
Rural	0.0834***
	(10.64)
Agriculture	0
	(.)
Industry	-0.173***
	(-3.98)
Services	-0.239***
	(-6.55)
Unpaid AG	0
	(.)
Employer	-0.120*
	(-2.42)
Self-employed Non-AG	0.0520
	(1.13)
Self-employed AG	-0.0270***
	(-3.52)
Paid employee	0.0112
	(0.27)
Unpaid Non-AG	0.0678
No education	0
	(.)
Primary Education	-0.0814***
	(-11.86)
Secondary Education	-0.147***
	(-6.88)
Post-Secondary Educaton	-0.241***
	(-8.20)
Age	-0.00170
	(-1.31)
Age squared	0.0000334
	(1.92)
HH size	0.0152***
	(31.11)
Hauts-Bassing	0
	(.)

Boucle du Mouhon	0.124***
	(9.07)
Sahel	-0.167***
	(-13.10)
Est	0.0610***
	(4.39)
Sud Ouest	0.0294
	(1.89)
Centre Nord	-0.000446
	(-0.03)
Centre Ouest	0.0554***
	(3.94)
Plateau central	-0.0129
	(-0.93)
Nord	0.195***
	(14.81)
Centre est	-0.0394**
	(-2.93)
Centre	-0.0927***
	(-6.29)
Cascade	-0.138***
	(-9.54)
Sud	-0.0152
	(-1.07)
Observations	32348

Note: *, **, *** indicate significance level at 10, 5 and 1 percent, respectively. Standard error in parentheses
Source: EMC 2014

ANNEX C. Comparison tables

Table C. 1

Comparison of Burkina Faso with African countries, selected indicators

Relative comparison of Burkina Faso with African countires for select WDI indicators

Ranking	Agriculture value added per worker	Agriculture, value added (annual % growth)	Hectares of Arable Land per person	Primary completion rate (%)	Fertility rate (births per woman)	Employment to population ratio, 15+ (%)	Workers in vulnerable employment
Reference year:	2014	2014	2013	2013	2013	2014	Avg. 1995-2015
1	Mauritius (9120)	Zimbabwe (23.00)	Niger (.866)	Sao Tome and Principe (104.0)	Niger (7.62)	Tanzania (86.3)	Burundi (93.5)
2	South Africa (7238)	Togo (14.80)	Mali (.386)	Mauritius (101.0)	Mali (6.31)	Rwanda (85.1)	Sierra Leone (92.4)
3	Nigeria (4760)	Cote d'Ivoire (11.30)	Togo (.382)	Seychelles (99.3)	Chad (6.26)	Madagascar (85.1)	Burkina Faso (92.0)
4	Cabo Verde (4410)	Mali (10.30)	Central African Republic (.382)	Ghana (98.4)	Angola (6.16)	Zimbabwe (82.0)	Guinea (89.7)
5	Gabon (2875)	Gabon (9.68)	Chad (.372)	Cabo Verde (94.6)	Congo, Dem. Rep. (6.10)	Burkina Faso (80.6)	Togo (89.1)
6	Namibia (2264)	Niger (8.96)	Burkina Faso (.362)	Zambia (83.7)	Burundi (6.03)	Equatorial Guinea (79.8)	Benin (88.8)
7	Swaziland (1449)	Congo, Rep. (8.06)	Namibia (.340)	Togo (81.2)	Uganda (5.86)	Ethiopia (79.3)	Mozambique (87.8)
8	Cameroon (1271)	Zambia (6.49)	Cameroon (.279)	Tanzania (75.9)	Gambia, The (5.75)	Eritrea (78.6)	Rwanda (86.9)
9	Benin (977)	Malawi (6.10)	Tanzania (.268)	Benin (75.6)	Nigeria (5.70)	Burundi (77.0)	Madagascar (85.7)
10	Sierra Leone (925)	South Africa (5.56)	Zimbabwe (.268)	Malawi (75.2)	Burkina Faso (5.60)	Malawi (76.8)	Mali (85.4)
11	Seychelles (923)	Ethiopia (5.44)	Benin (.261)	Lesotho (74.0)	Zambia (5.42)	Togo (75.4)	Tanzania (84.9)
12	Mali (882)	Rwanda (5.26)	Guinea (.259)	Comoros (73.8)	Mozambique (5.41)	Uganda (74.5)	Niger (84.8)
13	Congo, Rep. (837)	Benin (5.11)	Sierra Leone (.256)	Congo, Dem. Rep. (72.4)	Malawi (5.22)	Central African Republic (72.9)	Uganda (82.6)
14	Sao Tome and Principe (835)	Lesotho (4.76)	Zambia (.242)	Sierra Leone (71.0)	Tanzania (5.21)	Benin (72.1)	Zambia (79.9)
15	Comoros (802)	Cameroon (4.65)	Gambia, The (.235)	Gambia, The (70.5)	Senegal (5.13)	Gambia, The (72.0)	Liberia (79.4)
16	Botswana (734)	Ghana (4.64)	South Africa (.235)	Burundi (69.9)	Guinea (5.09)	Guinea (70.6)	Cote d'Ivoire (77.4)
17	Togo (680)	Namibia (4.62)	Malawi (.234)	Madagascar (68.4)	Cote d'Ivoire (5.06)	Senegal (69.0)	Cameroon (77.4)
18	Guinea-Bissau (654)	Nigeria (4.27)	Senegal (.228)	Burkina Faso (62.7)	Equatorial Guinea (4.92)	Zambia (68.6)	Ghana (76.1)
19	Central African Republic (455)	Mauritius (3.90)	Mozambique (.213)	Guinea (61.9)	Congo, Rep. (4.91)	Guinea-Bissau (68.3)	Congo, Rep. (75.1)
20	Liberia (417)	Senegal (3.55)	Angola (.208)	Cote d'Ivoire (60.4)	Guinea-Bissau (4.90)	Ghana (67.8)	Senegal (67.9)
21	Kenya (395)	Kenya (3.45)	Gabon (.196)	Rwanda (59.3)	Benin (4.84)	Cameroon (67.3)	Zimbabwe (64.5)
22	Lesotho (365)	Tanzania (3.38)	Nigeria (.196)	Mali (58.8)	Liberia (4.79)	Chad (66.5)	Ethiopia (63.7)
23	Senegal (361)	Burundi (3.34)	Uganda (.188)	Uganda (54.2)	Cameroon (4.78)	Congo, Dem. Rep. (66.1)	Kenya (63.4)
24	Tanzania (356)	Guinea-Bissau (3.30)	Ghana (.179)	Niger (49.5)	Sierra Leone (4.74)	Congo, Rep. (66.0)	Gambia, The (60.5)
25	Zambia (353)	Madagascar (3.25)	Guinea-Bissau (.170)	Mozambique (49.2)	Togo (4.65)	Angola (65.3)	Lesotho (43.1)
26	Burkina Faso (323)	Congo, Dem. Rep. (3.20)	Ethiopia (.159)	Chad (38.7)	Sao Tome and Principe (4.63)	Mozambique (65.0)	Gabon (42.1)
27	Rwanda (312)	Mozambique (3.11)	Madagascar (.152)		Comoros (4.56)	Sierra Leone (65.0)	Cabo Verde (39.6)
28	Mozambique (302)	Uganda (3.01)	Equatorial Guinea (.150)		Ethiopia (4.51)	Cote d'Ivoire (64.5)	Namibia (24.5)
29	Ethiopia (278)	Burkina Faso (2.11)	Swaziland (.139)		Madagascar (4.46)	Botswana (62.7)	Botswana (24.4)
30	Zimbabwe (274)	Guinea (2.09)	Eritrea (.138)		Kenya (4.40)	Cabo Verde (61.5)	Swaziland (20.7)
31	Malawi (252)	Comoros (2.00)	Cote d'Ivoire (.134)		Central African Republic (4.36)	Niger (61.4)	Mauritius (16.0)
32	Congo, Dem. Rep. (226)	Sao Tome and Principe (1.72)	Kenya (.132)		Eritrea (4.36)	Kenya (61.2)	South Africa (11.3)
33	Guinea (220)	Central African Republic (1.00)	Congo, Rep. (.125)		Ghana (4.20)	Mali (60.7)	Seychelles (10.4)
34	Uganda (217)	Sierra Leone (0.80)	Botswana (.124)		Rwanda (4.01)	Liberia (59.2)	
35	Madagascar (175)	Botswana (-0.34)	Lesotho (.119)		Zimbabwe (3.97)	Mauritius (54.0)	
36	Burundi (131)	Liberia (-0.59)	Liberia (.116)		Gabon (3.96)	Comoros (53.9)	
37		Swaziland (-1.30)	Burundi (.114)		Namibia (3.56)	Nigeria (52.0)	
38		Seychelles (-5.60)	Cabo Verde (.108)		Swaziland (3.33)	Gabon (49.0)	
39		Cabo Verde (-5.70)	Rwanda (.106)		Lesotho (3.22)	Lesotho (48.9)	
40			Congo, Dem. Rep. (.097)		Botswana (2.86)	Namibia (48.4)	
41			Comoros (.086)		Seychelles (2.40)	Swaziland (44.7)	
42			Mauritius (.059)		South Africa (2.38)	South Africa (39.4)	
43			Sao Tome and Principe (.047)		Cabo Verde (2.33)		
44			Seychelles (.000)		Mauritius (1.44)		

Notes: Agricultural value added per worker in constant 2005 USD. Employment to population ratio is modeled ILO estimate. For education completion rate data limitations preclude adjusting for students who drop out during the final year of primary education. Thus this rate is a proxy that should be taken as an upper estimate of the actual primary completion rate. Reason that the rate can exeed 100 percent include numerators may include late entrants and overage children who repeated grades and children who entered school early among several others. All years available for each country was used for averaging the vulnerability index. Source: WDI

Source: World Development Indicators

Table C. 2
Share of real added value by sector, African mixed exporters (2009-2012)

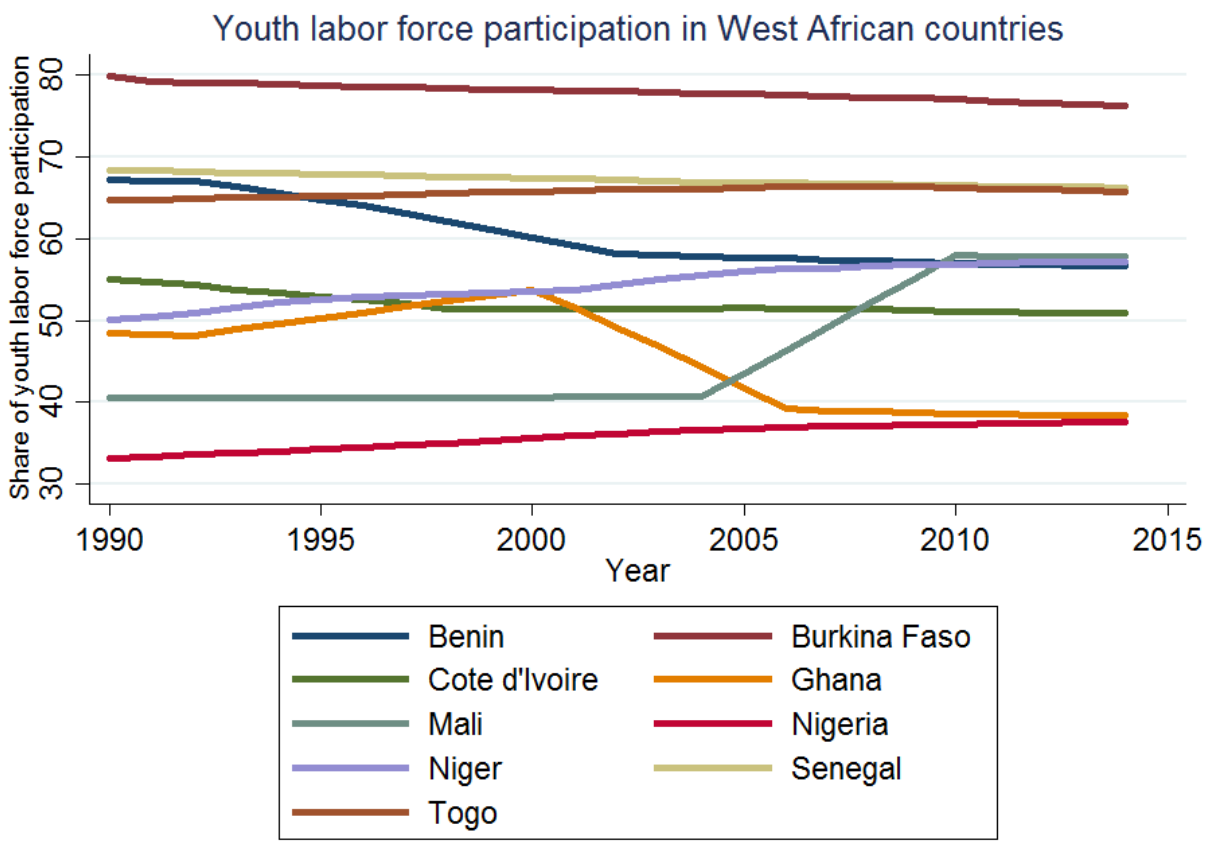
Distribution of real total vaue added by sectors and country for African mixed exporters from 2009 to 2012 (%)

	Agriculture, hunting, forestry and fishing	Industry	Mining, manufacturing, and utilities	Manufacturing	Construction	Services	Whole sale trade, retail trade, restaurants and hotels	Transport, storage and communications	Other Activities
Benin	35	14	9	8	5	51	18	9	24
Burkina Faso	40	16	11	6	5	44	15	5	24
Burundi	38	15	11	9	4	47	21	5	21
Cameroon	22	28	24	17	3	49	22	8	20
Central African Republic	53	15	10	7	4	32	13	6	12
Egypt	13	39	33	17	6	50	15	13	21
Eritrea	17	23	8	6	16	60	19	12	28
Ghana	27	24	16	9	9	49	11	16	22
Kenya	23	20	14	12	5	58	14	14	30
Morocco	16	25	18	14	7	59	13	8	38
Mozambique	27	22	19	13	3	51	16	13	22
Namibia	7	27	23	14	4	65	15	7	43
Niger	48	12	10	6	3	40	14	6	19
Senegal	16	23	18	14	5	61	20	14	27
Sierra Leone	52	15	13	2	2	34	8	7	18
Sourth Africa	3	28	25	17	3	69	14	10	45
Swaziland	8	38	35	33	3	54	14	8	32
Togo	41	19	14	10	5	42	9	6	27
Uganda	19	25	11	7	14	54	19	8	27
Tanzania	27	24	14	9	10	49	16	8	25
Zimbabwe	10	46	46	7	0	46	13	4	30
African mixed exporters	26	24	18	11	6	51	15	9	26
Developing economies	8	39	33	22	6	53	15	8	30
Africa	16	35	29	11	5	49	14	9	25

Source: UN (2015b)

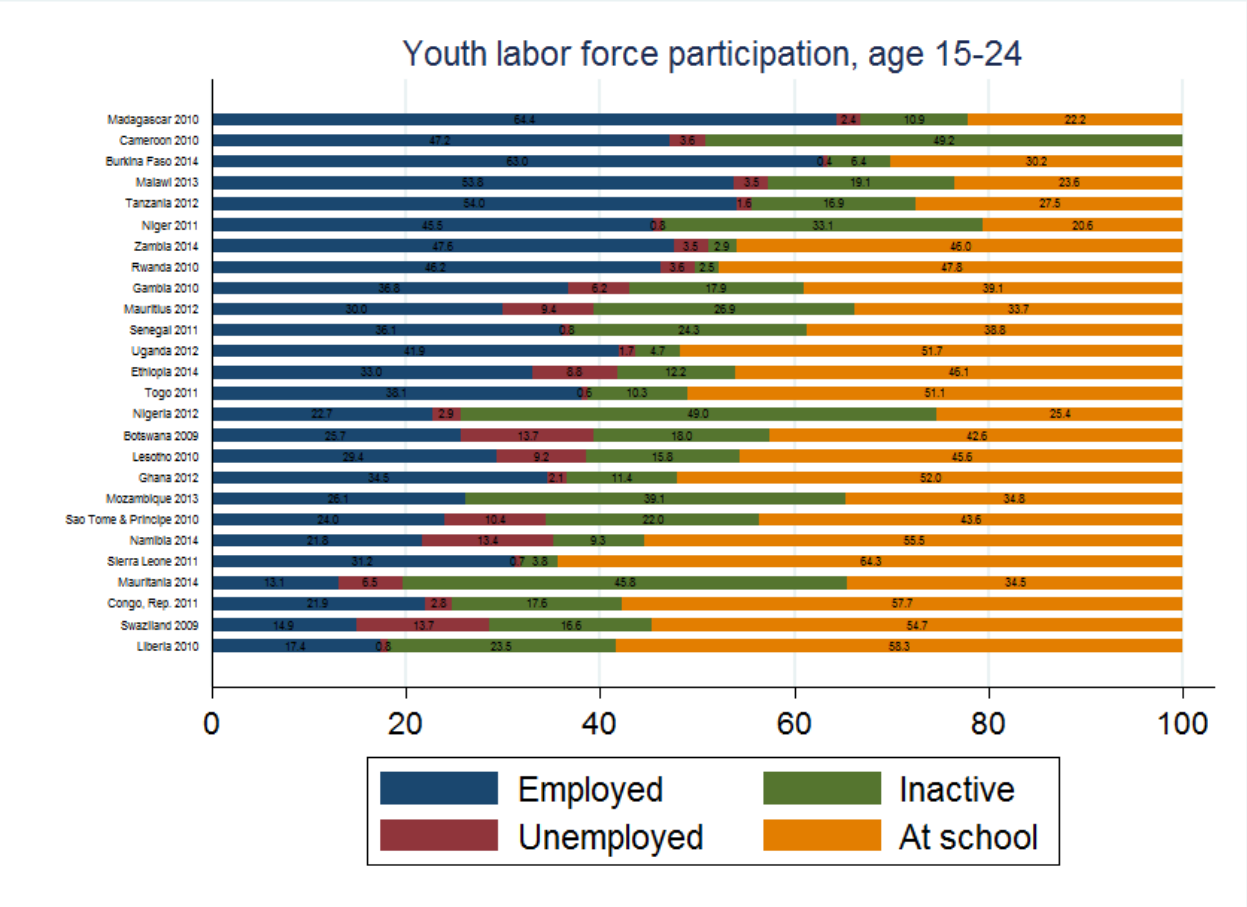
ANNEX D: Additional Graphs

Figure D. 1. Youth labor force participation in West African countries (%, 1990-2014)



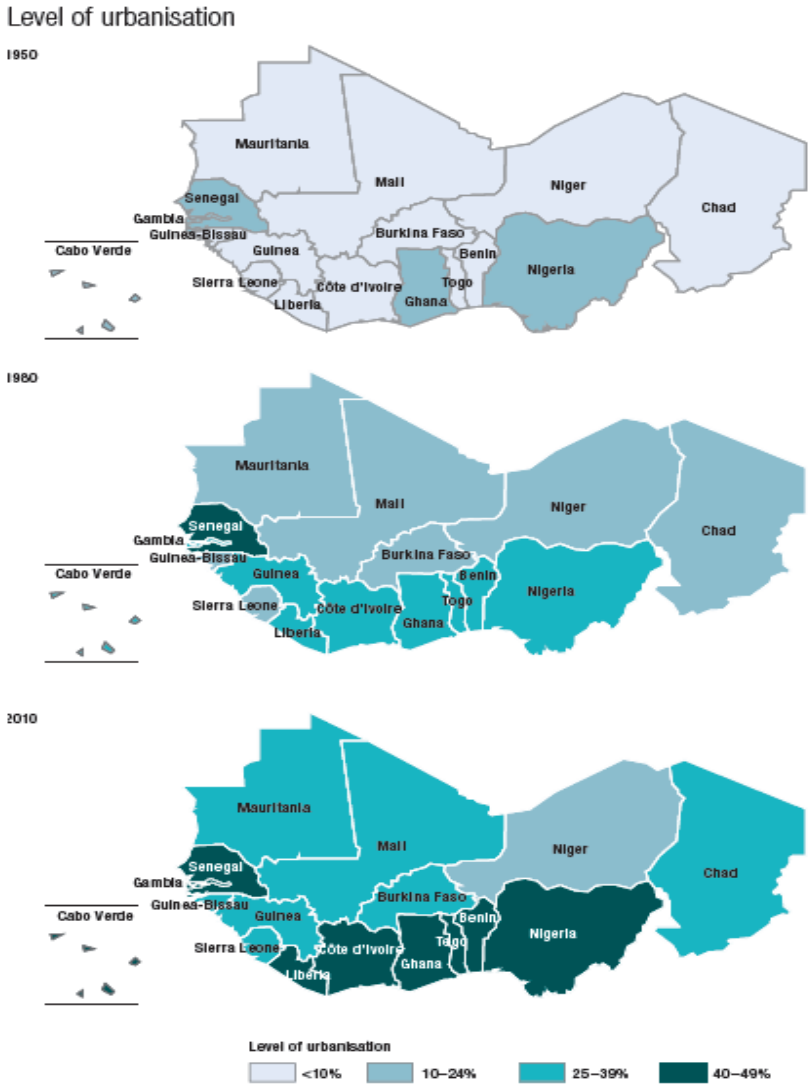
Source: Author's calculations based on World Development Indicators database. Labor force participation rate for ages 15-24, total (%) (modeled ILO estimate)

Figure D. 2. Youth Labor Force Participation across various household surveys in African countries



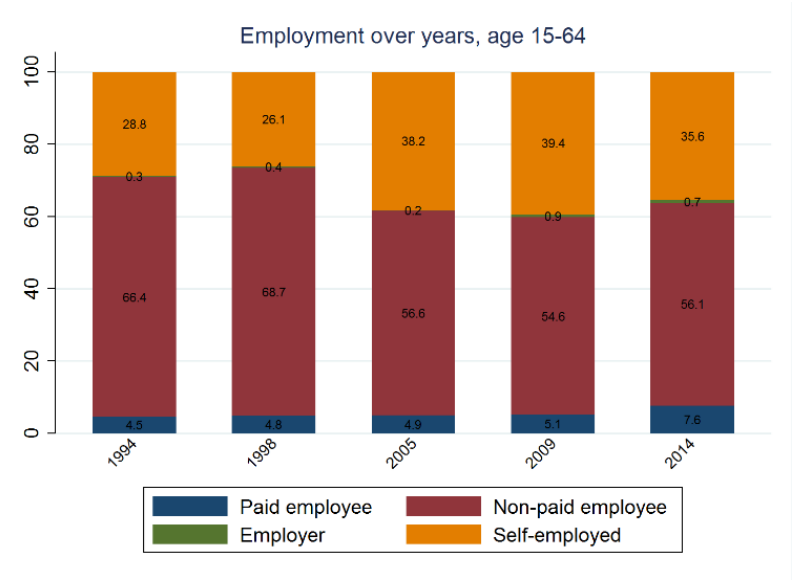
Source: Author's calculations based on household surveys of each country.

Figure D. 3. Level of Urbanization in West Africa 1950-2010



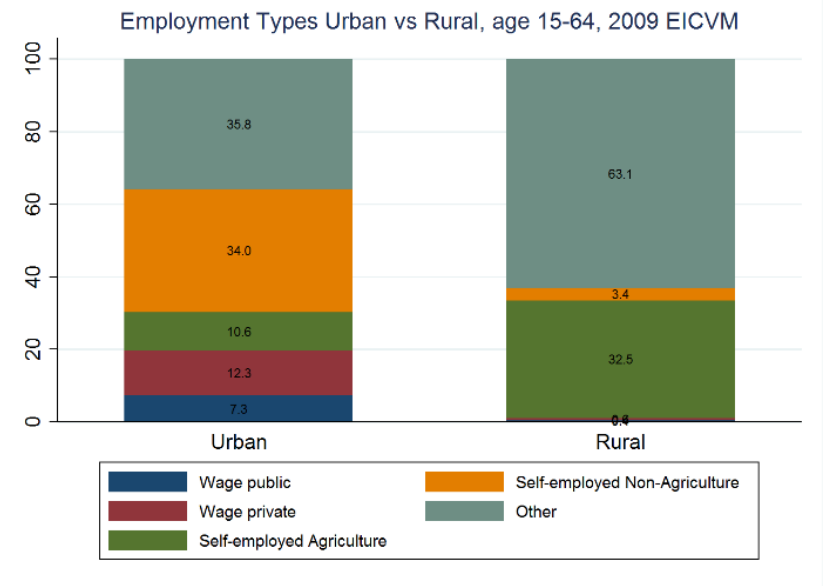
Source: OECD (2016)

Figure D. 4. Employment types over time



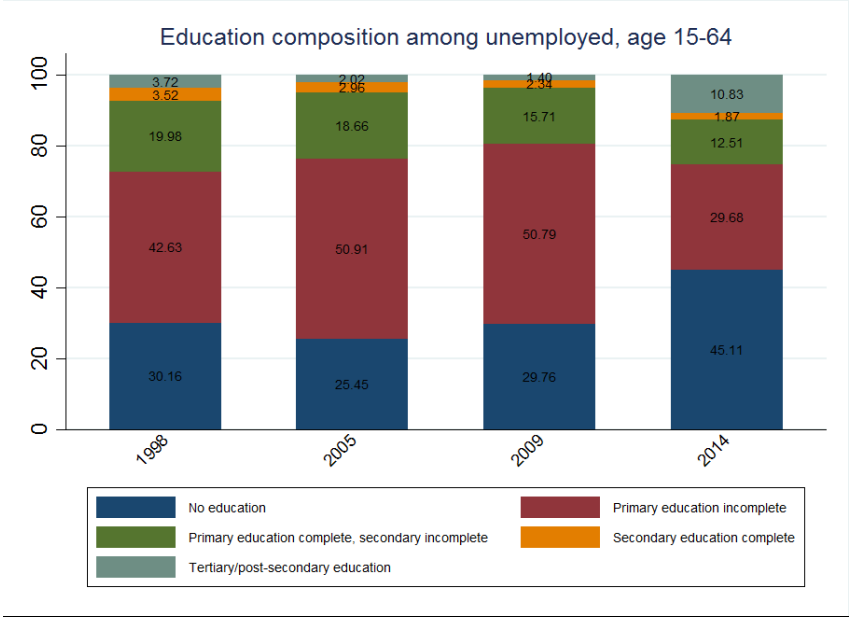
Source: Author's calculations based on household surveys: EP 1994, EP 1998, EBCVM 2003, EA 2005, EICVM 2009, and EMC 2014.

Figure D. 5. Employment types urban vs. rural



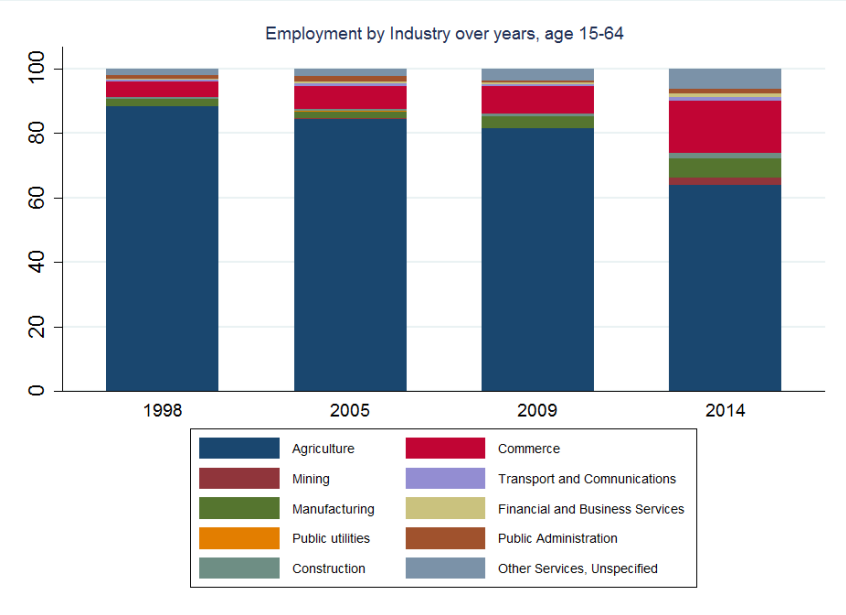
Source: Author's calculations based on EICVM 2009.

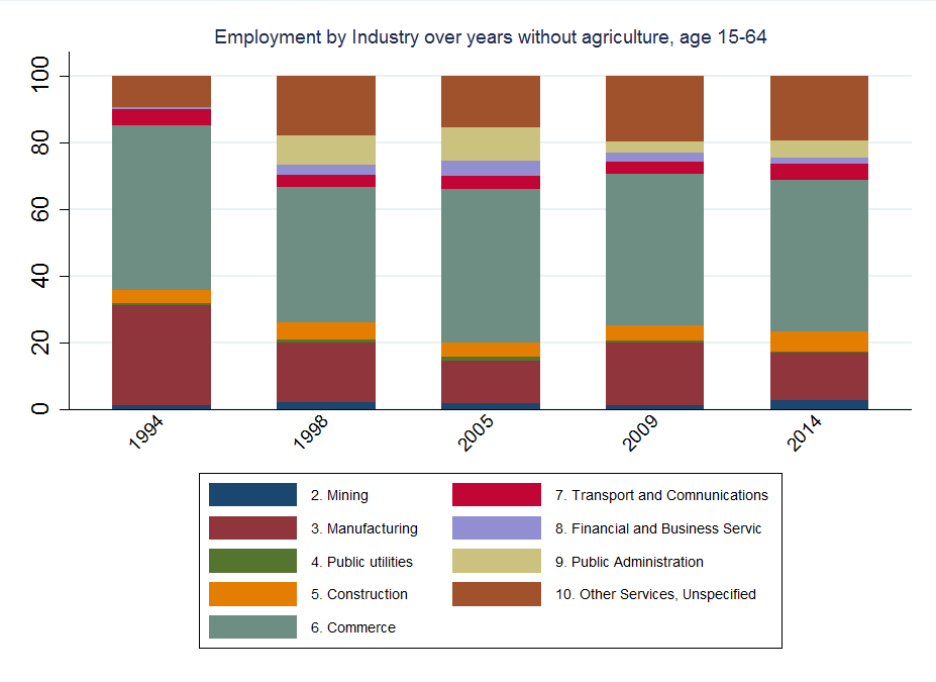
Figure D. 6. Unemployment and education



Source: Author's calculations based on household surveys: EP 1998, EA 2005, EICVM 2009, and EMC 2014, 2nd wave.

Figure D. 7. Employment by sector over the years





Source: EP 1994, EP 1998, EBCVM 2003, EA 2005, EICVM 2009, and EMC 2014

Figure D. 8. Employment across occupations over years by gender

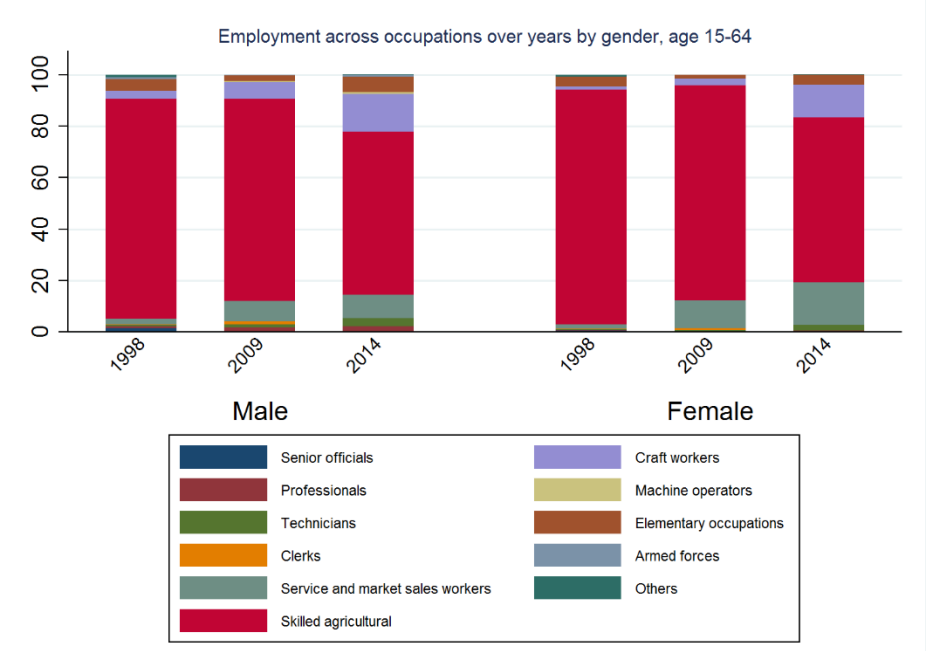
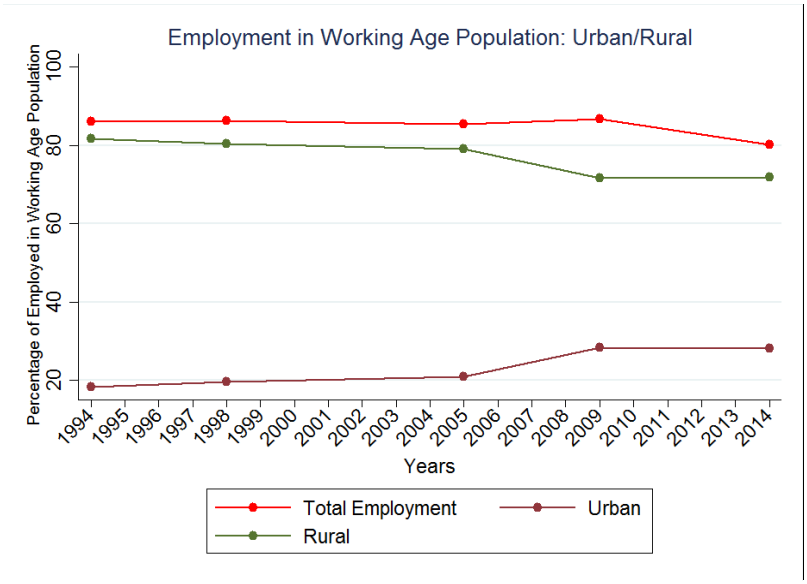


Figure D. 9. Employment in Working Age Population



Source: EP 1994, EP 1998, EBCVM 2003, EA 2005, EICVM 2009, and EMC 2014.

Figure D. 10. Share of underemployement by employment status

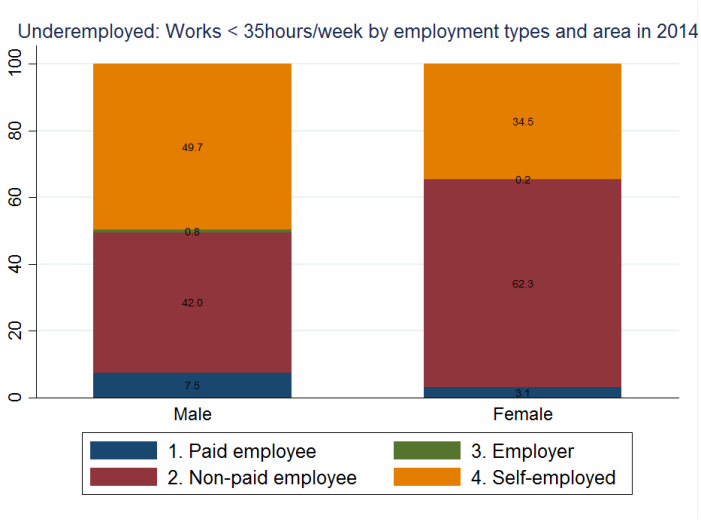
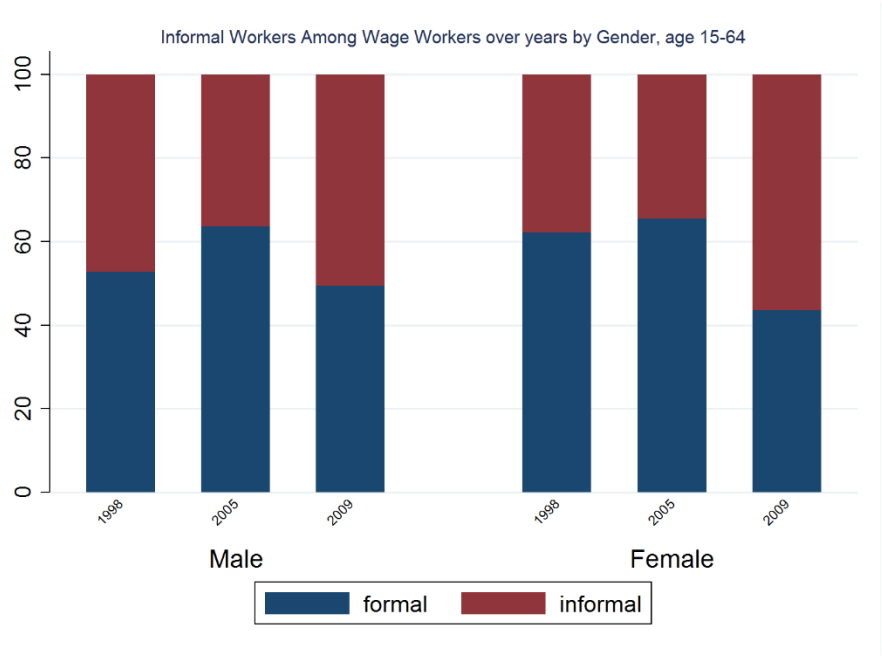
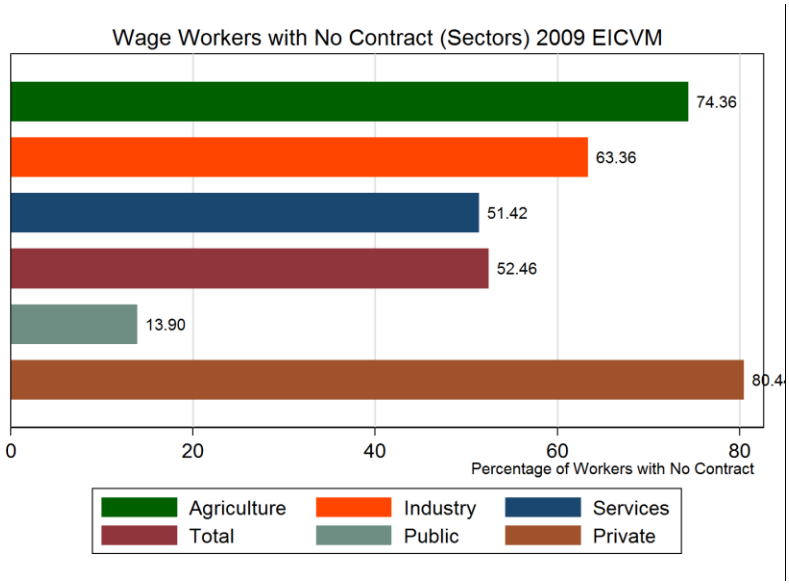


Figure D. 11. Informality over the years (1998-2009)



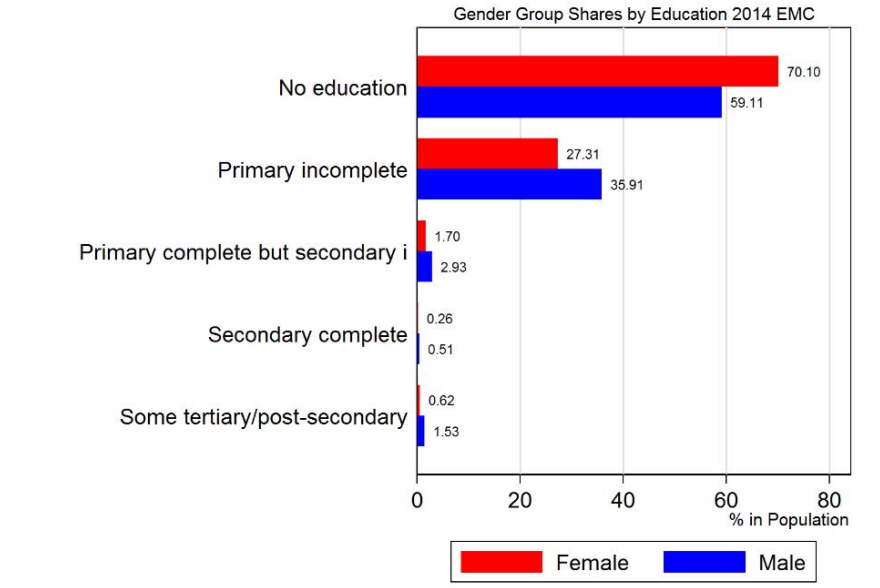
Source: EP 1998, EA 2005, and EICVM 2009.

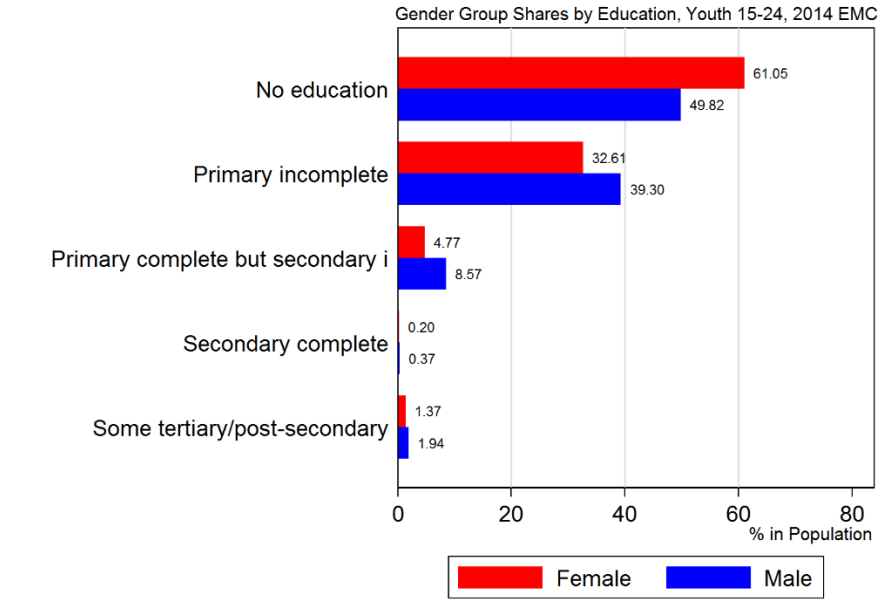
Figure D. 12. Employment and informality by sector (2009)



Source: Author's calculations based on EICVM 2009.

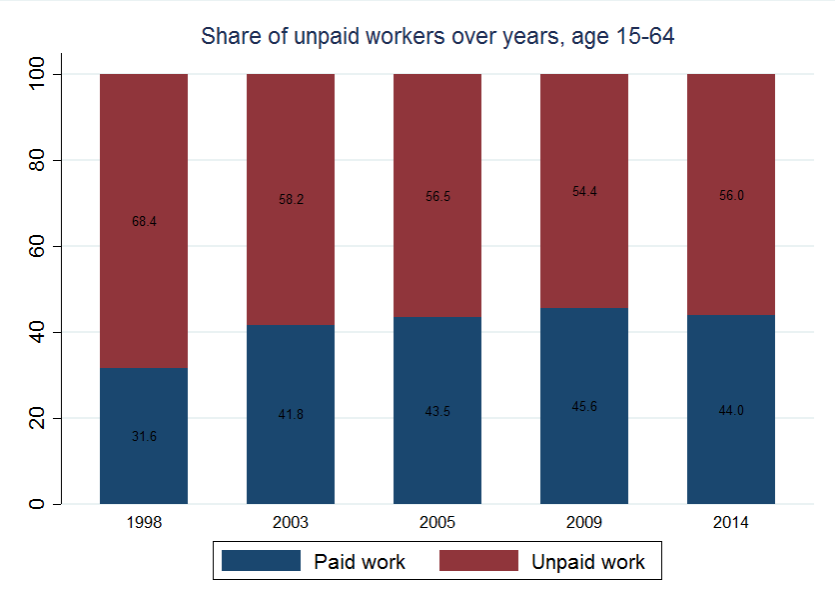
Figure D. 13. Educational attainment by gender and age





Source: EMC 2014

Figure D. 14. Share of unpaid workers over years



Source: EP 1998, EBCVM 2003, EA 2005, EICVM 2009, and EMC 2014.

ANNEX E: Labor Regulations in Burkina Faso

The high level of informality does not appear to be related to the current labor regulations. The regulations as set forth in the Labor Act of Burkina Faso from 2008 apply to only those workers in a formal employment position. Thus, the affected share of the working force is low. The act specifies regulations regarding minimum age of work, fixed-term contracts, the probationary period, working hours, leave policies, wage policies, contract termination, and notice period and severance pay. Acknowledging the weak institutional enforcement capacity in Burkina Faso and the agrarian structure of the country, the Labor Act has only a marginal influence on the labor market outcomes of the individual workers and their level of informality. Most of the regulations set forth in the Labor Act are relatively balanced and comply with ILO conventions.

More than one quarter of employers identify labor regulations as a major constraint. According to the enterprise survey data from 2009, a significant share of employers in Burkina Faso, 26 percent, identified labor regulations as a major constraint to the operation of their firm.[34] This is higher than in comparator countries: in the Sub-Saharan Africa region, the average was 11 percent of firms.

But analysis reveals a rather balanced set of labor regulations. An analysis of labor regulations shows that, overall, the Labor Act of Burkina Faso 2008 is relatively balanced. Rigidities are mostly related to generous annual leave entitlements and relatively high minimum wage levels as a share of GNI per capita. On the other hand, dismissal rules are not restrictive, and the costs are rather modest. Based on these findings and taking into account that (i) 97 percent of all workers in Burkina Faso are informal with about 80 percent of total employment in agriculture or non-agricultural self-employment; and (ii) a generally low institutional enforcement capability, labor regulations do not seem to be a constraint to economic development. Neither do they seem to impede labor market outcomes of individual workers, nor can they be seen as a reason for the high levels of informality. While further analysis could investigate the effects and procedures of minimum wage setting, these findings highlight the need to strengthen the institutional capacity of Burkina Faso to create awareness, but also to enforce labor regulations.

Burkina Faso ratified the core and 35 more ILO conventions, most of them are enforced in the Labor Act. Burkina Faso has been a member of the International Labour Organization (ILO) since

[34] The survey included manufacturing firms in the formal sector. Subjective perception of labor regulations by employers is not necessarily correlated with indices of labor market rigidity. First, subjective assessment of labor regulations is conducted relative to other obstacles to firm activity, and second, subjective assessment considers enforcement, i.e. the actual effect of the regulations on business, rather than regulations as they are enshrined in law.

1960 and has ratified 43 ILO Conventions including all eight fundamental ILO Conventions.[35] 39 conventions are in force. The remainder of this Annex discusses key characteristics of the Labor Act of Burkina Faso 028-2008/AN, which does not apply to civil servants, magistrates, military personnel, employees of local governments and few other categories of employees.

MINIMUM AGE OF WORK

In Burkina Faso, the Labor Act prescribes that the minimum age of admission to employment shall be 16 years, subject to exceptions for children employed in light work. Accordingly, the Act is in compliance with the ILO Convention 138. However, according to the United States Department of Labor, many children in Burkina Faso are engaged in child labor, including in agriculture.[36] Children are also engaged in the worst forms of child labor, such as mining. According to a National Survey on Child Labor in Burkina Faso conducted in 2006, 48 percent of boys and 43 percent of girls ages 5 to 17 were engaged in child labor. Child labor is more prevalent in rural areas. provides key indicators on children's work and education in Burkina Faso.

Table E.1
Statistics on Children's Work and Education

Working children, ages 5 to 14 (absolute number in brackets)	42.1% (2,116,752)
School attendance, ages 5 to 14	41.9%
Children combining work and school, ages 7 to 14 (%):	21.7%
Primary completion rate (%):	57.6%

Source for primary completion rate: Data from 2012, published by UNESCO Institute for Statistics, 2015.
Source for all other data: Understanding Children's Work Project's analysis of statistics from Enquête Démographique et de Santé et à Indicateurs Multiples, 2010

FIXED-TERM CONTRACTS

In Burkina Faso, the maximum duration of single fixed-term contracts equals two years for the domestic workers, and three years for the non-domestic workers but there is no limit to the maximum length of consecutive fixed-term contracts, including renewals. Fixed-term contracts can be used for permanent tasks as well. As far as the overall duration of fixed term contracts is concerned, 104 countries do not have any limits, but 41 countries limit it to 24 months or less. Hence, the regime of fixed-term contracts is relatively flexible in Burkina Faso.

[35] ILO core conventions include: the Freedom of Association and Protection of the Right to Organize Convention, 1948 (No. 87); the Right to Organize and Collective Bargaining Convention, 1949 (No. 98); the Forced Labor Convention, 1930 (No. 29); the Abolition of Forced Labor Convention, 1957 (No. 105); the Minimum Age Convention, 1973 (No. 138); the Worst Forms of Child Labor Convention, 1999 (No. 182); the Equal Remuneration Convention, 1951 (No. 100); and the Discrimination (Employment and Occupation) Convention, 1958 (No. 111).

[36] U.S. Department of Labor, Child Labor and Forced Labor Reports: Burkina Faso, http://www.dol.gov/ilab/reports/child-labor/burkina_faso.htm (2. May 2017).

PROBATIONARY PERIOD

The probation period is quite modest and differentiated according to the category of workers. The probation period is (i) eight days for the worker whose wages are fixed per hour or day; (ii) one month for the employees other than executives, supervisors, technicians and similar staff, and (iii) three months for executives, supervisors, technicians and similar staff. Probation period can be renewed only once and for the same duration. Among the 177 economies for which the data are available, 24 percent allow a probationary period of less than 3 months, 42 percent allow between 3 and 5 months and 34 percent allow 6 months or more. Japan and Uruguay do not have any limits on the duration of a probationary period, and Cyprus has a limit of 24 months. Therefore, in Burkina Faso, the duration of a probationary period follows international best practices.

WORKING HOURS

As for the duration of work hours, in Burkina Faso the maximum daily normal working time is regulated at eight hours a day, and 40 hours per week but it can extend up to 60 hours for household workers. For workers in agriculture, the normal working hours are stipulated in the Labor Act at 2,400 hours per year which translates to 9.6 hours a day and 48 hours a week.[37] Working hours above these thresholds should be considered as overtime. The wage premium for overtime work is 15 percent of hourly pay. While this makes work costlier to employers, it allows them to react quickly to temporary fluctuations in economic activity. Per each seven-day period, every worker is entitled to a minimum uninterrupted rest period of 24 hours. A rest day is compulsory and is in principle Sunday. Exceptions are granted by the minister in charge of labor. There is no wage premium for night work, and for work on the weekly rest day. There are no restrictions on night work. Non-pregnant and non-nursing women are permitted to work same night hours as men.

LEAVE POLICIES

In Burkina Faso, the mandatory paid annual vacation formula for calculation is as follows; 22 working days (or 30 calendar days) of paid leave per year increased by two working days after twenty years of service; four days after twenty-five years, and six days after thirty years of service (continuous or not) in the same company. Workers have the right to use their leave after a period of actual service equal to one year. Therefore, annual leave entitlements in Burkina Faso are among the most generous among low income countries. Salaried women and apprentices less than 22 years of age have a right to additional two days off for every dependent child.

37 This assumes 250 working days a year and five days of work per week.

The duration of maternity leave is 98 calendar days which is consistent with ILO Convention 183. The duration of paternity leave is three days and it is paid by the employer.[38] The mother has the right to take breaks for breastfeeding over a period of 14 months starting from the date she resumes work. The total duration of these breaks cannot exceed one and-a-half hours a day. The breaks for breastfeeding are remunerated.

WAGE POLICIES

As noted above, wage workers amount to only one percent of rural employment, and around 20 percent of employment in urban areas. So relatively few workers in Burkina Faso are affected by wage policies, including minimum wages.

The national minimum wage is fixed by the Decision of the Joint Committee of wage negotiations in the private sector (the latest Decision, as of 1 April 2012). In mid-2015, the lowest minimum wage was 34,664 FCFA/month, or equivalent to around 70US$/month. For international comparisons, the level of the minimum wage can be measured by the Kaitz index that provides the minimum-to-mean wage ratio, giving an indication of how high the minimum wage is set relative to average wages.[39] *Table E.2* reports the most recently available minimum wage rates, grouped according to country incomes. The Kaitz ratio values range of 0.01 in Uganda to a value over 1.28 for the Democratic Republic of Congo. In Burkina Faso, the ratio is quite high, 0.66. High minimum wages might be an impediment to job creation in the formal sector.

Table E.2

Monthly Minimum Wage Estimates: Sub-Saharan Africa

	Minimum wage (US$ PPP)	Mean wage (US$ PPP)	Kaitz Ratio
	Low-income economies		
Burkina Faso	138	210	0.66
Burundi	7	256	0.03
Chad	239	371	0.64
Congo, Dem. Rep.	68	53	1.28
Ethiopia	77	175	0.44
Kenya	331	979	0.34
Madagascar	128	183	0.70
Malawi	49	368	0.13
Tanzania	149	624	0.24
Uganda	6	464	0.01
	Lower-middle-income economies		

[38] World Bank. 2015. *Women, Business and the Law 2016: Getting to Equal.* Washington, DC: World Bank. http://www.doingbusiness.org/reports/global-reports/doing-business-2016

[39] Ideally, the median wage should be used to calculate the Kaitz ratio. Unfortunately, data on median wages for countries in Sub-Saharan Africa is rare, thus mean wages are used.

Congo, Rep.	145	526	0.28
Ghana	128	469	0.27
Lesotho	242	377	0.64
Senegal	148	983	0.15
Swaziland	94	815	0.12
Zambia	98	252	0.39
	Upper-middle-income economies		
Algeria	531	1003	0.53
Botswana	148	1287	0.11
Gabon	418	2356	0.18
Mauritius	218	1424	0.15
South Africa	517	1251	0.41

Source: Bhorat et al, 2015

CONTRACT TERMINATION

In Burkina Faso, it is legal for an employer to terminate the employment contract of a worker on the basis of redundancy. The employer is not obliged to notify, consult or obtain the approval of a third party before dismissing one redundant employee. However, if the employer is considering an economic redundancy of more than one employee, he must consult staff representatives and seek solutions for maintaining jobs. In case that the negotiations between the employer and the staff representatives were not able to reach an agreement, or if despite the planned measures, some layoffs are still necessary, the employer shall establish the list of workers to be made redundant and the criteria for selection and communicate this to the delegates of the staff who have eight days to submit their comments. Proposals are also forwarded to the Labor Inspector who has eight days to communicate any action that he deems necessary to take. After that period, the employer is no longer required to defer the implementation of dismissals.

Burkina Faso does not require retraining or reassignment obligations before an employer can make a worker redundant. There are also no priority rules that apply to redundancy dismissals or lay-offs but there are priority rules that apply to re-employment. The Labor Act requires that employees with the lowest level of skills and experience and those hired last be dismissed first. According to the general collective agreement, the former employees have a priority right for re-employment within a period of two years from the dismissal.

NOTICE PERIOD AND SEVERANCE PAY

The legally mandated notice period for redundancy dismissal in Burkina Faso amounts to (i) eight days for workers whose salary is fixed by the hour or by the day; (ii) one month for employees other than managers, supervisors agents, technicians and similar; and (iii) three months for managers, supervisors, technicians and similar occupations.

The ILO Termination of Employment Recommendation No. 166 suggests that the worker should, for the purpose of seeking other employment, be entitled to a reasonable amount of time off without loss of pay, taken at times that are convenient to both parties. This is the practice in Burkina Faso as well. Within the period of notice, the worker has the right to take two days leave from work per week for the purpose of seeking new employment.

Burkina Faso also requires severance pay in case of redundancy dismissal by the employer. The severance pay formula is as follows: after one year of continuous service the severance pay amounts to 25 percent of the monthly salary for each of the first 5 years of service; 30 percent for 6th to 10th year of service inclusive, and 40 percent for the rest of the job tenure. Accordingly, the severance pay for redundancy dismissal, expressed in terms of the period of time for which full wages are payable, after continuous employment of 1 year would be 0.25 monthly wages; 1.25 monthly wages after continuous employment of five years, and 2.75 monthly wages after continuous employment of ten years. This results in an average of 1.42 monthly wages which is much less than in most other countries in Sub-Saharan Africa.

Table E.3

Notice period and severance pay for redundancy dismissal in Burkina Faso and neighboring countries (2015)

	Notice period with tenure of				Severance pay with tenure of			
	1 year	5 years	10 years	On average	1 year	5 years	10 years	On average
Benin	4.3	4.3	4.3	4.3	1.3	6.5	14.1	7.3
Burkina Faso	4.3	4.3	4.3	4.3	1.1	5.4	11.9	6.1
Côte d'Ivoire	4.3	4.3	8.7	5.8	1.3	6.5	14.1	7.3
Ghana	2.0	4.3	4.3	3.6	8.7	43.3	86.7	46.2
Mali	4.3	4.3	4.3	4.3	5.2	8.7	14.1	9.3
Niger	4.3	4.3	4.3	4.3	5.2	8.7	15.2	9.7
Togo	4.3	4.3	4.3	4.3	1.5	7.6	17.3	8.6

Note: The table reports weeks of salary for a worker with one, five and ten years of tenure, and on average, in salary weeks.
Source: World Bank (2017d)

ANNEX F: Missing values and their handling in the dataset

Missing values are a common issue in the survey data for Burkina Faso and occur to a varying extent in every survey included. To get an overview of its magnitude and severity key indicators were tested for patterns related to the missing values. The analysis includes only indicators with values that were missing at random or lied within an acceptable threshold. Randomness was assessed by applying a t-test to compare the observations with missing values in key variables with observations without missing values along the dimensions of sex, rural/urban area and age. The share of missing values is higher in the EMC 2014 regarding the variables on labor status, labor force participation for children under 15, education and income, whereas the EICVM 2009 shows a generally higher frequency of missing values which, however, seem to occur at random.