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ABBREVIATIONS AND ACRONYMS

ALMP	Active Labor Market Programs
ANPE	National Employment Agency (<i>Agence Nationale pour la Promotion de l'emploi</i>)
ANPI	National Investment Promotion Agency (<i>Agence Nationale de la Promotion des Investissements</i>)
BAC	High School Diploma (<i>Baccalauréate</i>)
BAC Technique	Technical High School Diploma (<i>Baccalauréat Technique and le Brevet de Technicien</i>)
BECP	Lower Secondary School Diploma (<i>Brevet d'Etudes du Premier Cycle</i>)
BEP	Professional Education Diploma (<i>Brevet d'Etudes Professionnelles</i>)
CAP	Professional Competency Certificate (<i>Certificat d'Aptitude Professionnel</i>)
CE	Primary school, Year 1 and 2 (<i>Cours Élémentaire</i>)
CEBNF	Non-Formal Basic Education Centers (<i>Centres d'Education de Base Non-Formelle</i>)
CEP	Primary School Diploma (<i>Certificat d'Etudes Primaires</i>)
CM	Primary school, Year 5 and 6 (<i>Cours Moyen</i>)
CP	Primary School, Year 3 and 4 (<i>Cours Préparatoire</i>)
CPAF	Permanent Literacy and Training (<i>Centres Permanents d'Alphabétisation et de Formation</i>)
ECCD	Early Childhood Care and Development
EICVM	Integrated Household Living Conditions Survey (<i>Enquête Intégrale sur les Conditions de Vie des Ménages</i>)
FAARF	Women's Income Generation Support Fund (<i>Fonds d'Appui aux Activités Rémunératrices des Femmes</i>)
FAFPA	Vocational Training and Apprenticeship Fund (<i>Fonds d'Appui à la Formation Professionnelle et à l'Apprentissage</i>)
FAPE	Employment Promotion Fund (<i>Fonds d'Appui à la Promotion d'Emploi</i>)
FAIJ	Youth Initiative Support Fund (<i>Fonds d'Appui aux Initiatives des Jeunes</i>)
FASI	Informal Sector Support Fund (<i>Fonds d'Appui au Secteur Informel</i>)
FBDES	Burkina Economic and Social Development Fund (<i>Fonds Burkinabè pour le Développement Economique et Social</i>)
FICOD	Local Community Investment Fund (<i>Fonds D'Investissement pour les Collectivités Décentralisées</i>)
FODEL	Livestock Development Fund (<i>Fonds de Développement de l'Élevage</i>)
FONA-DR	National Fund for Laid-off Workers (<i>Fonds National des Travailleurs Déflattés et Retraités</i>)
GER	Gross Enrollment Rates
HIMO	Labor Intensive Public Works (<i>Travaux Publics à Haute Intensité de Main d'Œuvre</i>)
ILO	International Labor Organization (<i>Organisation Internationale du Travail</i>)

MASSN	Ministry of Social Action and Solidarity (<i>Ministère de l'Action Sociale et de la Solidarité Nationale</i>)
MEBA	Ministry of Basic Education and Literacy (<i>Ministère de l'Education de Base de l'Alphabétisation</i>)
MTSS	Ministry of Labor and Social Security (<i>Ministère du Travail et de la Sécurité Sociale</i>)
MESSRS	Ministry of Secondary and Higher Education and Scientific Research (<i>Ministère des Enseignements Secondaire, Supérieur et de la Recherche Scientifique</i>)
MJE	Ministry of Youth and Employment (<i>Ministère de la Jeunesse et de l'Emploi</i>)
MJFPE	Ministry of Youth, Professional Training, and Employment (<i>Ministère de la Jeunesse, de la Formation Professionnelle, et de l'Emploi</i>)
NGO	Non-Governmental Organization
ONEF	National Employment Observatory (<i>Observatoire Nationale de l'Emploi et de la Formation Professionnelle</i>)
PAMER	Rural Enterprise Project (<i>Projet d'Appui aux Micro-Entreprises Rurales</i>)
PDSEB	Strategic Development Program for Basic Education (<i>Programme de Développement Stratégique de l'Education de Base 2011-2020</i>)
PJD-UES	Young Graduate Insertion Program (<i>Programme d'Appui à l'Insertion professionnelle des Jeunes Diplômés en Fin de Cycle des Universités et Ecoles Supérieures</i>)
PJF 5000	Training 5,000 Youth Program (<i>Programme de Formation de 5000 Jeunes</i>)
PJF 10,000	Training 10,000 Youth Program (<i>Programme de Formation de 10000 Jeunes</i>)
PNE	National Employment Policy (<i>Politique Nationale d'Emploi</i>)
PNVB	National Program for Voluntary Placement (<i>Programme Nationale de Volontariat au Burkina Faso</i>)
PrEst	Eastern Rural Roads (<i>Pistes Rurales de l'Est</i>)
PRONAA	Accelerated Literacy Program (<i>Programme National pour l'Accélération de l'Alphabétisation</i>)
PSCE/JF	Special Program for Job Creation for Youth and Women (<i>Programme Spécial de Création d'Emploi pour les Jeunes et les Femmes</i>)
PW	Public Works
QUIBB	Core Welfare Indicators Survey (<i>Questionnaire Unifié des Indicateurs Base du Bien-être</i>)
SCADD	Poverty Reduction Strategy (<i>Stratégie de Croissance Accélérée et de Développement Durable</i>)
SME	Small-and-Medium Enterprise (<i>Petite et Moyenne Entreprise</i>)
SMIG	Minimum Wage (<i>Salair Minimum Interprofessionnel Garanti</i>)
SSA	Sub-Saharan Africa (<i>Afrique Subsaharienne</i>)
STEP	Steps towards Employment and Productivity
TVET	Technical and Vocational Education Training
UNESCO	United Nations Educational, Scientific, and Cultural Organization (<i>Organization des Nations Unies pour l'Education, la Science et la Culture</i>)

Vice President	: Makhtar Diop
Country Director	: Madani M. Tall
Sector Director	: Ritva S. Reinikka
Sector Managers	: Lynne D. Sherburne-Benz/ Stefano Paternostro
Task Team Leader	: Setareh Razmara

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EXECUTIVE SUMMARY

A. Motivation and Objectives

i. **Job creation is taking center stage in Burkina Faso’s economic and political debate and the government has placed high importance on the issues of economic growth and job creation in its recent poverty reduction strategy (*Stratégie de Croissance Accélérée et de Développement Durable 2012-2016: SCADD*).** Against a background of high population and labor force growth, and sustained economic growth at an average rate of 5 percent per year during 1994-2011, the economy has failed to produce the kind of jobs needed to pull large numbers out of poverty. Given the population dynamics, Burkina Faso needs to create some 400,000 new jobs per year between now and 2030, a majority of them for youth (15-34 years of age).¹ The government recognizes the role of job creation, productivity, and income growth for improving the living standards of the population and ensuring widespread gains from economic growth.

ii. **A more beneficial investment climate including higher skills levels will be necessary to promote more inclusive growth.** The government’s poverty reduction strategy is centered on promoting growth poles and focusing on developing production in niches with potential for growth and employment creation. Burkina Faso has made progress on investment climate reforms and is a good performer in the West African context. However, like many Sub-Saharan African countries, it remains largely uncompetitive compared with other developing regions. Burkina Faso can only become more successful in international comparison if infrastructure is improved, the financial system is improved, economic governance is strengthened, and the level of health and education in the population increases. More specifically, in spite of significant and commendable progress on access to education, skills continue to constitute a critical supply side bottleneck to economic growth, diversification, and poverty reduction, as seen in the lack of schooling in the adult population, the high levels of illiteracy, and the concerns voiced by enterprises that the skills levels are a problem to doing business. On the one hand, the vast majority of the population – including the new entrants in the labor market – does not have the skills necessary to support the development of a more modern, competitive production system. As such, low skills are a constraint for the business climate. On the other hand, education is a stepping stone to higher earnings and lack of skills consequently contribute to keeping the population in low productivity jobs and poverty.

iii. **In this context, the role of the present report is to make use of new evidence, with the aim to assist the government in its strategic thinking around job creation, income opportunities, and skills development.** Employment opportunities are held back by both demand and supply side constraints. The lack of labor demand in more dynamic sectors is due to a variety of factors affecting the investment climate, which was discussed in the latest Country Economic Memorandum (World Bank, 2010). This report narrows in on the supply

¹ Youth is generally defined as ages 15-35 in Burkina Faso’s different employment policy documents and programs.

side issues and more particularly on the skills. After setting the country context and the framework, Chapter 1 focuses on highlighting the key constraints to job creation in Burkina Faso. Chapter 2 provides an overview of the current labor market conditions, using the most recent household survey data from 2009/10. Chapter 3 narrows in on the skills development system while Chapter 4 focuses on existing Active Labor Market Programs (ALMPs) that are aimed to increase jobs and/or the employability of the population.

B. Main Findings of the Report

Key Challenges to Job Creation

iv. **On the demand side: fostering economic growth is necessary to create good job opportunities.** Poverty is largely caused by lack of productive jobs and earnings opportunities. Income per capita has increased, yet the economy remains undiversified and vulnerable to a number of climatic and external shocks. As a land locked and small economy, the country is highly dependent on the political stability and economic prosperity of other countries in the region for accessing larger markets. The population is locked into agriculture and subsistence activities with poor earnings; those in the non-farm sector are overwhelmingly self-employed in low productivity activities; and private wage workers account for less than 3 percent of the entire employed population. The key challenges will be to promote a structural change towards more productive farming that can both create demand for non-farm services and release labor for the non-farm sector, and job creation in industry and services. In order to broaden markets and stimulate domestic and foreign labor demand, improving the investment climate and exploring ways of furthering and benefitting of regional integration is necessary.

v. **On the supply side: preparing the population to access these jobs requires more emphasis on skills development.** A structural shift in employment requires that workers be able to move into new job opportunities. Most significantly, it requires that they possess or can pick up the skills necessary to work in more competitive sectors. However, the overall very low skill levels in Burkina Faso, where a majority of children drop out of school after a few years and remain illiterate, are currently a constraint to such mobility and existing employment programs are not addressing key constraints in terms of skills deficits and not improving the employability of youth.

vi. **A solid safety net system is essential to protect the most vulnerable from income shocks.** Even with rapid economic transformation, the vast majority of the Burkinabè population will remain dependent on low productivity and seasonal work facing income and even food insecurity. Growth, skills and employment policy needs to be complemented with a strengthened safety net system that can provide short term income, help the poor households manage risk, and avoid the short and long-term negative consequences of malnutrition.

Labor Market Diagnostic

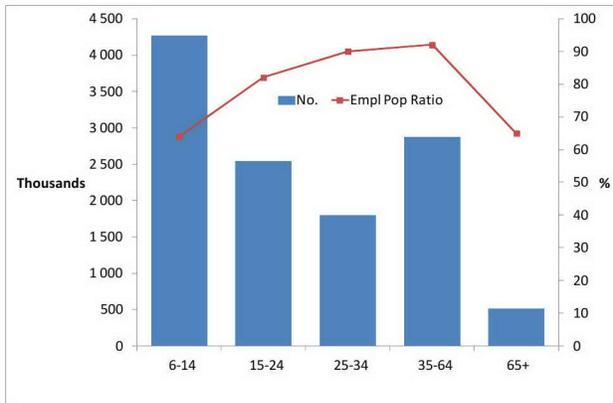
vii. **The high poverty levels and high dependency ratios imply that nearly everybody has to work.** Thus, virtually all adult men and women, urban and rural residents are employed in Burkina Faso, and even a majority of children and the elderly work (Figure A1).

viii. **But conversely, they remain poor because they are employed in low productivity, low earning, and highly vulnerable jobs.** Job creation per se is not the problem – it is the kind of jobs that are available. First, most employment is still in the agricultural subsistence sector and so employment is largely rurally based. In urban areas, informal sector work – mostly own account work in low productivity and low skill sectors – dominates employment.

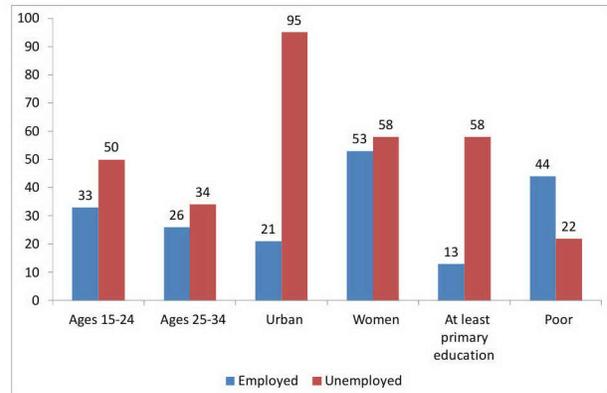
ix. **In contrast, those vulnerable to unemployment are primarily non-poor, educated, and urban youth.** Unemployment is marginal at less than 2 percent of the labor force (i.e. a little over 100,000 people) compared to an (adult) employed population of about 6.4 million. Unemployment mostly affects the urban, non-poor and those with at least some education (Figure A2). Youth (15-34) make up 84 percent of the unemployed and compared to 59 percent of the employed. The actual number of unemployed with university education is only 8,000 people. In different urban pockets, nonetheless, the concentration of unemployment constitutes a major political challenge for the government.

Figure A: Employment and unemployment key characteristics

1. Different Age Groups: Number of Employed and Share of Employed in the Population



2. Employed vs. Unemployed (15-64): Group Shares



Source: Estimates based on the Integrated Household Living Conditions Survey 2009/2010 (see Chapter 2). 1. E.g., the share of urban residents among the unemployed is 95 percent.

x. **The non-farm informal sector is likely to constitute a significant source of job growth in the future.** The vast majority of youth and adults who are in the non-farm sector are involved in informal activities (especially as self-employed), rather than formal public or private wage work. Females in particular have much easier access to informal than formal work. Moreover, the average earnings in non-farm informal sector exceed those in agriculture but fall below the formal sector. Thus finding ways of improving the productivity growth in the non-

farm informal sector and lowering barriers to mobility from subsistence farming to non-farm activities, and from the informal and formal sectors are critical for Burkina Faso.

xi. **The vast majority of the labor force has little or no formal education and the poor have much less access to education than the non-poor.** Lack of basic skills, because of very early school dropout rates, is both a cause and consequence of high poverty. Access to schooling remains lowest for the poorest groups. And at the same time, multivariate analysis shows that education is strongly linked to higher consumption levels.

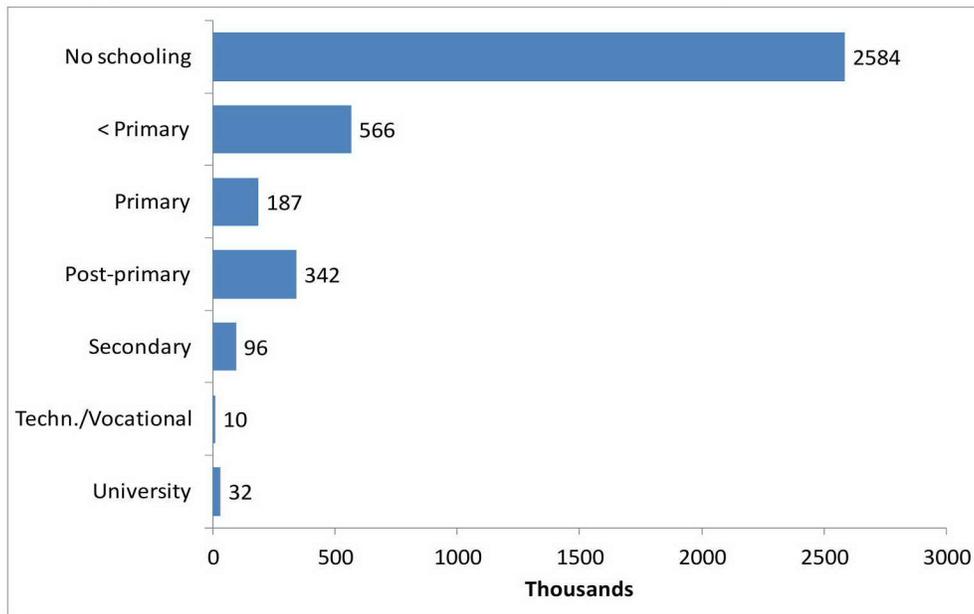
xii. **There is a very strong correlation between level of education and sector of work.** Most of the educated population in Burkina Faso works in the formal sector and many in public sector jobs. In contrast, non-farm informal sector workers have very low levels of schooling, although they are higher than for agricultural workers. Less than one in five has had access to post-primary levels of education and only one out of twenty non-farm informal sector workers have secondary levels of education, or more. The small share of population with secondary education or higher mainly work in the formal sector: two in five formal sector workers have completed secondary levels, and almost 60 percent of those with higher education are absorbed by the public sector. Thus, secondary and post-secondary education appear to have a very high pay off in terms of accessing formal activities, while some level of education is also correlated with diversification out of subsistence farming. Differences in earnings across these segments are the strongest factor behind differences in welfare across workers.

Skills Development

xiii. **In general, the population has no or little formal education.** In Burkina Faso, only 12 percent of the adult population (age 15 and above) has completed primary levels of education or more, another 12 percent have not completed primary education, and three quarters have no education at all. There are important differences between rural and urban areas, as more urban residents have achieved some education. Still, two thirds of urban labor force has not completed primary education. Access to technical/vocational training is minimal in both rural and urban areas and only 1 percent of the adult population has received university education.

xiv. **Moreover, as education levels are slowly improving, youth are only marginally better equipped than older workers.** Less than one in three active youth (15-34) has received any education at all, and less than one in five has completed primary or more. In total, nearly one in three youth (15-24) is illiterate; there are over 3 million youth in the labor market without a primary level diploma; and the pool of semi-skilled and skilled active youth – those with at least primary education (or six years of schooling) - is limited to 600,000 people in the entire country (Figure B). The high prevalence of children working is an indication of the limited access to schooling.

Figure B: Weak Education Foundations: Active Youth by Education Level



Source: Estimates based on the Integrated Household Living Conditions Survey 2009/2010 (see Chapter 2).

xv. **The review of the education and training system in Burkina Faso confirms that it is expanding both at the basic and post-basic levels.** Nevertheless, the system faces a number of challenges, including low rates of completion even for primary education and pervasive disparities in access and outcomes across regions, gender, and poor vs. non-poor groups. All the while, demand will grow for lower secondary and post-basic education, adding pressure to Burkina Faso's efforts to finance a good quality basic education for all. Despite rising enrollment at all levels, high attrition during early years of school means that a majority of children above 10 and a large number of youth (aged 15-24) are not in school. They have dropped out of formal schooling, for a number of possible reasons: (i) they are obliged to work, (ii) they cannot afford schooling, (iii) the quality of schooling is low, and (iv) education is not seen as beneficial since it does not increase their employability or earnings. Their only remaining recourse to skills development is acquiring skills through traditional apprenticeship or learning on the job.

xvi. **The skills development system faces the following concerns:** (i) the formal (public and private) education and training capacity is extremely limited, the quality is low, and the curriculum does not prepare youth for working life; (ii) the skill level of the workforce is too low to support diversification and productivity of the economy; (iii) little is known about the quality of traditional apprenticeships, which are the primary source of skills development in Burkina Faso; and (iv) no evaluation and monitoring is in place to assess the relevance of the education and training on employment and earnings.

Employment Programs

xvii. **Burkina Faso has many dispersed Active Labor Market Programs (ALMPs), most of them small in size, overlapping in terms of target and approach, costly, and less accessible for vulnerable groups like the poor and women.** The set of ALMPs adopted in Burkina Faso is typical of many developed and developing countries: micro-credit and different training interventions to boost productivity in self-employment, training to increase employability, and wage subsidies for educated youth. Globally, the evidence suggests that the effectiveness of such interventions is in practice varied and depends on context (Betcherman, 2012). Moreover, they focus more on typical constraints for middle and high income countries such as skills mismatches or information gaps, but are not necessarily well suited for the key challenges of low labor demand and high poverty facing Burkina Faso. ALMPs account for a non-negligible share of GDP (0.3 percent), to be compared with total safety net expenditures of 0.6 percent, but reach only about 100,000 people per year. Because interventions often focus on the unemployed, on those with some or high levels of education, and on formal sector employment, they effectively exclude the poor. The most expensive programs are relevant for a very small group of unemployed university graduates (8,000 in total). These observations are also relevant for the recent Government Special Program for Job Creation (2012) as it largely builds on existing interventions. The interventions must therefore be reviewed against the benefits of other poverty reducing social expenditures on, for example, education and skills development, health, safety nets, and agricultural productivity.

xviii. **Among ALMPs, micro-credit programs and labor intensive public works have accounted for most of the spending in recent years.** Between 2005 and 2009, micro-credit accounted for half of labor market programs expenditure, while public works accounted for about one third, and expenditures on training accounted for about 10 percent of total. The government largely finances the micro-credit programs while public works and training programs are mainly financed by external resources. Especially public works and training programs target the urban population.

xix. **The programs have overlapping and wide target groups, do not benefit the poorest families, and under-prioritize women.** Many of the programs are directed at youth with a certain level of education even though most youth have not even finished primary school. As such, the programs fail to address a key constraint to job creation – lack of basic education in the general population – and are not pro-poor (those with some education almost invariably are from non-poor households). Although women make up a majority of the unemployed, especially at lower levels of education, they have significantly less access to these programs.

xx. **The monitoring and evaluation system is weak.** Currently, some information on the programs is collected but there is no systemic information on the characteristics of the beneficiaries. Virtually no information exists on program results and there is no sound monitoring and evaluation system in place to ensure that resources are being effectively spent or to adjust program design as needed. Expanding programs further without evaluating efficiency goes against Burkina Faso's overall efforts at ensuring fair and inclusive public expenditures.

C. Policy Recommendations

xxi. **With almost all of the adult population employed, the critical issue is not job creation per se, but the creation of higher productivity and better paying jobs.** This requires high economic growth that is shared widely (through labor earnings) complemented more broadly by a skills development policy and labor market programs can help increase mobility to better paying jobs over the short and long term. Skills development (education and training) could play a crucial role for improving productivity and earnings. Effective employment programs are short term interventions that at best can help labor market insertion for specific vulnerable groups, or can help offset the short and long term consequences of temporary income shortfalls (e.g. public works programs).

Demand side: Stimulate Labor Demand and the Creation of Better Job Opportunities

xxii. **Fostering diversified economic growth that can help the population diversify out of subsistence agriculture by freeing up labor from agriculture, and creating demand for labor in sectors and occupations that offer higher earnings, is central.** Burkina Faso needs to focus on accelerating reforms to improve the investment climate, increasing international competitiveness, and reviewing critical constraints to small enterprise creation and growth. Policy needs to focus on raising the productivity of jobs and raising productivity of workers. Access to non-farm sectors is associated with lower poverty levels, even in informal occupations. Thus raising productivity in the non-farm informal sector, while encouraging diversification out of farming and more formal job creation, will help improve livelihoods. Like many small countries, Burkina Faso is likely to benefit from reaching out to larger regional or international markets and foreign investors.

Supply side: Help Vulnerable Groups Improve their Employability, Starting with Basic Skills

xxiii. **Assisting the population in accessing better paid jobs requires more emphasis on basic education and skills development.** A shift in employment opportunities requires that workers pick up the skills necessary to work in more competitive sectors. Currently, the overall very low skill levels in Burkina Faso are a constraint to such mobility and raising basic skill levels will be important to this endeavor. Even in the event of a major increase in formal sector labor demand, there is not a potential pool of skilled workers that can take up more sophisticated jobs. The lack of skilled workers is a concern to enterprises, and may be one contributing factor to low foreign investment in Burkina. Moreover and importantly, building skills is a long term process that pays off after many years, from childhood to adulthood. Accelerating efforts now will be necessary to see improvements over the medium term.

xxiv. **Going forward, the skills development policies need to both address issues in improving the flow through the system and in dealing with the large stock of unskilled children and youth.** Because of the nature of Burkina's economy and the large share of unschooled population, focus should be on basic skills including literacy and numeracy of youth. For current and future potential students, policy needs to focus on: (i) ensuring that children are enrolled in basic education and complete their studies; (ii) considering interventions on the demand side to reduce dropouts; (iii) addressing quality and equity issues in primary education while preparing for increasing demand for post-primary education; and (iv) ensuring that the

education and training system prepares youth for work. For the stock of unschooled youth, policies need to focus on: (i) raising functional capabilities like literacy and numeracy through training programs; (ii) providing second chance programs that reinsert youth into the formal education system; (iii) improving the quality of the main skills development systems for youth – traditional apprenticeships – so that it offers skills recognized by employers and opens opportunities for further education; and (iv) monitoring the education and training system performance and outcomes.

xxv. **Employment programs need to be monitored, evaluated, and rationalized to increase their relevance for overcoming specific obstacles to job creation.** Active labor market programs cannot be expected to account for a large share of job creation, which must come from private sector growth, but can potentially help vulnerable groups in accessing jobs or in securing income. Before scaling up programs further, existing initiatives need to be monitored and evaluated to ensure effective use of resources. In spite of the large number of programs, lack of impact evaluations, tracer studies, or plain monitoring information on coverage or costs means there is very little evidence as to what works and what does not. Given the dispersion and small outreach of programs, it would be important to rationalize among them to focus on those that best meet the employment objectives set.

Safety nets: Help Vulnerable Groups Mitigate Income Short Falls Due to Seasonality, Climatic or Economic Shocks

xxvi. **A solid safety net system is essential to complement growth, skills, and employment policy.** The high share of working poor shows that safety nets remain critical to help households manage risks. Even in the best of scenarios, with a rapid growth rate and sustained dynamic change in Burkina Faso, most of the population will remain dependent on low productivity, low earnings and volatile and seasonal sectors of work over the foreseeable future, facing high risk of poverty and food insecurity. Hence, a well-functioning safety net system is needed, especially to address food insecurity and counter the effects of climatic shocks, or seasonal inactivity. For the able-bodied population, in the context of employment/safety net programs, it would be important to review the ongoing experiences with public works programs and consider: (i) mainstreaming, where possible and suitable, more labor intensive approaches in public investments even where the objective is infrastructure development); (ii) introducing a permanent system of highly labor intensive public works to provide temporary income support to the vulnerable population and potentially combine this with basic skills development and some life skills development (in, for example, workplace skills and basic capacities) for workers that attend, which may help them find better earning jobs in the future; and (iii) setting up an efficient monitoring and evaluation system to assess the efficiency of the labor intensive public works in terms of providing short term income support and improving the employability and earnings.

Ensuring Effective Policy Intervention: Monitoring and Evaluation

xxvii. **Information systems need significant strengthening to improve the potential for results based policy making.** There is a need for a comprehensive and systematic approach to information management in the area of labor markets, skills, and employment programs. The lack of timely information on outcomes, inputs, and costs of programs, and lack of surveys to gauge skills needs or occupations in demand, effectively reduces the possibility of informed and proactive policy making. Improving monitoring and evaluation of existing skills development

and employment programs, and implementing surveys to shed light on skills mismatch, gaps and perceptions among both workers and the private sector, is thus a transversal theme in each of the areas discussed in this report. Particularly there is also need to develop an appropriate *information system on outcomes of the existing programs (literacy, entrepreneurships, public work, micro credits, etc.)*.

CHAPTER I: THE JOB CREATION CHALLENGE

INTRODUCTION AND COUNTRY CONTEXT

A. Job Creation at Center of Poverty Reduction Policy

1. The most critical challenge facing Burkina Faso is to create jobs and earnings opportunities to assist the rapidly growing population in escaping poverty. Against a background of high population and labor force growth, and in spite of relatively high economic growth during the last decade, the Burkina Faso economy has failed to produce the kind of jobs needed to pull large numbers out of poverty.

2. **Job creation is now at the center of Burkina Faso's policy debate.** Recognizing the role of job creation, productivity, and income growth for improving the welfare levels of the population and ensuring widespread gains from economic growth, the government has placed high importance on the issues of economic growth and job creation in its recent poverty reduction strategy (*Stratégie de Croissance Accélérée et de Développement Durable 2012-2016*: SCADD, Government of Burkina Faso, 2011). In response to the economic, political, and social consequences of lack of good job opportunities, the government has also prepared an ambitious Special Program for Job Creation for Youth and Women (*Programme Spécial de Création d'Emploi pour les Jeunes et les femmes: PSCE/JF*, Government of Burkina Faso, 2012) in order to reduce the unemployment and under-employment of these groups (Government of Burkina Faso, January 2012, now under implementation). The program is focused on: (i) assisting young graduates as well as youth with no or little schooling, in finding employment; (ii) increasing the productive capacities of rural youth; and (iii) helping women access technology in order to increase value added content of their work.

3. **The objective of this report is to assist the government in formulating strategies around job creation, income opportunities, and skills development.** Almost all of the adult population is employed in Burkina Faso. Job creation *per se* will not be sufficient to improve livelihoods: Higher productivity and better paying jobs will be needed. The basis for better kinds of jobs is high economic growth that generates sustained labor demand. However, the extremely low skill levels of the Burkinabe population also constitute a critical bottleneck to economic growth and diversification and individual earnings growth. A majority of the population – including youth already active in the labor market – does not possess basic capacities like reading and writing, let alone the skills necessary for a modernizing, more competitive production system. Experiences from other countries show that broader workplace skills, including communication and people skills, can be seriously underdeveloped in low income countries (Robalino, 2010). Improving the employability of the workforce, especially youth, is therefore at the core of Burkina Faso's job creation challenge.

4. **The report is organized as follows:** The remainder of this chapter sets the country context and the framework for the report. It focuses on highlighting constraints to job creation and their respective importance in Burkina Faso. Chapter 2 provides an overview of the current labor market conditions, using the most recent household survey data from 2009/10. It gives evidence of the limited job opportunities in Burkina Faso, the low level of skills, and the concentration of

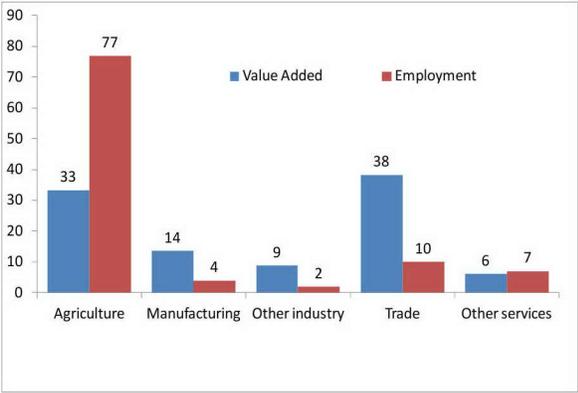
skills in the formal sector. Chapter 3 provides an overview of the skills development system, while Chapter 4 discusses Burkina Faso’s different programs to increase jobs and/or employability of the population. Both Chapter 3 and Chapter 4 focus on how to improve the existing policy to address the challenges facing Burkina Faso.

B. Country Context - Present and Future

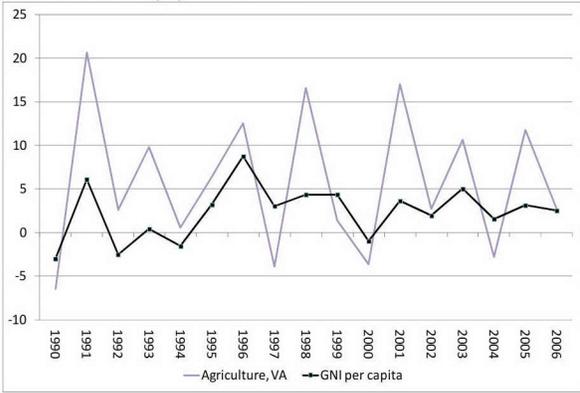
5. **Burkina Faso is a low income country with an undiversified economic structure.** Burkina Faso is a land-locked, predominantly rural, West African country. With a GNI per capita of US\$550 in 2010, it is among the 20 poorest countries in the world. The economy remains undiversified, with agriculture accounting for one third of output and four fifths of employment (Figure 1a). The rapidly expanding population of 16 million inhabitants (2010) relies upon a very narrow natural resource base, with cotton as the only major existing export commodity until recently, when gold emerged as a another significant product. It is also vulnerable and frequently exposed to climatic, economic, and political shocks. The dependence on agriculture in Burkina’s Sahelian environment translates into high household vulnerability as droughts and floods affect agricultural produce and livelihoods (Figure 1b). Because of a dependence on rain-fed, seasonal, and low productivity farming, the population also faces periods of low or no income or food production in any given year. The economy is fragile to sharp swings in international fuel and food prices and in cotton prices.

Figure 1: Economic Structure and Volatility

a. Economic Sectors: Shares of Value-Added and Employment



b. GNI Per Capita Growth and Agricultural Value-Added Growth (%), 1990-2006



Source: Estimates based on World Bank (2012b) and EICVM 2009/10.

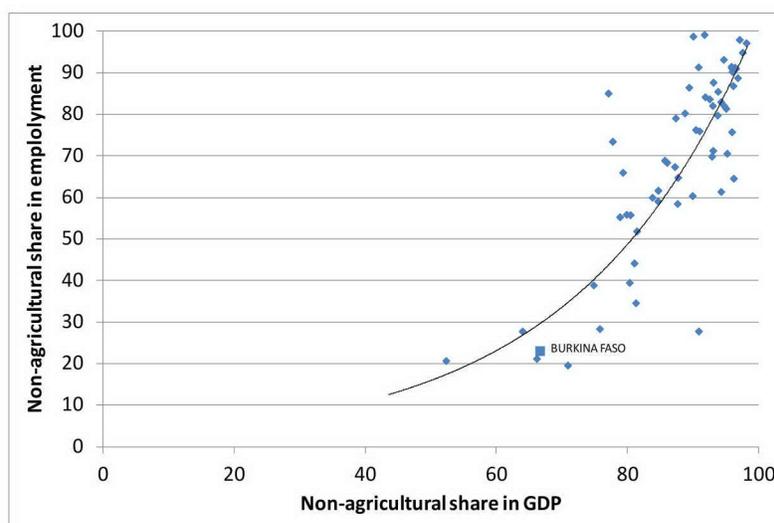
6. **The country is also highly dependent on regional integration and stability.** As a land locked, small economy without strong natural resources, Burkina Faso depends on the prosperity, stability and good will of its neighbors to secure trade, transport and political stability. Neighbors provide markets for goods, access to ports, and work for Burkinabe migrants. Although no definite numbers are available, it is fair to assume that the Burkinabe Diaspora in neighboring countries is significant, with some estimates putting the number of Burkinabe migrants in Côte d’Ivoire at around 3 million.

7. **Although the country has been politically stable, in recent years, stability has been challenged by discontent over the lack of economic opportunities, increasing prices, perceived corruption, and regional instability.** In the spring of 2011, widespread social unrest prompted the government to initiate a dialogue with socio-political groups and enact fiscal measures targeted to support popular demands, including reducing taxes on salaries, abolishing the communal tax, paying housing allowances for military personnel, compensating small merchants for property damage, adjusting the food staple prices, and the extension of specific benefits (housing, hardship) to all public sector employees. The situation has now stabilized. In 2012, the Sahelian food crisis has increased the need for strong and decisive social action by the authorities, while the recent conflict in Mali has added to the government's political concerns.

8. **A comparison with a set of low and middle income countries² suggests that Burkina Faso remains among the least diversified, especially with respect to employment opportunities outside agriculture** (Figure 2). Since Burkina Faso relies on a narrow natural resource base, a vast majority of the population is locked in activities characterized by low productivity, high vulnerability to climatic shocks, and large spells of inactivity due to high seasonality in rain fed production.

Figure 2: Little Economic Diversification

Non-Agricultural Value-Added and Employment (% of Total), Burkina Faso and Developing Country Comparators



Source: Estimates based on World Bank (2012b) and EICVM 2009/10.

9. **There have been no significant movements out of agricultural employment in recent years.** Although information for reliable analysis of the employment trend is not available,³ some 85 percent of the population was involved in agriculture in 2003 (World Bank 2006), compared to 77 percent in 2009 (Figure 1a above and Chapter 2). In the absence of a dynamic rural economy, a reduction in agricultural employment may be related to urban migration. Between 2003 and 2009, the urban population increased by no more than 2 percentage points,

² Consists of 61 developing countries for which recent employment and value added data are available.

³ Due to differences in definitions of employment or sector of work across 2003 and 2009/10 household surveys, it is not possible to analyze the employment trend between these two periods.

however, from 18 to 20 percent of the population (World Bank 2012b). It is thus probable that agricultural employment fell, not significantly, over the period 2003-2009.

10. Although poverty has fallen, nearly half of the population still lives in poverty and human development indicators are low compared to average the in Sub-Saharan Africa (SSA). Between 2003 and 2009, because of a high population growth rate (3.1 percent per year) and a non-inclusive pattern of growth, the poverty incidence fell by only 5 percentage points and remained at 46 percent of the population in 2009 compared to 51 percent in 2003 (Table 1). Given the slow pace of poverty reduction, Burkina Faso is unlikely to achieve the poverty rate of 35 percent envisioned for MDG1 in 2015. Other human and social development indicators have improved but remain among the weakest in the world. One in two in the population still lives in a poor household, and over 25 percent of the total population is food insecure. The 2010 Human Development Report of the UNDP ranks Burkina 161st out of 169 countries, with social indicators pointing to the enormous challenges even in comparison with most other low income countries: Adult literacy remained below 30 percent; the child mortality rate is about 178 per thousand (compared to 121 per 1000 in SSA); and child malnutrition, at 37 percent, remains one of the highest in the world (compared to 25 percent in SSA).

Table 1: Poverty and Human Development

	Poverty (%) ¹	Human Development Index	Child Mortality (per 1,000)	Girls Primary School Completion (%)
Burkina Faso 2003	51	n.a.	186	23
Burkina Faso 2005	n.a.	0.302	184	26
Burkina Faso 2009	46	0.326	178	39
Low Income, latest ²	n.a.	n.a	103	62
Sub-Saharan Africa	n.a	0.463	121	63

Share living below poverty line. 2. Median for 35 low income countries. Source: World Bank (2012a) and UNDP (2012).

11. In order to significantly and sustainably reduce the share of population living below the poverty line, Burkina Faso's labor force will need to access jobs with higher productivity. This will require a structural transformation of economic and job opportunities, through a diversification out of subsistence agriculture and into more promising economic activities. At the same time, the potential labor force (the adult population 15-64) is growing rapidly, mostly through an expansion of the number of young adults (15-24). A rural country, with only 20 percent of the population living in urban areas, internal migration towards cities, peri-urban areas, or towns has become significant.

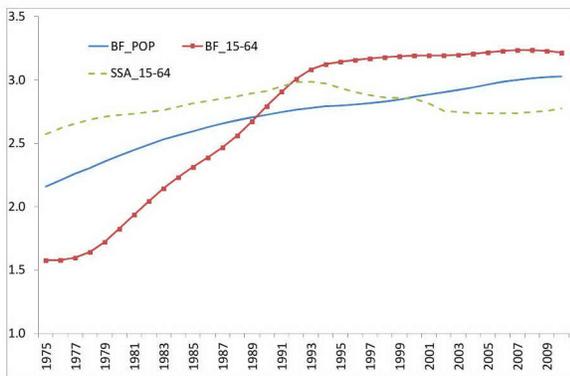
12. The pressure of a fast-growing youth population means that some 400,000 new jobs per year, the majority for youth. Burkina Faso's high fertility rate has several consequences that put significant pressure on the country to create good job opportunities, and opportunities that benefit the youth in particular.

- First, current high population growth erodes the effect of economic growth which has to be shared by an increasing number of people, and puts increasing pressures on social services including health and schooling.

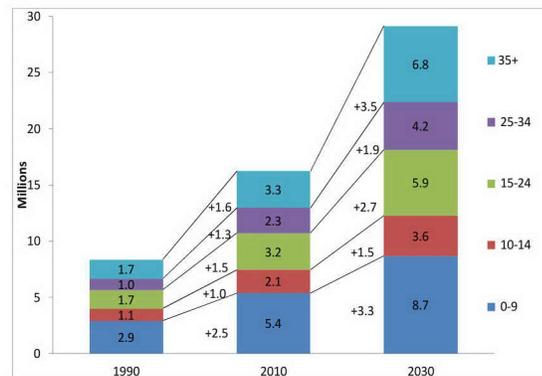
- Second, high population growth in the past has gradually transformed into rapid growth in the adult/working age population (aged 15 and above). Since 1990, the adult population has been growing faster than the total population (currently at 3.2 percent compared to 3.0 percent), and faster than the adult population in Sub-Saharan Africa as a whole (at 2.8 percent, Figure 3a). At the same time, the share of youth in the adult population is increasing. If these trends continue as projected, between now and 2030, the number of potential youth workers will increase by 2.7 million for the 15-24 age group, and another 1.9 million for the 25-34 age group (Figure 3b).
- Third, because of high poverty, and slow expansion of access to secondary schooling, a majority of children aged 10-14 still needs to work.

Figure 3: A Growing and Younger Working Age Population

a. Growth in Population and Working Age Population (15-64), Burkina Faso and Low Income Countries



b. Past, Present and Projected Population Structure (Million)



Source: World Bank (2012b), UN (2012).

13. **An increasing share of these jobs will have to be found in urban areas.** At the moment, only one in five of Burkina Faso's population lives in urban areas. Nonetheless, migration from rural areas is estimated to push up the urban population by 8 million (400,000 per year) between 2010 and 2030 (UN, 2012). A majority are expected to gravitate towards Ouagadougou and Bobo. Thus, population trends put more pressure on job creation, especially for relatively inexperienced youth, and on non-farm opportunities in urban areas.

14. **Since employment opportunities depend on access to earnings opportunities and higher labor productivity, efforts need to focus on fostering labor demand in higher productivity jobs, increasing labor mobility, and helping those in low earnings occupations to earn more while lowering income vulnerability.** Policy needs to focus on: (i) improving the investment climate to help increase the number of those with higher earning and higher productivity opportunities, (ii) helping the population acquire those jobs (e.g. by raising skills), (iii) raising earnings on the low productivity jobs in agriculture and non-farm informal sector, and (iv) protecting those whose incomes remain vulnerable. Clearly, agriculture remains a critical sector for both livelihoods and exports in Burkina Faso. Efforts to increase productivity both in cash crops and subsistence farming will be essential to reduce poverty and vulnerability (World Bank, 2010). That being said, experience from other developing countries shows that widespread productivity growth in agriculture is not likely to raise employment in the agricultural sector, but rather shift labor from subsistence into cash crop farming, and free up

labor to work in other sectors (Box 1). Given that the private formal sector accounts for less than 250,000 jobs (i.e. less than 2 percent in the country), it cannot be expected to account for any major share of new jobs, even with an extremely high growth rate. Improving the conditions for non-farm informal jobs to raise earnings opportunities will therefore be essential.

Box 1: Poverty Reduction and Employment Policy

Recent work on employment and poverty diagnostics in low and middle income countries suggests that poverty reduction is related to productivity growth in agriculture, and a shift of workers out of low productivity agriculture into services and industry (Guitierrez et al. 2009). These shifts result in better opportunities both for those that stay in the lowest productivity sectors and those that move into higher earning sectors. The implications for poverty reduction strategies are to:

- **Encourage the creation of productive jobs by stimulating demand for labor in those sectors.** This includes both sound growth policies – solid macro-economic framework, financial and industrial policy that incites and sustains economic growth, and reviewing demand-side constraints including labor regulations and skills gaps between growth sectors, and the supply of skills in the population.
- **Help the population access higher productivity jobs.** Fostering mobility includes helping to build skills and acquire information about the jobs market, lowering migration costs, or addressing credit constraints for small enterprise development. It also involves reviewing institutional constraints that may limit mobility, e.g. public sector wage premia or socio-cultural constraints that limit women’s access to certain sectors.
- **Focus on raising productivity in low productivity activities,** where the majority of the poor will remain in the foreseeable future. Increasing agricultural productivity will continue to be essential for improving the lot of the many rural families that continue to rely on subsistence farming; helping to raise the productivity of rural and urban non-farm enterprises, ranging from those with strong growth and job creation potential to those acting like safety nets at the household level, by improving access to markets, skills, and credit. Many policy initiatives have focused on the rural non-farm economy and the small and medium enterprise (SME) sector, but evaluations are needed to understand what has worked, and why.
 - **Strengthen safety nets.** Interventions should help vulnerable groups avoid falling into very low paid occupations, as scarring effects make it difficult to return to a higher paying state. Similarly and related, preparing (and saving for) a safety net policy framework that can be adapted and expanded upon in times of crisis is clearly the most effective way of ensuring timely responses to income shocks, and avoiding the negative consequences for short term and long term household well-being (Paci, Revenga, and Rijkers ,2011).

Source: Johansson de Silva and Paci (2011).

C. Constraints to the Creation of Quality Jobs

15. **What is holding back the growth of good job opportunities in Burkina Faso?** The framework presented in Ouerghi et al. (2011) can be applied to disentangle the constraints to job creation in different areas on both the demand and supply sides and identify policies that can address these issues (Table 2). The left-hand side of the table lists possible constraints. Shaded areas represent constraints that presently can be considered to be the most important in Burkina Faso. The right-hand side presents short term employment/training policy interventions that can address the different constraints, and the complementary longer term policies that must accompany such interventions.

Table 2: Possible Constraints to Job Opportunities: A framework

Constraints <i>*Shading = considered strongly binding</i>		Policy Responses	
Key constraints	Underlying causes	Employment/training programs	Long term and other policies
Lack of labor demand	Slow growth of productive jobs	Public Works programs Wage or training subsidies	Growth policy/Investment climate Safety net policy
	Labor regulations		Growth policy/Investment Climate
	Employer discrimination	Affirmative action, subsidies	
Firm start-up constraints (other than skills)	Lack of access to financial or social capital	Micro-finance, comprehensive entrepreneurship programs	
Job-relevant skills constraints	Insufficient basic skills	Information about the value of education Second chance programs	Skills development policy including education and training
	Technical skills mismatch	Information about the value of education Training plus/comprehensive programs Information on the returns to technical specialties	
	Behavioral skills mismatch	Training	
	Insufficient entrepreneurial skills	Training	
Job search constraints	Job matching	Employment services Technology-based information services	
	Signaling competencies	Skills certification Training credit	
Social constraints on the supply side	Excluded group constraints (ethnicity, gender, etc.)	Target excluded-group's participation in programs Non-traditional skills training Safe training/employment spaces for specific groups Adjusted program content/design to account for excluded-group specific needs.	

Source: Adapted from Ouerghi et al. (2011).

16. **Low demand for labor.** At an aggregate level, the economy may not be creating enough productive jobs, for lack of a favorable investment climate and/or restrictive labor regulations that disfavor labor intensive approaches. Specific groups – such as youth – may face particular problems in accessing jobs because employers value experience over other characteristics. Clearly, if the economy does not have the potential to create jobs in the first place, other constraints such as information asymmetries are not binding. There may also be constraints to self-employment/firm start-up or to productivity increases in the small and medium enterprise (SME) sector due to lack of assets.

17. **Lack of job relevant skills.** Even if firms are looking to hire workers, or business opportunities exist for the self-employed, the workforce may not have enough of the requisite skills to do those jobs. To perform a job well, a range of competencies are needed, from basic skills such as literacy and numeracy (necessary for further skills development), technical skills that may be trade specific or generic (e.g. computer literacy), behavioral skills, such as discipline, team work capacity, communication, etc., and entrepreneurial skills, which include both creativity and business management skills. In this sense, skills can be a constraint both on the

demand and supply side – firms cannot create higher skill jobs because there are no potential workers with such skills.

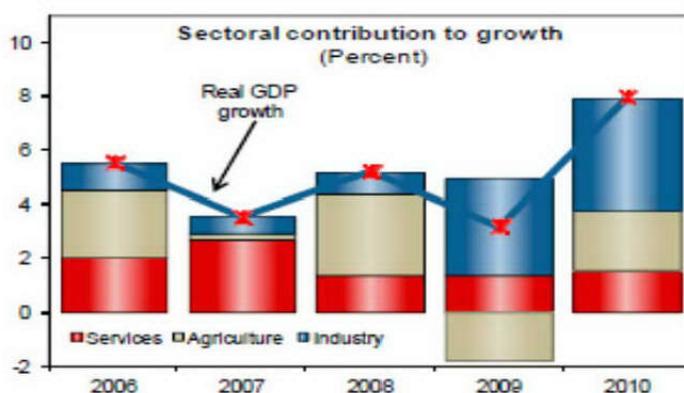
18. **Information constraints.** Even if there were jobs for which workers qualified, without a widely accessible information system, potential employees and employers may not be able to identify one another. Alternatively, workers may have problems communicating their capacities to employers.

19. **Lack of demand for labor because of a static economic structure is likely to constitute the most important constraint to job opportunities in Burkina Faso.** Looking at these constraints in the country context, the overview suggests that key binding constraints to job creation are: (i) lack of labor demand as well as low demand for more sophisticated goods and services due to a weak investment climate, undiversified economy, and high poverty; and (ii) a low level of basic skills that are linked to early (childhood) entry in labor markets and lack of further opportunities for skills development. Emphasizing these constraints does not imply that other constraints, in particular firm start-up challenges or other forms of skills, are not important. Rather, resolving these without addressing the lack of human capital and the lack of solid work opportunities, more generally, is not going to improve labor market conditions significantly.

Low Growth in Labor Demand and Limits to Self-Employment

20. **Recently, Burkina Faso has seen respectable levels of economic growth, although not in labor intensive sectors outside agriculture.** Growth reached nearly 8 percent in 2010, and 4.2 percent in 2011, according to the most recent estimates from the Government. However, economic growth has also been volatile, and dependent on agriculture and mining of an enclave nature, neither of which is likely to form the basis for a growing number of jobs (Figure 4). In particular, the gold sector has been an important driver of growth, based on an increase in gold prices. The cotton sector, in contrast, has suffered diminished production because of weather shocks and high input prices. Although no reliable trend data on employment are available, the continued high levels of employment in subsistence agriculture together with high volatility in agricultural production emphasizes that for the major part of the population, job creation is not connected with economic growth patterns, and as such, the growth model has not been inclusive.

Figure 4: Contribution to Growth



Source: IMF (2011).

21. **The government’s poverty reduction strategy is ambitious. It is centered on: (i) promoting growth poles and focusing on developing production in niches with potential for growth and employment creation, such as agro-business, (ii) strengthening the human capital base and improving social protection, (iii) strengthening governance mechanisms, and (iv) include transversal priorities in development policies and programs.** The SCADD growth targets (double digit) aim high but actual growth rates are likely to be lower than forecasted (IMF, 2011). To launch a more inclusive and sustainable long term growth process, the latest Country Economic Memorandum (2010) outlined the key constraints to economic growth and possible strategies to address them, including international integration to overcome the small domestic market size, and infrastructure and capacity development at all levels (Box 2).

Box 2: Growth Constraints and Strategies to Overcome Them: Findings from the World Bank Country Economic Memorandum

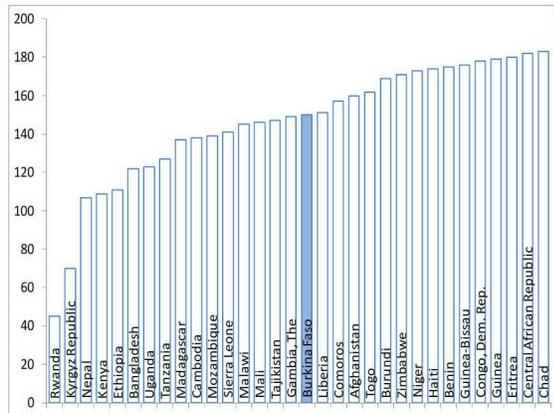
Key Constraints	Strategies
<ul style="list-style-type: none"> – Agricultural shocks, especially for cotton. – Real exchange rate appreciation due to loss of competitiveness. – In spite of progress, weak investment climate. – High population growth, which erodes growth per capita and weighs down social indicators. – Environmental degradation and food insecurity. – High vulnerability that prevents households from engaging in more productive activities. – Limited institutional and human capacity. 	<ul style="list-style-type: none"> – Promote productive sectors including cotton, livestock, mining, and tourism. – Promote regional and global international trade by diversifying and commercializing production. – Improve agricultural productivity and competitiveness and expand processing capacity. – Increase private participation in the economy, for example, through public-private partnerships. – Improve family planning to reduce pressures, spread growth, and improve access to social services. – Reduce vulnerability from the macro-level and develop social protection systems. – Develop infrastructure. – Develop capacity at all levels.

Source: World Bank (2010).

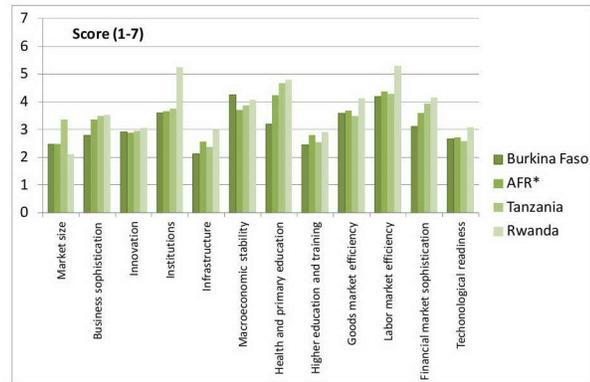
22. **The government has made progress on the structural reform agenda, yet the investment climate remains weak.** Burkina Faso has made significant efforts to improve the investment climate. As seen, the environment for doing business is ranked in the middle of low income countries and is quite high by West African standards, though decidedly below countries like Ethiopia, Kenya, Rwanda, or Tanzania (Figure 5a). Private investment remains below 10 percent of GDP and FDI hovers around 1 percent of GDP (IMF 2011, World Bank 2012b). Burkina Faso ranks 134th out of 139 countries in the Global Competitiveness Index (World Economic Forum, 2011). The most important limitations to competitiveness lie in the poor level of health and education at all levels, the lack of infrastructure (in particular, electricity and low use of ICT), the low availability and affordability of financial services, and the overall lack of business sophistication, as evidenced in poor product level and lack of cluster development (World Economic Forum, 2011). In several areas, Burkina compares unfavorably with African peers (Figure 5b) who perform badly compared to non-African competitors. For example, Rwanda also suffers from limited domestic market size but has stronger institutions, more efficient labor and goods markets, and made more progress in ensuring access to basic health and education of the population.

Figure 5: Weak Investment Climate

a. Doing Business Rankings, Burkina Faso and Low Income Countries



b. African Competitiveness Report: Scores, Burkina Faso and Comparators in Different Areas



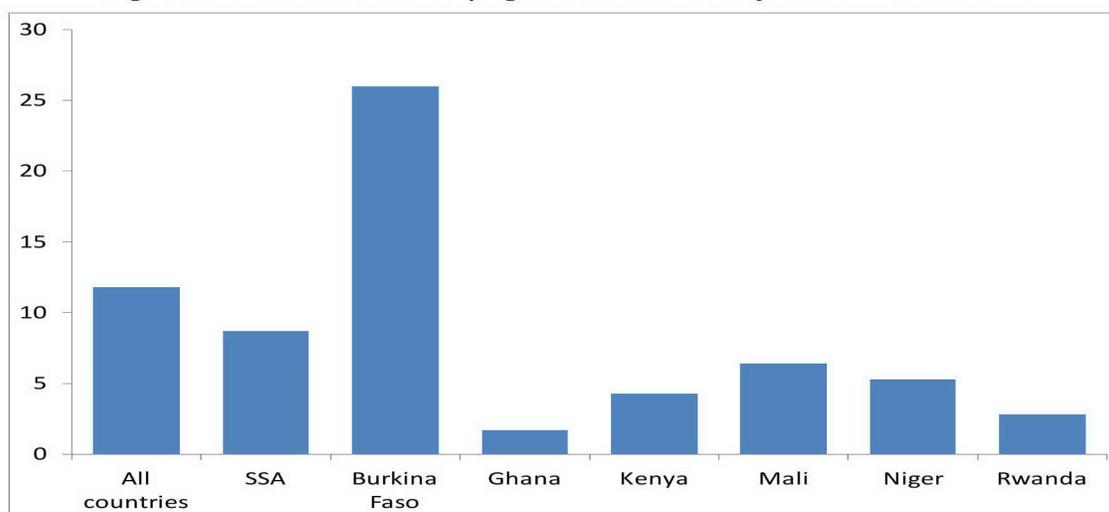
Source: World Bank (2012d), World Economic Forum (2011).

Note: *Average for 14 African low income countries: Benin, Burundi, Chad, Ethiopia, The Gambia, Kenya, Madagascar, Malawi, Mali, Mozambique, Rwanda, Tanzania, Uganda, and Zimbabwe.

23. **The high share of informality suggests that labor regulations are not impeding total job creation that is taking place through self-employment or unpaid family work outside the formal sector.** Labor regulations offer protection to workers from abusive employment conditions. However, very restrictive regulations may introduce high costs for hiring labor and as such impede labor demand. In Burkina Faso's context, the minute size of the formal sector and the fact that most informal work is non-wage work suggest that labor regulations are not binding for total job creation simply because jobs are created where labor regulations are not enforced.

24. **Labor regulations may become more important if opportunities increase for formal job growth.** Labor regulations are probably not a binding constraint to job creation even in the formal sector, because the pervasively low level of education essentially disqualifies most for non-farm work and the overall unfavorable business climate is holding back overall investment. A reform of labor codes in 2008 eased the restrictions on temporary employment, and a comparison of restrictions and costs related with hiring and firing in Burkina Faso, neighboring countries, and countries with higher ranking on their Doing Business Climate (Rwanda and Kenya) does not suggest that Burkina Faso has exceptionally restrictive labor laws. One notable exception is the level of the minimum wage, which is quite high compared with average wages according to both the enterprise survey estimates and the household budget survey estimates (Annex 1 and Box 6 in Chapter 2). Such a high level of minimum wage may become an important obstacle of entry into the wage sector for youth and the unskilled, as employers weigh the advantages of hiring more experienced or educated workers with higher productivity compared to investing in less experienced youth. Moreover, in the World Bank's Enterprise Survey, one out of four firms in Burkina Faso identified labor regulations as a major constraint. This share is exceptionally high compared to Sub-Saharan Africa as a whole and comparator countries (Figure 6).

Figure 6: Share of Firms Identifying Labor Laws as a Major Obstacle to Business



Source: World Bank 2012c. Note: Refers to 2009 for Burkina Faso.

25. Youth in particular lack the assets necessary for more successful self-employment. Given low labor demand in the non-farm wage sector, self-employment may be the only viable option for most youth and adults (Ouerghi et al., 2011). Access to, as well as success in, self-employment requires assets in different forms: money and physical capital or land, skills (discussed below), and social capital. Indeed, access to credit is identified as a positive determinant of consumption in Burkina Faso. Generally, youth have less of these assets than older workers – less savings, collateral, experience, and access to business networks. In Burkina Faso (as in many other low-income countries in the world), low access to credit is considered the most important obstacle by a majority of firms in enterprise surveys, and especially so for small firms and non-exporters; three out of four firms identified it as a major constraint to business. A vast majority of the population remains unbanked⁴ while the financial sector is generally geared to large and/or public enterprises. However, the informal and subsistence nature of much of the work, also in the non-farm sector, and lack of purchasing power especially in rural areas suggest that there may in fact be a relatively small number of potential viable businesses.

Lack of Skills

26. As rightly recognized by the SCADD, skills are an important determinant for long term economic prosperity. Skills are strongly linked with individual employment and earnings success and with a country's long term prospects for prosperity and poverty reduction (Robalino, 2010). Female education levels in particular are related to higher spending on children's human capital. The *SCADD* emphasizes the role of increasing employability through skills as a means of supporting higher productivity and higher competitiveness among firms and workers, and reducing poverty.

27. Enterprise surveys suggest that in fact, lack of skills is already a problem for many firms. The World Bank's Enterprise Surveys show that skills already matter in Burkina Faso. Although virtually no firms list skills as the most important obstacle to their operation – most list

⁴ In the population, 6 percent have access to a bank account and 10 percent in a micro-credit institution (WB 2010).

either electricity, taxes, or lack of finance – nearly 40 percent consider it a major obstacle. Moreover, the share of firms considering skills a problem is significantly higher than in comparator countries, though similar to Niger (Figure 7). As in other countries, skills area more significant concern to medium and large firms than to small ones, and much more important for exporters than for non-exporting firms, probably due to the differences in sophistication of products and services across sectors (Table 3). These low levels of human capital and limited capacity for innovation are brakes on the competitiveness of the country and from this perspective, skills hamper growth prospects as well.

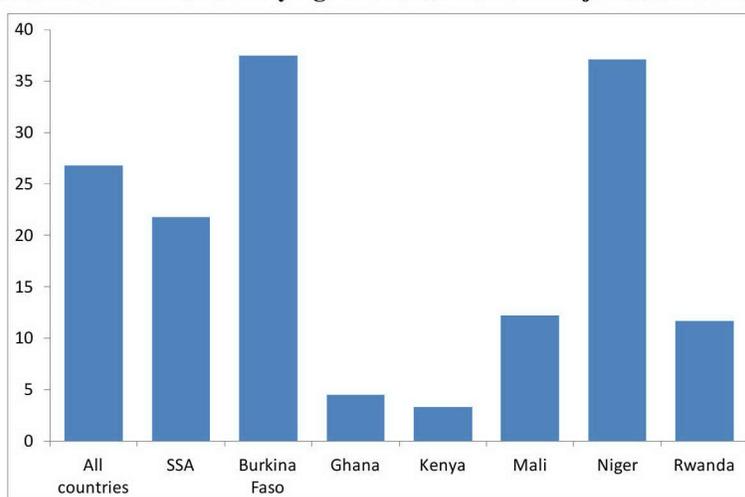
28. Burkina Faso’s population suffers from low skills levels and problems of adequacy and quality of training. Burkina Faso still struggles with very low literacy rates and lack of access to basic education. Conversely, the comparatively high unemployment rate among (male) university graduates suggests that the training offered does not translate into labor market relevant skills even for the very few who go through the education system to the end. This points to the importance of understanding the role of skills in the Burkinabé labor market (Chapters 2 and 3).

Table 3: Percentage of Firms Reporting Lack of Qualified Workforce as a Major Obstacle

All firms	38
Small (5-19)	34
Medium (20-99)	43
Large (100+)	48
Direct exports are more than 10% of sales	59
Non-exporter	37

Source: World Bank (2012c).

Figure 7: Share of Firms Identifying Lack of Skills as a Major Obstacle to Business



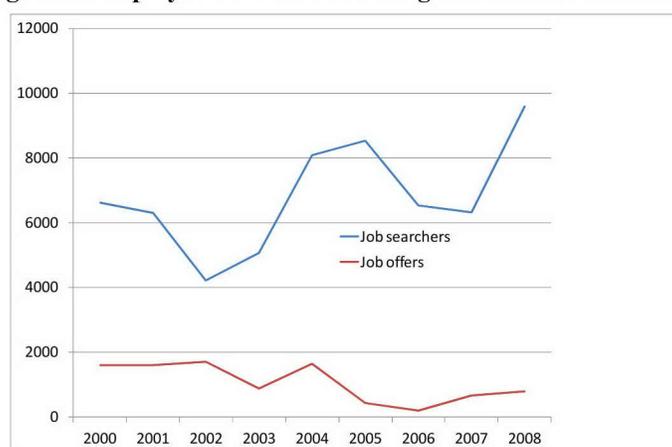
Source: World Bank (2012c).

Information Asymmetries

29. Information gaps in job search (i.e., between workers and employers) are, at this stage, not likely to be a significant constraint to job creation in Burkina Faso. Information

asymmetries can become important obstacles to job creation in countries with a large wage sector and lack of centralized information systems, as job seekers are compelled to use informal networks of family and friends to find jobs. This is likely to be a binding constraint in a context of relatively high economic growth in sectors with potential for job creation and a large pool of qualified workers or with different regional growth poles. Neither of these factors is the case in Burkina Faso where self-employment and informal work dominates, most of the labor force is unskilled and lack basic education, and formal jobs are concentrated in Ouagadougou and Bobo. The National Employment Agency (ANPE: *Agence Nationale d'Emploi*) provides an intermediation system in the labor market. However, the volume of coverage is very small – the annual number of job offers is less than 1,000, a fraction of total employment created in the economy each year (Figure 8).

Figure 8: Employment Services Through ANPE in Burkina Faso



Source: ONEF (2010).

30. Lack of recognized criteria for competencies acquired in non-formal or informal systems may limit access to jobs and self-employment. There is little data on traditional apprenticeships in Burkina Faso, but it is estimated to be a comparatively common form of labor market entry for youth in the informal sector (Chapter 3). However, competencies acquired through informal means, such as traditional apprenticeships, may be not be recognized by employers, clients, or credit institutions.

Main Conclusions

31. In order to sustainably reduce poverty, Burkina Faso needs to foster job creation that offers real earning opportunities, by focusing on accelerating and sustaining broad-based and high economic growth rates. Although income per capita has increased, the economy remains undiversified and vulnerable to a number of climatic and external shocks.

32. The lack of demand for labor in more dynamic sectors is probably the most critical challenge facing Burkina Faso's quest for poverty reduction. Fostering diversified economic growth that can help the population diversify out of subsistence agriculture by freeing up labor from agriculture, and creating demand for labor in sectors and occupations that offer higher earnings, is therefore central. Burkina Faso needs to focus on accelerating reforms to improve the

investment climate, increase international competitiveness, and review critical constraints to small enterprise creation and growth.

33. Transitioning the population to these jobs requires more emphasis on skills development. The structural shift of employment requires that workers pick up the skills necessary to work in more competitive sectors. At present, the overall very low skill levels in Burkina Faso are a constraint to such mobility. Labor market programs and skills development policy more broadly can help increase mobility over the short and long term.

34. A solid safety net system is essential to complement growth, skills, and employment policy. Even in the best of scenarios, of rapid and sustained dynamic change, most of the Burkinabè population will remain dependent on low productivity and seasonal work for many years. Raising productivity in the agricultural and small-scale services sectors is critical to improving well-being but the experiences of interventions in the rural non-farm sector are mixed and there, as elsewhere, careful evaluation of policy interventions is important. A complementary well-functioning and comprehensive safety net system is important, especially to address food insecurity and counter the effects of climatic shocks, or seasonal inactivity.

35. The remainder of this report will narrow in on three policy relevant aspects of the job, poverty, and policy nexus. First, Chapter 2 will provide a profile of the labor market, with an emphasis on characteristics of workers, especially skills, and the opportunities the available jobs offer. Chapter 3 will discuss the skills development landscape. Chapter 4 will discuss the effectiveness of existing employment programs against their objectives and constraints identified for job creation in Burkina Faso.

CHAPTER II: JOBS AND WORKERS

LABOR MARKET DIAGNOSTICS

36. **This chapter provides a diagnostic of the Burkina labor market conditions, focusing on the following questions:** First, how active are people in the labor market, what are their characteristics, and how do the employed differ from the unemployed or inactive? Second, what kind of jobs do people hold and how do they differ in terms of job opportunities? And third, what are the key individual characteristics that determine access to better paid sectors that help raise earnings and consumption? The concepts used in the report are explained in Box 3. The analysis is largely based on the most recent Household Living Conditions Survey (Box 4).

Box 3: Labor Market Diagnostics: Concepts

The standard labor market concepts and indicators used in the report are as defined follows:

- **Working age population, or adult population:** Population aged 15-64.
- **Youth:** In Burkina Faso, “youth” is defined as the age group between 15 and 35 years of age. However, the report uses the conventionally used groups 15-24 as well as 15-34.
- **Elderly:** Population aged 65 or above.
- **Active, or participating in the labor force:** Either employed or unemployed.
- **Inactive, or not participating in the labor force:**
- **Unemployed:** Not working but actively looking for a job.
- **Under-employed:** Willing to work more than currently is the case.
- **Unemployment rate:** Share of unemployed in the labor force.
- **Employment-to-population ratio:** Share of employed in the adult population.
- **Earnings:** Wages, salaries, and profits of self-employment.

The above are standard labor market indicators. In more developed countries, with higher labor productivity and earnings and some social security systems, access to a job (as measured by the employment-to-population ratio or the unemployment rate) tends to be a relatively good indicator of welfare levels and high job creation is synonymous with improved labor market conditions. However, in very poor countries like Burkina Faso, where the population depends on subsistence agriculture for survival, the link between the quantity of jobs and welfare is much less clear. Productivity, earnings, and sector of work are stronger predictors of welfare.

Box 4: Labor Market Diagnostics: Integrated Household Living Conditions Survey 2009/10

The analysis of labor market conditions in Burkina Faso is largely based on the Integrated Household Living Conditions Survey (*Enquête Intégrale sur les Conditions de Vie des Ménages*, EICVM) from 2009/10. For the purpose of the analysis of labor market conditions, the following caveats are important to keep in mind:

- **Skills development is not broadly captured.** Skills are a multidimensional phenomenon including cognitive and non-cognitive competencies and depend on personal as well as institutional (educational) strengths and experience. Measuring skills and capacity as outputs is thus difficult and most household surveys are not well equipped to do this. However, some household surveys capture past access to skills systems at different levels, apart from formal education – including enterprise-based training, formal apprenticeships, and informal apprenticeships. In many Sub-Saharan countries, traditional apprenticeships provide the main form of labor market skills development, especially for low educated youth. Unfortunately, the Burkina Faso EICVM does not provide any such information. As a result, “skills” will therefore have to be largely synonymous with “degrees obtained in formal education.”
- **Earnings data are of poor quality.** Earnings data often suffer from problems of definition, due to under-reporting or misreporting, lack of accounting, lack of cash in certain parts of economic systems (subsistence agriculture), and a focus on household rather than individual incomes (e.g. for contributing family workers). In Burkina Faso, earnings are even more imprecise as only a small share of respondents reported income in 2009/10. The small sample of respondents gives rise to some non-intuitive results (e.g. rural earnings exceed urban earnings, and secondary levels of education pay off better than university in the informal sector) and the results have to be taken with great caution. Only earnings for the non-farm sector are reported, and the earnings for contributing workers are not imputed. Instead, household enterprise income is attributed to the head of the firm. Moreover, number of hours worked are not recorded, so hourly earnings cannot be measured.
- **Under-employment cannot be measured in relation to time use.** Under-employment is an important issue in Burkina Faso given the high seasonality in work opportunities. The EICVM has a question on whether people would prefer to work more than they currently do. Given the lack of questions on the number of hours worked, it is not possible to compare this with the extent to which people are already fully employed.

A. The Working Population

37. **Burkina Faso has a young population and labor force, as is typical for very poor countries.** Children under 15 make up half of the population, while the elderly (age 65 and above) make up only 3 percent. In all, less than half of the population is of adult/working age, defined as between 15 and 64 years old. Given the high share of children, the dependency burden for adults is high. On average, each adult has to provide for him/herself and one dependent, mostly children (Table 4).

Table 4: Hierarchical Breakdown of the Population

	Total Population (thousands)	Total Percentage
Total	15,200	100
Children below 6 years	3,186	21
Population 6 years and above	12,014	79
Child population 6-14	4,272	28
Working age 15-64	7,224	48
Old age population 65+	518	3

Source: Estimates based on EICVM 2009/10.

38. **Consequently, the labor force is predominantly young and rural.** Three out of five in the adult labor force are below 35 years old. As seen in Table 4, three out of four active population still live in rural areas. *In the rural areas*, almost everybody at all ages is working, and as many as 93 percent of youth are already working at the age of 15. *In urban areas*, the youth labor force participation rates are lower, because of higher levels of schooling and because subsistence farming is not an option. Even so, a majority of the urban youth is active in the labor market (53 percent in the age group 15-19, 69 percent of those 20-24, and 85 percent of those 25-34) (Table 5).

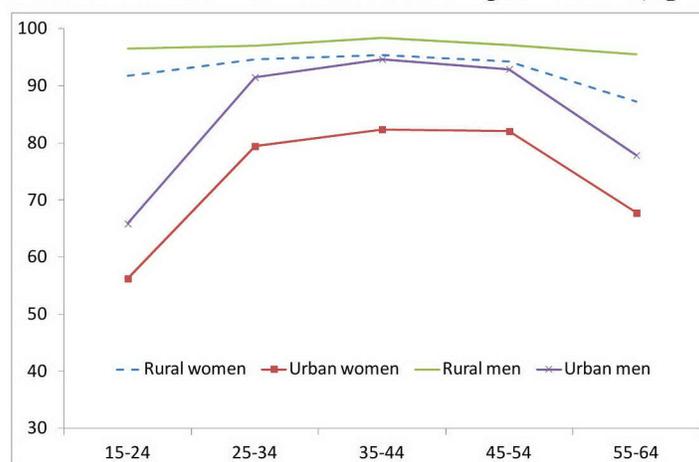
Table 5: Labor Force Participation Rates by Location and Age

	Rural	Urban	Total	Share of total labor force 15-64	Rural share
15-19	93	53	83	18	83
20-24	95	69	87	15	75
25-29	95	85	92	14	73
30-34	96	86	93	12	74
35-39	97	90	95	10	75
40-44	97	87	94	9	78
45-49	96	88	94	7	77
50-54	95	88	93	7	80
55-59	93	78	90	5	82
60-64	89	66	85	4	85
All 15-64	95	76	90	100	78

Source: Estimates based on EICVM 2009/10.

39. **Women are very likely to be active in the labor market in both rural and urban areas.** *In rural areas*, almost all men and women are active in the labor market, with labor force participation rates over 90 percent for both sexes. *In urban areas*, however, participation (and employment) is lower for both men and women in the early and late stages of working life. Even so, labor force participation rates still hover around 80 percent for adult women of prime working age (25-55 years old) (Figure 9).

Figure 9: Female and Male Labor Force Participation Rates (Ages 15-64)



Source: Estimates based on EICVM. 2009/2010.

40. **A very high share of the adult population is working.** The labor force participation rates are high because of high employment. High levels of dependency and few high earning opportunities means that almost everybody is obliged to make a living somehow. This is the case in Burkina Faso where nine out of ten adults (i.e. more than 6 million) actually work (Table 6). As a result, the labor force, the employed, and the adult population are largely synonymous. Those not working – the inactive and the unemployed adults – amount to fewer than 800,000. The share of the population that is working is higher in rural than in urban areas, reflecting higher rural poverty rates and dependence on, and access to, subsistence farming in rural settings. However, even in urban areas, nearly three out of four adults work.

Table 6: Basic Labor Market Indicators for the Working Age Population, 15-64 (Thousands)

	Rural	Urban	Total	Rural share
Employed	5,027	1,344	6,370	79
Unemployed	6	115	121	5
Active (a+b)	5,033	1,458	6,492	78
Inactive	272	460	732	37
<i>Total population 15-64 (c+e)</i>	<i>5,305</i>	<i>1,918</i>	<i>7,224</i>	<i>73</i>
Labor force participation rates, % (c/e)	95	76	90	
Employment-to-population ratios, % (a/e)	95	70	88	
Unemployment rates, % (b/c)	0.1	7.9	1.9	

Source: Estimates based on EICVM 2009/10.

41. **Children and the elderly also are working to a large extent.** The conventional definition of working age population (15-64) is a limiting concept in the context of Burkina Faso and similar poor countries. Pervasive poverty, limited access to schooling or need to combine studies with work, and lack of social safety nets for the elderly implies not only that almost all adults must find employment, but that children and elderly also are obliged to make a living. In fact, if the working age population is extended to include children between 7 and 14 years old, this group makes up 29 percent of all the employed in Burkina Faso. And further, while the old age

population is a small fraction of the population, two thirds of those above age 65 – over 300,000 people – are still working (Table 7).

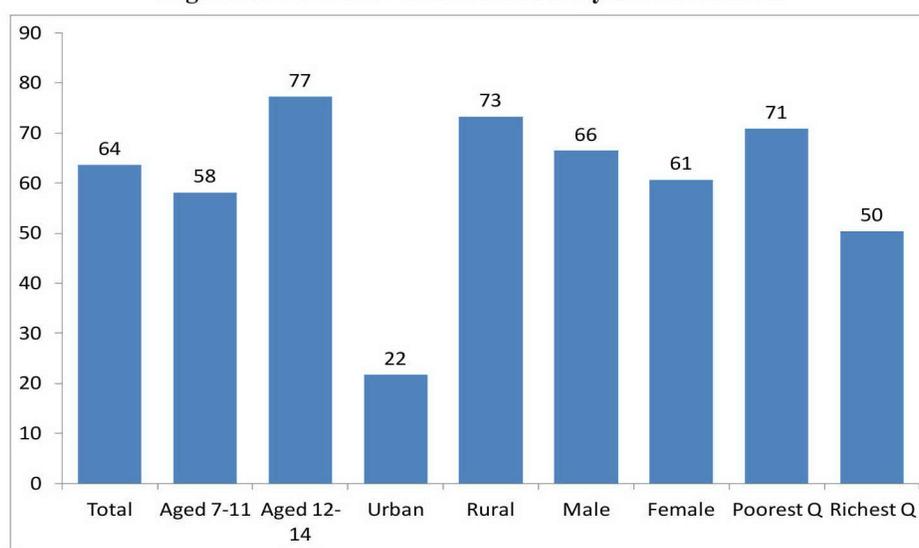
Table 7: Employment Indicators for the Extended Working Age Population (6+)

	Total Population (Thousand)	% of Total	<i>Employment -to-Population Ratio</i>	Employed	% of Total
Population 6 years and above	12,014	100	78	9,424	100
Child population (6-14)	4,272	36	64	2,718	29
Working age (15-64)	7,224	60	88	6,370	68
15-24	2,543	21	82	2,088	22
25-34	1,803	15	90	1,628	17
35-64	2,877	24	92	2,654	28
Old age population (65+)	518	4	65	335	4

Source: Estimates based on EICVM.

42. **Most children begin to work well before the age of 15.** About 60 percent of children aged 7-11 are working, although this may be combined with schooling (Figure 10). The employment rates are even higher, nearing 90 percent, for those aged 12-14 (who are past primary levels of education). The difference between girls and boys is not large and may reflect divisions of labor in households where girls are occupied with household chores, not counting as labor market work. Urban children are much less likely to work than rural children, reflecting lower poverty rates and higher access to post-primary levels of school; but one in five urban children does work. In all, the high incidence of child work suggests that by the time most Burkinabe children reach the age of 15, they have already been working for some time. Poverty is a key reason for entering the labor market and for abandoning school. For example, there are recent reports of children taking up work in illegal gold mining in response to the rise in gold prices. They opt out of (or are obliged to leave) school, in return for hazardous working conditions and meager earnings (IRIN, 2012).

Figure 10: Incidence of Child Labor by Characteristics



Source: Estimates based on EICVM 2009/10.

43. **Unemployment is in contrast marginal though concentrated in specific groups: urban, non-poor youth with some education.** Overall, the unemployment rate is very low, at 1.9 percent (Table 6 above) and affects only about 120,000 people out of a labor force of 6.5 million (Table 7). Specific groups are more exposed to unemployment than others: Virtually nobody is unemployed in rural areas, while unemployment rates reach 8 percent of the active population in urban areas. A vast majority of the unemployed are under 35 years of age, and many have at least completed primary education (Table 8). Women are also somewhat more exposed than men to unemployment. Four out of five of the unemployed come from non-poor families. In conclusion, the profile of the unemployed and the employed stand in contrast: the employed outnumber the unemployed by 50 to 1, they are twice as likely to be poor as the unemployed, and they have little or no education compared to the unemployed.

Table 8: Characteristics of the Employed vs. the Unemployed

	Employed	vs. Unemployed
<i>Millions</i>	6.4	0.12
	Share in group (%)	
Ages 15-24	33	50
Ages 25-34	26	34
Urban	21	95
Women	53	58
At least primary education	13	58
Poor	44	22

Source: Estimates based on EICVM 2009/10.

44. **Focusing on the urban unemployed, it is clear that a large group, especially those with higher levels of education, live in Ouagadougou.** Two thirds are between 20 and 29 years old; two thirds live in Ouagadougou. While women are over-represented among the low and medium educated unemployed, the unemployed with university education are mostly men (Table 9). In total, only about 8,000 university graduates are unemployed in the country, of which 7,000 live in Ouagadougou. In comparison, the group of unemployed with primary, post-primary, or secondary levels of education, total nearly 70,000.

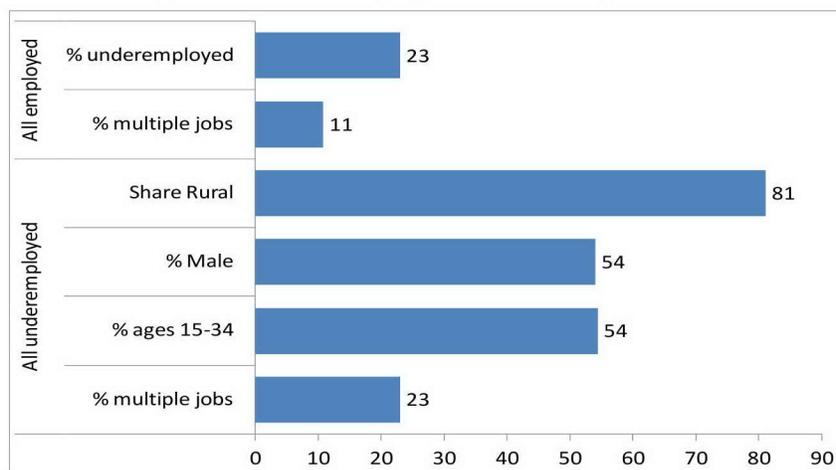
Table 9: Distribution of Urban Unemployed by Age Group and Share in Ouagadougou

	15-19	20-24	25-29	30-34	TOTAL	% 20-29	% Ouaga- dougou	% Women
No education	3	6	5	2	17	68	63	80
Some primary	4	8	3	2	18	67	72	63
Primary	6	2	3	1	13	40	60	49
Post-primary	8	9	8	3	28	61	72	54
Secondary	2	7	5	1	15	81	62	52
Technical/Vocational	..	1	0.1	..	1	100	88	52
University	..	2	6	1	8	93	88	33
TOTAL	23	36	30	10	100	67	69	57
<i>% Primary or more</i>	70	61	73	60	66			

Source: Estimates based on EICVM 2009/10. Ouagadougou = urban areas, central region.

45. **About one quarter of the adult employed population reports to be under-employed, that is, would prefer to work more than they do.** The EICVM does not provide information on hours worked to gauge the extent to which people (voluntarily or involuntarily) work less than full time. However, some 23 percent of the population reported that they want to work more than they do. Most of these live in rural areas, as unpaid workers or self-employed in agriculture that suffers from low productivity and seasonality. Only a small share of the population (11 percent) holds more than one job (Figure 11).

Figure 11: Under-Employment and Multiple Jobs



Source: Estimates based on EICVM 2009/10.

B. Job Opportunities

46. **There are few good job opportunities in Burkina Faso and most of the work is low productivity and low earning activities.** As seen above, almost everybody works in Burkina Faso –in low productivity sectors and informal activities. Nearly 5 million people (close to 80 percent of the workforce) depend on agriculture produce/revenue, while less than 300,000 (4 percent) works in the manufacturing sectors (Table 10). Just 1 million workers (17 percent) are in services, of whom about two thirds in trade, hotels, and food preparation.

47. **Rural areas offer few opportunities for work outside agriculture.** There is significant segregation between rural and urban areas and to some extent, between the sexes. In rural areas, less than 9 percent of the population is engaged in non-farm activities as a primary activity. Women are more likely than men to work in agriculture, and less in services.

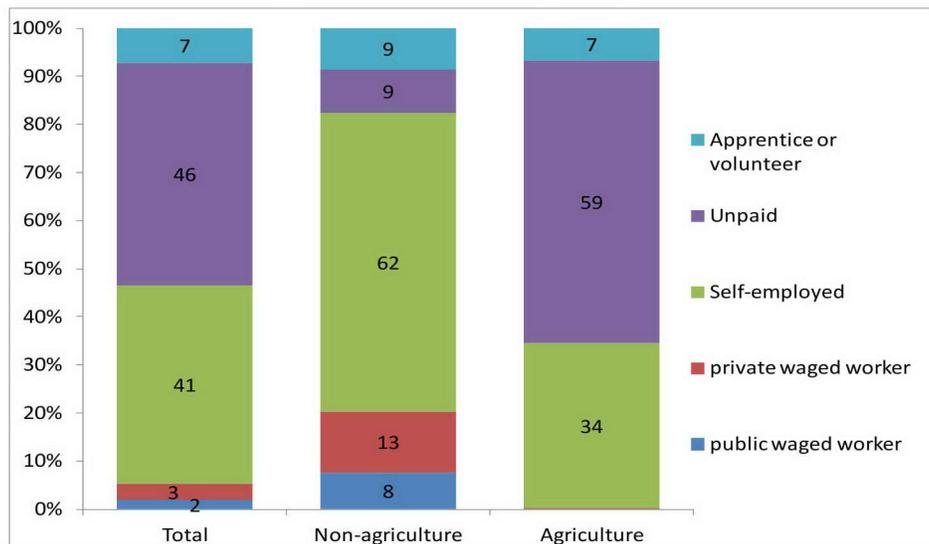
Table 10: Sector of Work

	All	All	Rural	Urban	Female	Male
	Thousands			% of Total		
Agriculture	4,925	77	91	22	82	73
Non-agriculture	1,444	23	9	78	18	27
Industry	373	6	3	16	5	7
Mining	28	0	0	1	0	1
Manufacturing	278	4	3	11	4	4
Energy & Water	6	0	0	0	0	0
Construction	61	1	0	4	0	2
Services	1,071	17	5	62	14	20
Trade/hotels/food prep	668	10	4	35	9	12
Transport etc.	40	1	0	3	0	1
Finance etc.	22	0	0	2	0	1
Public administration	76	1	0	5	0	2
Edu, health, social, other	266	4	1	17	4	5

Source: Estimates based on EICVM 2009/10.

48. **Most people are self-reliant or depend on family members to create job opportunities.** Only 5 percent of the employed population (less than 400,000) works in waged employment, whether public or private. Instead, almost half of the employed population – some 3 million workers – is made up of contributing family workers. In the non-farm sector, self-employed workers and contributing family workers make up nearly 70 percent of all jobs (Figure 12).

Figure 12: Labor Force by Occupation



Source: Estimates based on EICVM 2009/10.

49. **Informal, unregulated, small-scale activities account for most of the non-farm jobs.** The non-farm sector is dominated by informal activities. The informal sector can be captured in

different ways (Box 5): depending on the approach, between 70 and 84 percent of all non-farm jobs are informal, corresponding to between 17 and 21 percent of total employment. Using a broader definition of informal sector work (non-wage workers in informal enterprises and wage workers in informal employment), the informal sector then accounts for 1.3 million people. Out of **twenty** people in Burkina's total workforce, **fifteen** are thus engaged in agriculture, **four** are active in informal non-farm activities, and less than **one** holds a job in the formal sector (public and private wage earners).

Box 5: Defining Informal Sector in the Burkina Faso Labor Market

While there may be consensus around the general characteristics of the informal sector, in practice, the final definition using labor market data depends on what information can be explored in the available data sets. The Burkina Faso survey provides information on socio-economic occupation as well as on some basic parameters with respect to enterprises and employment situation. Using this information, two options for the informal sector are explored below. Both definitions refer to non-farm activities only, and classifications have been made according to primary activity.

- All non-wage workers (self-employed and contributing family workers) and those seasonal or daily workers whose employment category cannot be characterized, are counted as informal sector workers. According to the first definition, the informal sector accounts for 17 percent of total employment and 70 percent of total non-agricultural employment, with the remaining 30 percent in the formal sector.
- All non-wage workers whose enterprise is not registered with the tax authority, contributing family workers whose employment category cannot be characterized and salaried workers, interns, and apprentices who are in an informal job situation, and receive no social security or paid leave (as mandatory by law). According to the second definition, the informal sector accounts for 21 percent of total employment, and 84 percent of total non-agricultural employment, while the formal sector accounts for 16 percent.

Although the differences are relatively small, at least in relation to total employment, the second definition is retained as it explores the information in the survey more fully and accounts for informality in the employment situation of wage workers as well. Unfortunately, the 2009/10 Household Survey does not provide information on the size of enterprises to complement the information on wage workers.

Source: Authors' estimates.

50. The informal sector is predominantly urban, though less than the formal sector, and women are over-represented in informal activities. About two out of three informal activities take place in urban areas, compared to four out of five formal activities.⁵ While the informal sector workforce is made up of equal shares of women and men, women are much less likely to work in the formal sector than men, mainly due to their lower level of education. There are almost as many women as men working in the informal sector (48 vs. 52 percent), while male workers dominate the formal sector workforce (29 vs. 71 percent); women in the non-farm sector, in other words, are relatively more likely to be in the informal sector than men.

51. Moreover, non-farm youth are particularly likely to be in the informal sector. Almost all Burkinabe youth in the non-farm sector work in informal activities: some 95 percent of youth

⁵ If secondary activities were included, rural areas may have a higher share of the population involved in non-agricultural and informal activities.

are in informal activities, and 59 percent of informal workers are under 35 years of age (Table 11).

Table 11: Key Characteristics of the Formal vs. Informal Sector¹

	Formal	Informal
Share of formal/informal sector workforce that is aged less than 35	43	59
Formal vs. informal share of non-farm workforce aged less than 35	12	88
Share of sector workforce that is urban	79	64
Share of sector workforce that is female	29	48
Share of non-farm female workforce	10	90
Share of non-farm male workforce	20	80

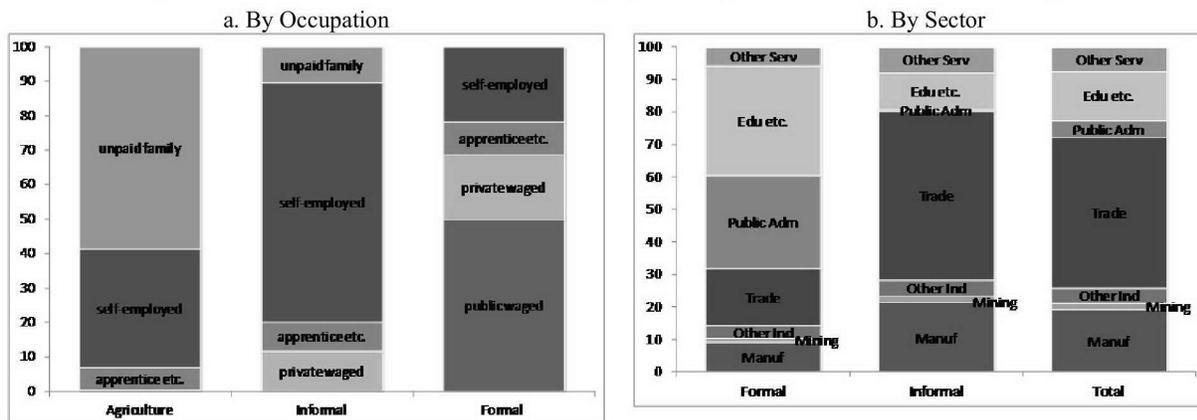
Applies to 15-64. Source: Estimates based on EICVM 2009/10.

52. **Informal sector activities are dominated by self-employment.** About 70 percent of the informally employed are own account workers (mostly) or employers; another 11 percent are contributing family workers. Some 20 percent are wage workers, interns, or apprentices in an informal employment situation. This dominance of own account work points to the lack of opportunities for hired labor in Burkina Faso (Figure 13).

53. **The public sector, in contrast, accounts for half of all formal work.** The public sector is the largest employer, and absorbs one out of two formal workers. Only 20 percent are in private wage employment, and another 20 percent are self-employed, of which approximately half are employers and the other half are own account workers (Figure 13).

54. **Trade, hotels, and food preparation is the single most important activity in informal sector work.** Half of the informal sector operators are engaged in trade, hotels, and food preparation, and another 20 percent are engaged in manufacturing. In the public sector, most of the workforce is engaged in public administration and education, health and social services. A gender breakdown shows that non-farm informal sector male workers are more likely to be employed in construction while non-farm informal sector females are concentrated in manufacturing and trade.

Figure 13: Distribution of Non-Farm Employment by Formal/Informal and Occupation



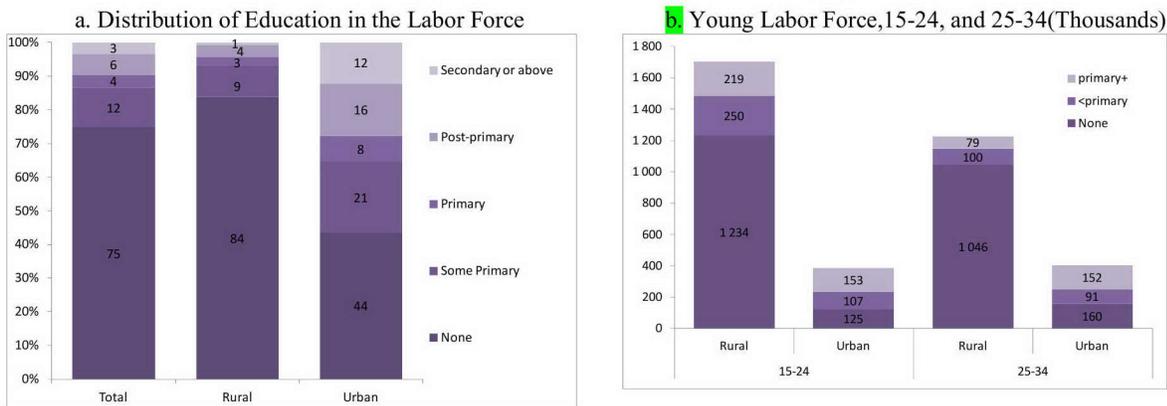
Source: Estimates based on EICVM 2009/10. Note: Other Serv=Transports, Finance, and other services; Edu etc. = Education, Health and Social Services, Trade = Trade, Hotels and Restaurants, Other ind= Construction and Utilities, Manuf = Manufacturing

C. Education and Training Levels in the Population

55. **In general, the population has no or little formal education.** Only 13 percent of the adult Burkinabe population (age 15 and above) have completed primary levels of education or more: three quarters have no education at all, and another 12 percent have not completed primary education. There are important differences between rural and urban areas, as more urban residents have achieved some education. Still, two thirds of urban labor force has not completed primary levels of education. Access to technical/vocational training is minimal in both rural and urban areas and only 1 percent of the adult population has received university education (Figure 14a).

56. **There are 3 million unskilled youth in the labor market, compared to only 600,000 with at least primary education.** As education levels are only slowly improving, youth are only marginally better equipped than older workers. Less than one in three active youth (15-34) has received any education at all, and less than one in five has completed primary or more. In total, there are over 3 million youth in the labor market without a primary level diploma (Figure 14b). From the opposite point of view, the pool of semi-skilled and skilled youth – those with at least primary education (or six years of schooling) - is limited to 600,000 people in the entire country. Only 140,000 youth have secondary education or above.

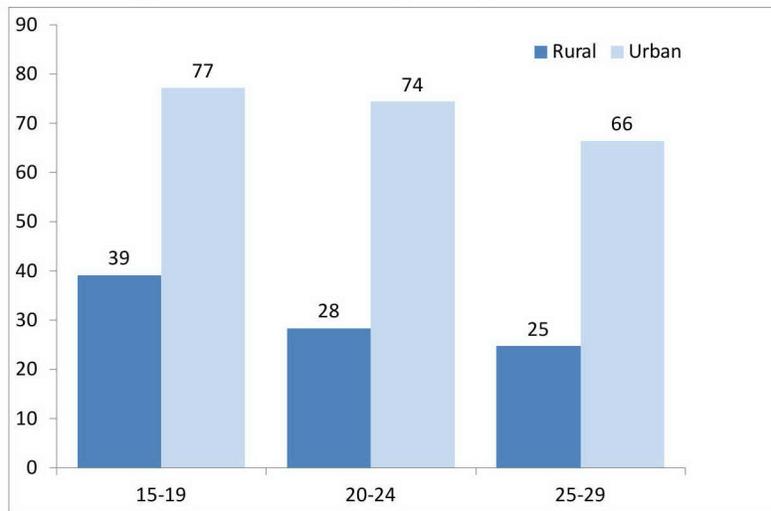
Figure 14: Low Levels of Education (%)



Source: Estimates based on EICVM.

57. **Literacy rates remain low, especially in rural areas.** Although literacy is improving among younger cohorts, much less than half of rural youth at different ages are able to read and write. This bears witness to the slow progress on keeping children in school even sufficiently to teach them basic capabilities, as well as problems of quality in teaching. Still, in urban areas, overall literacy rates are significantly higher in urban areas; still nearly one in three urban youth cannot read (Figure 15). These high levels of illiteracy translate into nearly 2 million youth under 30 without reading capabilities.

Figure 15: Youth Literacy Rates, Urban vs. Rural



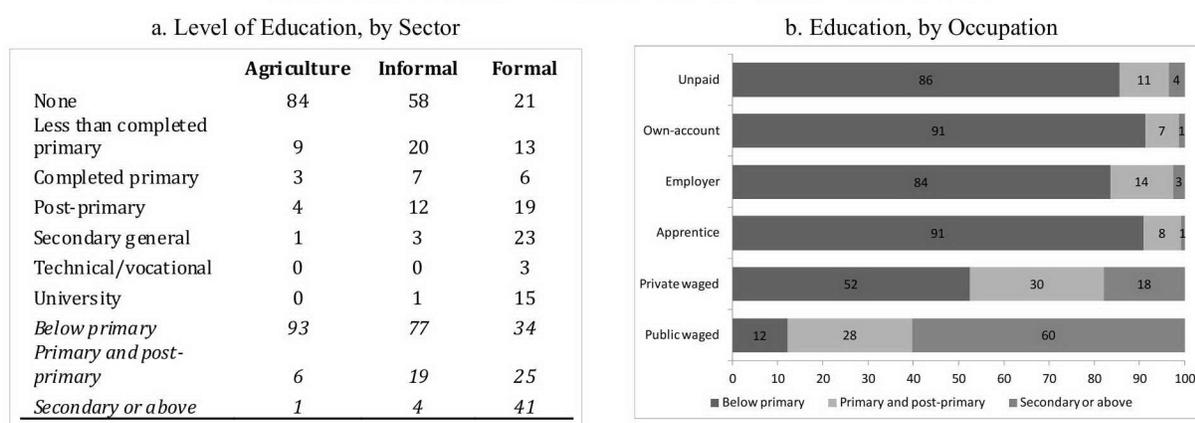
Source: Author's computation on EICVM 2009/10.

58. **The unskilled workforce comprises the agricultural sector and informal non-farm activities.** The correlation between level of education and sector of work is very strong. Informal sector workers have very low levels, though higher than agricultural workers, of schooling. The majority of informal sector operators (58 percent) have no education. Compared to the agricultural sector, however, more people in the non-farm informal sector have at least some or

completed primary levels of education (27 vs. 12 percent). Less than one in five has had access to post-primary levels of education and only one out of twenty informal sector workers has secondary levels of education, or more (Table 12a).

59. **The educated population works in the formal sector, many in public sector jobs.** The small share of population with secondary education or higher works in the formal sector. Two in five formal sector workers have completed secondary levels or more and some 15 percent have been to university. The public sector in particular absorbs those with higher levels of education: among public sector workers, 60 percent have completed secondary levels of education. Those with technical/vocational education, although few overall, are also concentrated in the public sector workforce. Conversely, more than one quarter of employed university graduates are in the public sector (Table 12b).

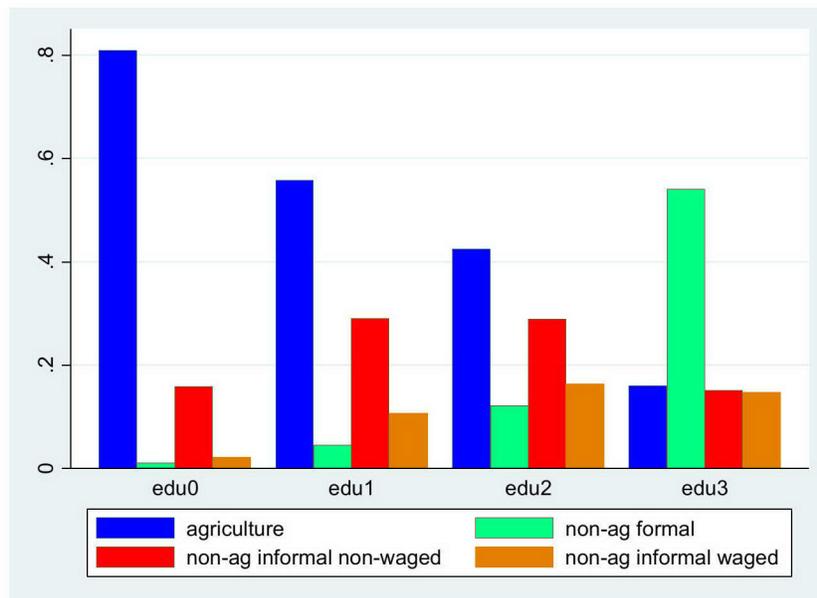
Table 12: Level of Education of Workforce in Different Sectors



Source: Author's computation on EICVM 2009/10.

60. **More education influences access to higher paying sectors.** Multivariate analysis (see Table A2, Annex 1) confirms the role of educational attainment for accessing different sectors. As seen in Figure 16, the probability of being in agriculture decreases monotonically with educational achievements. The chances of being in the formal sector increase significantly with education, and in particular with education at secondary levels or above – for this level of education, the probability of being in formal sector work is the highest. The probability of being in non-farm, non-wage work is “hump” shaped – it increases at lower levels of education, compared to agriculture, but falls again with secondary levels of education.

Figure 16: Predicted Probability of Being in a Sector, Given Education Levels



Source: Authors' computation on EICVM 2009/10.

D. Earnings, Poverty, and Work

61. **Earnings opportunities differ significantly between the types of jobs available in the labor market.** These variations in earnings are the key source of differences in consumption and poverty across different types of households. Unfortunately, as mentioned above, earnings data are not well measured in the EICVM 2009/10, so results need to be interpreted with caution.

62. **Median labor earnings are low in Burkina Faso, even in the non-farm sector, contributing to keeping families in poverty.** The low productivity and low earnings are the reasons why many workers cannot avoid poverty. With the caveats on representativeness in mind, reported median earnings in the non-farm sector amounts to about US\$28 per month. Given the high dependency rates in Burkina Faso, it is implausible these earnings provide for even the most basic goods and services.

63. **The low earnings in the non-farm sector compare very unfavorably with the minimum wage, which is around US\$60 per month.** These levels imply that a large share of the non-farm workforce is paid below the minimum wage - as would be expected, given the high level of informality. Even in the private wage sector, a high majority of workers are paid below the minimum wage and only in the public wage sector does the minimum level appear to be enforced. The high level of the minimum wage is thus adapted to public sector wage conditions rather than to the private sector (Box 6). In light of the higher level of unemployment among more educated youth, it may be worthwhile investigating whether the labor cost implied by minimum wages is a binding constraint for youth looking for their first job, or could become so in an environment with higher job creation potential.

Box 6: Minimum Wage and Earnings in Burkina Faso

The objective of the minimum wage is to reduce the risk of extremely poor pay by giving workers a legal guarantee below which wages cannot be set. If set very high, minimum wages could limit job creation for lower skilled and less experienced workers. However, this is only the case in countries, regions, or sectors where minimum wages are *de facto* enforced. In less developed countries, the degree to which minimum wages are actually influence wage and hiring conditions varies considerably. Typically, minimum wages are enforced in the formal sector while the impact on informal sector wages may be more difficult to discern.

In Burkina Faso, the government, after receiving the opinion of the Labor Advisory Commission, sets a minimum wage for agricultural and non-farm workers. In addition to the base minimum wage, there are also different (and higher than the base minimum) minimum wages by professional categories. The minimum wage applies to all wage workers except those employed by the public sector and apprentices. The last variation in the minimum wage was established in 2006 and set the non-farm base minimum 30,684 CFA (in 2009, equal to just over US\$60 per month).

As a result, the majority of private wage and non-wage workers in fact earn below the minimum wage. In contrast, the public sector workers largely enjoy earnings above the minimum wage. There is some clustering around the wage itself, with about 25 percent of the private sector workers being paid in the range of +/- 5 percent of the minimum wage. The fact that the minimum wage is more than twice as high as average earnings raises questions as to its relevance in the Burkina Faso context, and it may be important to look into its implications for more educated youth looking for a first job experience.

Distribution of Earnings and Minimum Wages

	Wage Workers		Non-Wage Workers
	<i>Public</i>	<i>Private</i>	
Share earnings below mw	32	60	58
Share earnings above mw	68	40	42
Share earnings the mw (+/-5%)	17	28	24

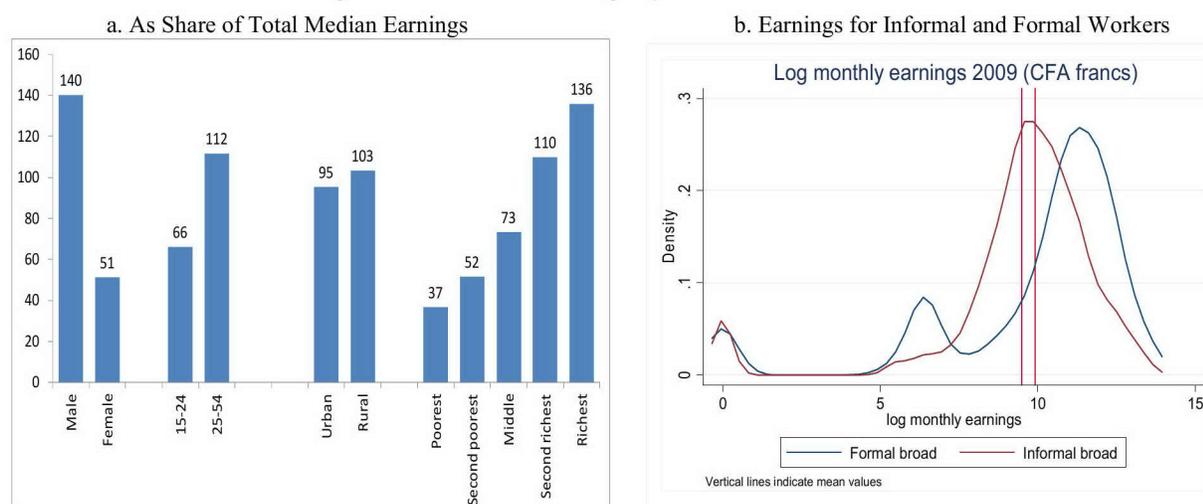
Source: Ministry of Social Security, estimates based on EICVM 2009/10.

64. **Being male and experienced pays off in the labor market.** Figure 17a shows a very high discrepancy in earnings between male and female workers, with men earnings almost three times the level of female earnings. The gap between 15-24 year olds and older workers is less surprising and could be a result of payoff to experience, and reflects the fact that youth are more likely to be in informal activities with lower entry requirements. The non-intuitive result that rural earnings exceed urban earnings is a consequence of the exclusion of the unpaid workers from the data (so that all of the earnings are attributed to the head of enterprise). Unsurprisingly, the link between earnings and household poverty is significant: The median earnings of the poorest consumption quintile are only one fifth of that of the richest quintile.

65. **Formal sector workers earn more than non-farm informal sector workers, but there is also scope for higher earnings opportunities in the informal sector.** Figure 17b shows the density function distribution of formal and informal sector earnings. The formal sector earnings are distributed farther to the right (i.e. at higher levels of earnings) than informal sector earnings. However, there is an overlap between informal and formal sector earnings, showing that non-farm informal sector is a diverse segment with different earnings opportunities, both high and low. At a disaggregated level, the data show that the gender gap in earnings shown in the figure

above is entirely due to a tremendous gap in earnings between male and female in the non-farm informal workers. There is no wage premium for men in the formal sector. Multivariate analysis does not provide any significant results with respect to the impact of education on earnings, however (Tables A3 and A4, Annex 1).

Figure 17: Median Earnings by Different Characteristics



Source: Author's computation on EICVM 2009/10.

66. Welfare levels – measured by consumption levels – are higher in the formal sector, and increase with skill level, pointing to the importance of expanding access to post-primary levels of education.⁶ While the earnings data are problematic, multivariate analysis offer a more robust correlation between informality and consumption levels, and between education and consumption levels, controlling for other characteristics. The impact of formal sector employment on consumption is four times as high as for the informal sector. Education levels (of the household head) also have a significant and exponentially increasing impact on consumption levels. However, the positive impact begins as of completed primary level (Table A5).

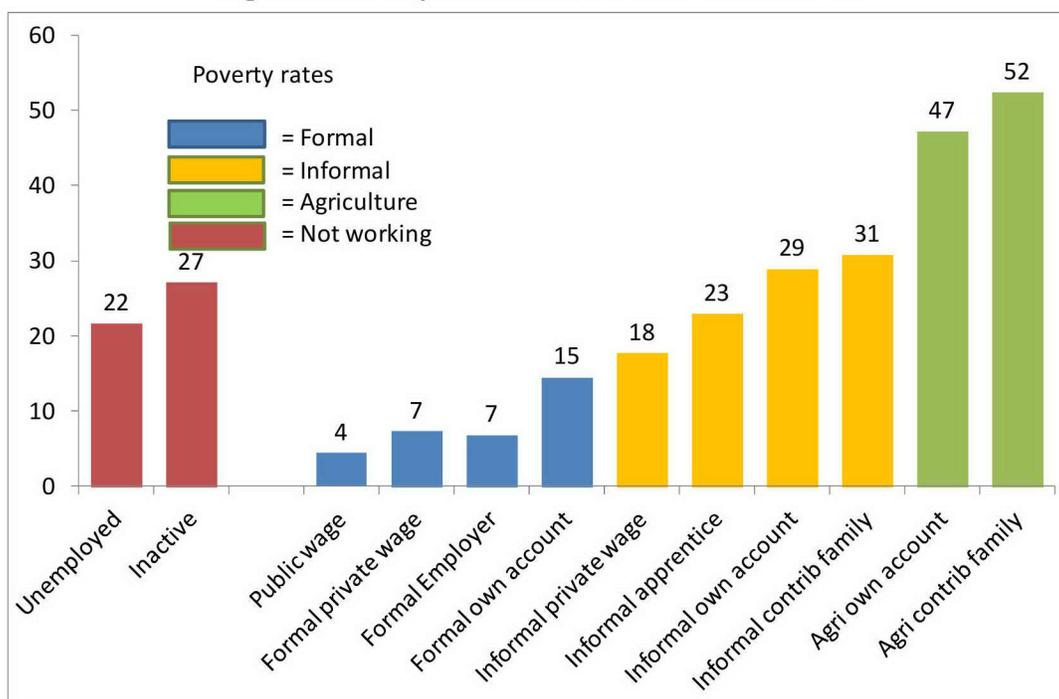
67. Similarly, poverty is not linked to whether one works or not, but to what forms of work one has access to. Thus, poverty is almost twice as high among the employed (44 percent) as among the unemployed (22 percent), and significantly higher than for the inactive (27 percent). These links point to the high level of subsistence and distress work in Burkina Faso. Even in urban areas, poverty is higher for the employed population though the difference to the unemployed is small (Figure 10).

68. The risk of poverty is strongly related to sector of work and working in the public sector decreases the probability of being poor. Access to a job in sectors that offer higher

⁶ Consumption is a household level measure, whereas earnings are an individual measure. As such, consumption levels have less precise links to individual characteristics. Although a person's consumption level is likely to be strongly related to that person's earnings levels, consumption is also influenced by other factors, including size of household and earnings of other family members. In the case of Burkina Faso, however, earnings are largely a household measure as well, as the share of contributing family workers is very high in both agricultural and non-agricultural activities.

earnings is what keeps workers and their families out of poverty. Those employed in agriculture suffer the highest risks of poverty – almost half of the agricultural workers are poor. While poverty rates remain high in the non-farm informal sector, especially in rural areas, only 30 percent of the non-farm non-wage (own account or contributing family worker) are poor, compared to around half of those employed on the farm. Poverty is always higher in the informal than formal sector, however, and within each sector, wage workers are less poor than non-wage workers. The poorest groups among non-farm workers are the own account workers and the contributing family workers in the informal sector. It is also clear that access to public sector work dominates all forms of private enterprise in terms of lowering poverty: Only 4 percent of public wage workers are poor. Finally, poverty risks are in the same range for the informal sector non-wage workers as for the unemployed or inactive (Figure 18).

Figure 18: Poverty Rates and Access to Jobs and Sectors



Source: Estimates based on EICVM 2009/10.

Main Conclusions

69. **Since most people in Burkina Faso work, the main challenge is not the number of jobs, but the poor quality and earnings prospects of those jobs.** Because of high poverty, nearly everybody has to work. Thus, men and women, urban and rural residents, and even a majority of children and the elderly are employed. As shown based on the latest household survey data, poverty rates are twice as high among the employed as among the unemployed, and median earnings are low. Thus, the main challenge that lies ahead for Burkina Faso is not to reduce unemployment *per se* but to create opportunities for more productive, less volatile, and higher earning jobs for the rapidly growing population.

70. Poverty is high among the working population because these jobs do not offer income opportunities. Most people are still locked into agriculture, and even non-farm activities are mainly low productivity, low skill jobs. In contrast, those vulnerable to unemployment are primarily non-poor, educated, and urban youth. Moreover, as a consequence of high poverty and lack of access to schooling, about 60 percent of children aged 7-11 work – both a symptom and a cause of high poverty. Thus, child labor is a real issue in Burkina Faso.

71. The non-farm informal sector is likely to constitute a major source of job growth in the foreseeable future. The evidence points to a minute private formal sector absorbing less than 130,000 people. Instead, the vast majority of youth (and adults) is involved in informal activities, especially in urban areas, and females have much easier access to informal than formal work. If labor successfully diversifies out of farming, the informal sector is likely to be the main source of non-farm work. Available information confirmed that the average earnings in this employment exceed that in agriculture but fall below the formal sector. The non-farm informal sector also plays a positive role in the reduction of poverty. Thus finding ways of improving the productivity growth in the non-farm informal sector and lower barriers to mobility between the informal and formal sectors are critical.

72. The levels of skills are low in Burkina Faso, even when measured at the most basic level. Basic capacities like literacy form the basis for further skills development (whether on the job or in school); but the majority of the population in Burkina Faso is illiterate. The access to some levels of education is associated with work in the non-farm sector compared to subsistence farming, and those with higher levels of education are almost exclusively in the better paying formal sector. Helping the population increase their earnings capacity will therefore require expanding access to schooling and addressing the skills development needs of children and youth already in the workplace. In the chapters that follow, we attempt to examine evidence for Burkina how the productivity and mobility between the informal and formal sectors can be improved.

73. Finally, the high level of working poor shows that safety nets remain critical to help households manage risks. Even with high growth rates, a vast majority of the population will remain in low earnings and volatile sectors of work, facing high income and food insecurity. Hence, social safety net strategies are needed.

CHAPTER III: DEVELOPING LABOR MARKET

RELEVANT SKILLS – EDUCATION AND TRAINING

A. Labor Market Relevant Skills

74. **Skills are a comprehensive concept that goes much beyond formal education.** Labor market relevant skills are not synonymous with “level achieved in formal education” or “years of schooling,” although many studies, including the present one, are limited to approximating skills with education achieved. First, there is significant evidence that labor market outcomes are driven by a much broader set of competencies, including cognitive skills (problem-solving qualities) and non-cognitive skills (workplace and people skills) (Box 7). Being self-employed, for example, goes beyond technical skills and includes entrepreneurial and client-oriented abilities. Moreover, education levels do not measure differences in the quality of education, which impacts the skills set – for example, have children who have gone through a few years of school actually able to read and write? And finally, the technical skills produced may not be labor market relevant that is not the type of skills that firms demand from potential employees or that are useful to the self-employed. The high levels of unemployment of university graduates point to this kind of mismatch.

Box 7: What Do We Mean by Skills for the Labor Market

Labor market relevant skills are a comprehensive concept of capabilities and aptitudes that go much beyond, for example, literacy and include:

- **Cognitive skills:** problem solving, analytical, logical, memory, can be measured by IQ tests.
- **Non-cognitive skills:** people and workplace skills including communication skills, reliability, responsibility, perseverance, team work capacity, stability, openness, innovativeness, self-confidence, etc.
- **Technical skills:** combine cognitive and non-cognitive skills in performing various tasks. These skills involve acquired know-how for performing certain functions and achieving specific outcomes.

These different traits influence labor market outcomes in several ways, by influencing educational outcomes (discipline is an important non-cognitive skill for success in schooling), career choices, and the ability to adapt to job-specific skills and circumstances. They also determine the abilities of workers to deal with shocks (unemployment, demand shocks to one’s business) and their ability to move between sectors.

Source: Robalino (2010).

75. **Developing skills is a long term venture that starts in early childhood and continues beyond formal and non-formal education and into the world of jobs.** The formal and non-formal education systems provide degrees and in some cases specific competencies (e.g., literacy). The technical and vocational training system, whether public or private, provides specific training for vocations or specific technical skills for labor markets or further study. Enterprise-based training includes on-the-job training, shorter courses as well as formal and informal

apprenticeships. A range of actors, public and private, are consequently involved in skills formation.

76. Progress on the goals for Education for All (EFA) is insufficient in Burkina Faso as in many countries elsewhere in Africa. Chapter 2 showed that on average, the levels of education and the degree of sophistication of jobs is very low in Burkina Faso. The 2012 UNESCO Global Monitoring Report shows that progress is slowing down, especially in Sub-Saharan Africa, and that the goal of universal primary education is very far from being achieved (UNESCO, 2012). At the same time, external financing for education initiatives is dwindling. This chapter reviews the education and training system, with a view to highlighting challenges and policy proposals.

B. Government Policy

77. In the past decade, Burkina Faso has put significant emphasis on increasing access to education for its population and improving quality, concentrating on basic education and literacy. Having arrived at the last stage of the *National Education Plan 2002-2012*, the government has developed a new Strategic Development Program for Basic Education (*Programme de Développement Stratégique de l'Éducation de Base 2011-2020: PDSEB*) to: (i) ensure access to basic education for all children, and (ii) provide literacy and training programs for youth and adults alike who are unschooled, dropouts, and graduates from the formal or non-formal systems (Ouedragao et al, 2011). Over time, more emphasis has been placed on increasing the quality of education in parallel with access, and on increasing equity in access between boys and girls and between different areas. A set of priority communes (48 in 2010, accounting for less than 10 percent of the school age population) with particularly low education indicators have received special attention.

78. TVET recently has come to the fore as a means of addressing the lack of productive employment on the one hand, and the large numbers of school dropouts with low skill levels on the other. The Action Plan for the National TVET Policy (*Plan d'Action de la Politique Nationale de EFTP*) was adopted in late 2010. Its purpose is to harmonize the system and attract more youth into different TVET programs, by increasing the linkages between TVET and different forms of education, as well as through accreditation and equivalence systems that recognize achievements and competencies irrespective of where these were acquired. The Action Plan lays out human resource needs in priority sectors for economic and social development in the Poverty Reduction Strategy (SCADD), particularly agriculture and livestock, crafts and trade, construction, culture/tourism, mining and energy, ICT, and transports. Given the high number of low educated and rural youth and the preponderance of the informal sector and self-employment, the Action Plan accentuates, among others, workplace training, apprenticeships, and literacy. The goal is to more than double the number of students in the TVET system from under 40,000 in 2010, to over 90,000 in 2015.

79. To address the high levels of illiteracy, an accelerated literacy program (*Programme National pour l'Accélération de l'Alphabétisation: PRONAA*) was implemented with the goal of producing some 1 million additional literate persons through the non-formal system (in addition to those who are expected to become literate through formal schooling). Given nearly 2 million youth were illiterate in 2009/10, according to the household survey, such

initiatives will be essential to increase employability and productivity of the low-skilled working population.

80. **The objective of the SCADD 2012-2016 is to increase access to education at all levels, with particular attention to higher education and vocational training.** The SCADD aims to increase the employability of youth and to develop human resources in line with potential growth sectors. Specifically, (i) increase the supply of education and training with particular focus on higher education; (ii) improve the quality of education overall; (iii) create additional universities and centers of excellence to train those who have completed secondary education; (iv) strengthen the training programs; (v) strengthen the transition between education and training programs; (vi) accelerate the literacy program to reach the MDG indicators; (vii) introduce mechanisms to monitor results; (viii) improve the quality of teachers; (ix) reduce the ratios of students to teachers; (x) develop an early childhood strategy; and (xi) implement the recent education and vocational training strategy. Unless children are kept in school through the primary cycle (lifting literacy across society), the more modern economy premised on higher education cannot be achieved.

C. Institutional Framework

81. **Essentially, Burkina Faso has three sources of skills development: formal education, non-formal education (literacy and vocational training), and informal training.** The system includes a number of different public providers as well as private for-profit and non-profit organizations. The public sector includes the following key ministries: Ministry of Social Action and Solidarity (MASSN), in charge of pre-school education; Ministry of Basic Education and Literacy (MEBA), in charge of primary, lower secondary, and literacy/non-formal vocational training; Ministry of Secondary and Higher Education and Scientific Research (MESSRS), in charge of higher secondary, higher education, and science and research; Ministry of Youth And Employment (MJE), in charge of vocational training; and a number of other ministries (e.g. Agriculture) involved in TVET through their different training schools.

82. **The formal education system was reformed in 2009.** The starting age for primary school was changed from 7 to 6 years old so that basic education included 6-15 year olds. Basic education is now both compulsory and free of charge, with the system organized as follows (Figure 19):

- **Pre-school education (3-6 year olds):** provided by public and private, formal, and non-formal structures.
- **Primary education (6-11 year olds):** a six-year cycle divided into three cycles of two years each (CP, CE, and CM); the primary level certificate is CEP.
- **Post primary and secondary (12-18 year olds):** The post primary cycle (three or four years) aims at consolidating the achievements from primary education and prepare students for secondary education or working life. This levels ends with a diploma of basic education. The secondary level is a two or three year cycle leading to baccalaureate.
- **Technical and Vocational Training (after CEP or BEPC):** focuses on teaching a vocation or technical abilities. The TVET system in Burkina Faso provides training at three

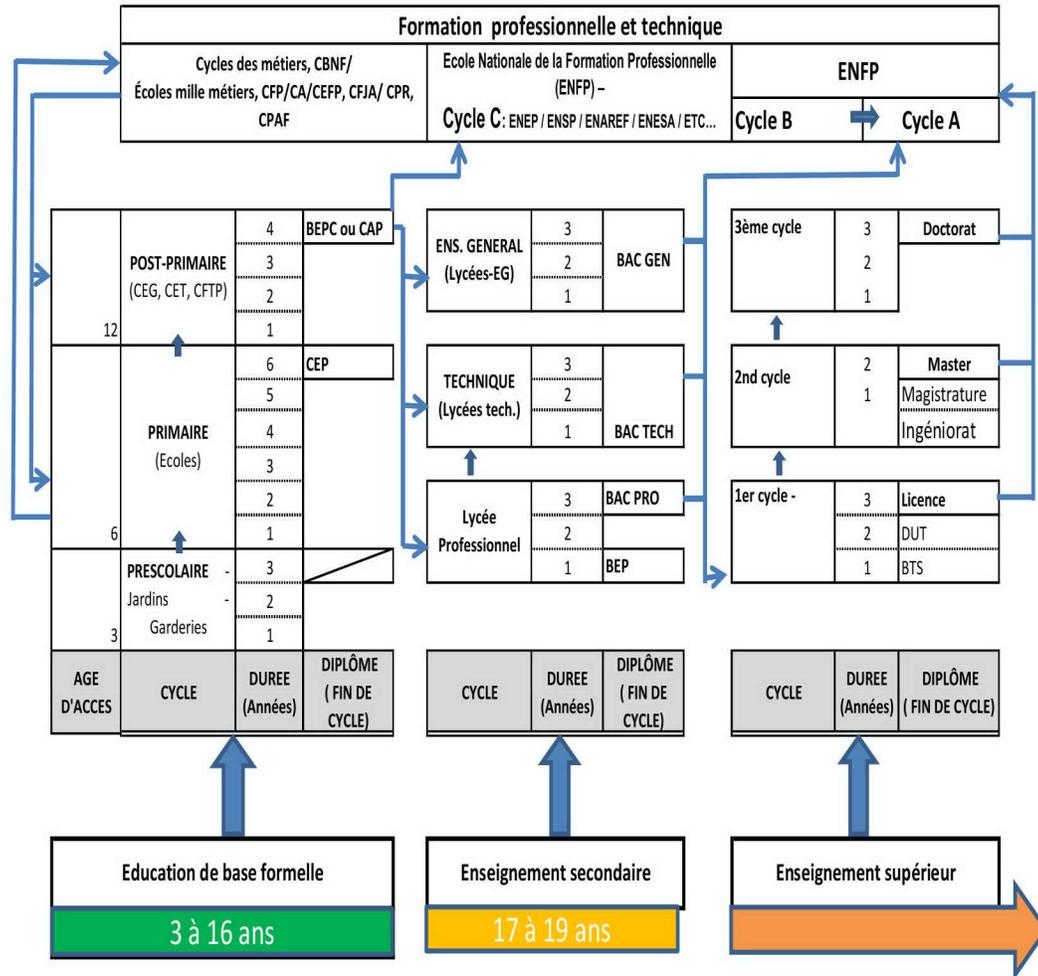
certificate levels: CAP (*certificate d'aptitude professionnel*); BEP (*brevet d'éducation professionnelle*); and BAC Technique (*baccalauréat technique and le brevet de technicien*). Trainings can be accessed directly after completion of the primary or lower secondary level; they last between two and four years.

- **Higher education** (e.g. University level and *Grandes Ecoles*).

83. **A considerable supply of non-formal education exists in Burkina Faso**, largely organized around initial literacy and alternative forms of basic education. The non-formal education system includes:

- **Non-formal basic education centers (CEBNF)** are alternative structures that receive unschooled and dropout children and youth between the ages of 9 and 15 and offer them basic education. The purpose is to either help the youth matriculate (back) into the formal education system, continue to vocational/technical training, or enter the labor market.
- **Permanent literacy and training centers (CPAF)** receive youth and adults aged 15-45, and provide literacy training and (sometimes) vocational training.
- **Different initiatives by NGOs and donors** also exist in parallel with public efforts.
- **Informal training** is enterprise-based (e.g. informal apprenticeships) or family-based forms of training.

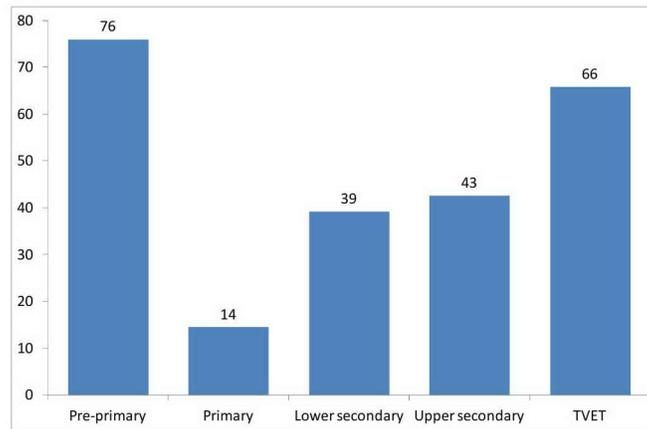
Figure 19: Schema of the Structure of the Reformed Formal Skills Development System



Source: Dalbera (2012).

84. **Private institutions accommodate a fairly important share of students.** Private providers account for about 40 percent of those enrolled in secondary education. The majority of pre-primary and vocational students are in private institutions (Figure 20), while primary education is dominated by public institutions. However, because enrollment in primary education represents 75 percent of all school enrollment (excluding higher education), three out of four students are in public schools.

Figure 20: Share of Private Enrollment in Total Enrollment



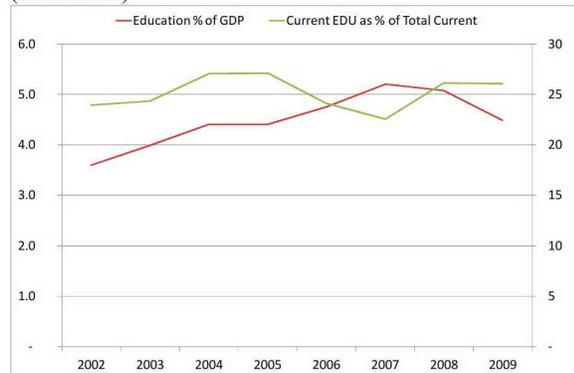
Source: UNESCO (2010).

Expenditures

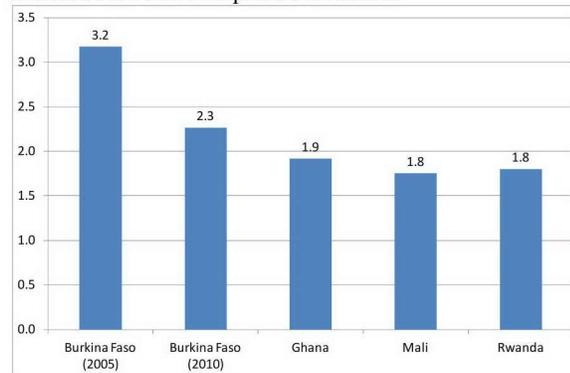
85. **The importance given to education has been reflected in increasing levels of public spending.** Total education spending (investment and recurrent) accounts for between 4 and 5 percent of GDP – more or less in line with other Africa countries – while recurrent public spending on education accounts for over 20 percent of total public recurrent expenditures (Figure 21a). Spending on education has increased as a share of GDP since 2002, but declined in 2008 and 2009. The major share of expenditures is allocated to primary education. Although the share of primary education expenditures in GDP has declined over time, Burkina Faso spends more, relative to the size of its economy, than Ghana, Mali, or Rwanda (Figure 21b).

Figure 21: Importance of Education in Public Spending

a. Share of Education in GDP and Public Expenditures (2002-2009)



b. Public Expenditures on Primary Education as % of GDP, Burkina Faso and Comparator Countries



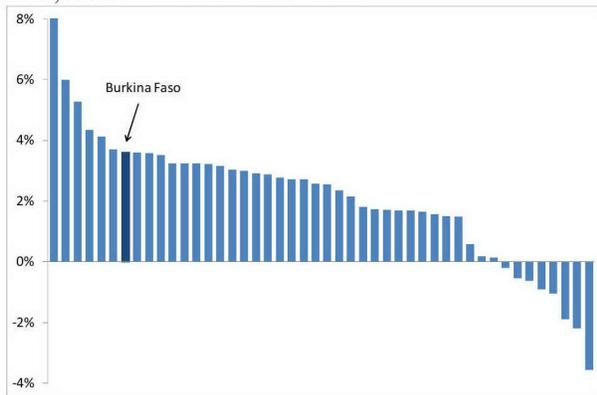
Source: Government of Burkina Faso (2010: a), UNESCO (b).

86. **The combination of high population growth and a lack of flexibility in spending imply that expansion is likely to take place at the expense of quality of education.** Population pressures continue to be high in Burkina Faso (Chapter 1). The school age population increased by 4 percent per year in the period 2005-2010– one of the highest rates in Sub-Saharan Africa,

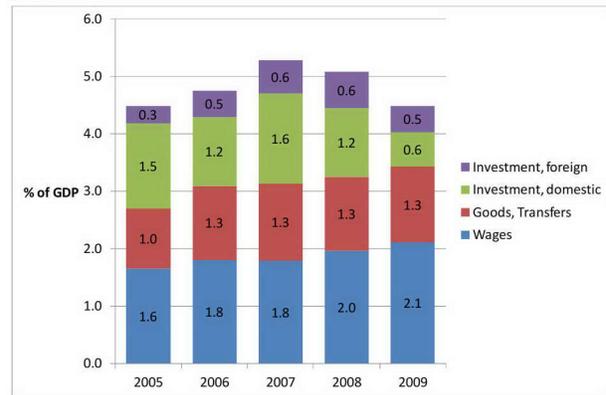
which means that the system needs to accommodate an additional 80,000 children each year (Figure 22a). There is moreover little flexibility in expenditures as most is allocated to wages or draws on externally financed investments, which vary over time depending on donor priority. The wage share has been on the increase and by 2009, wages accounted for nearly half of all expenditures on education (Figure 22b). The dependence on external financing also introduces high volatility in the education investment expenditures. A result, only a limited share of expenditures can be allocated to reduce inequality through transfers or other forms of targeted policies (World Bank 2009).

Figure 22: High Population Pressures and Limited Flexibility

a. Annual Increase in Primary School Age Population, 2005-2010, Sub-Saharan African Countries



b. Burkina Faso: Education Expenditures by Type, as % of GDP

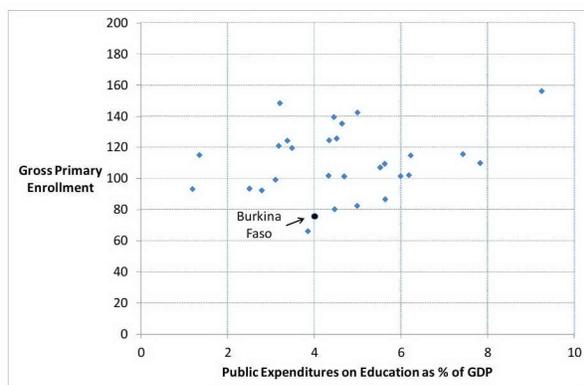


Source: Estimates based on UNESCO (2012: a), Dalbera (2012: b).

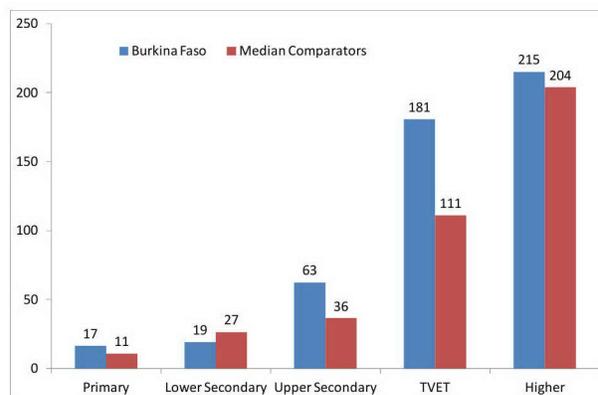
87. Spending appears to be inefficient. A comparison with Sub-Saharan African (SSA) countries suggests that other countries, save Niger, have achieved higher enrollment rates with the same or lower levels of spending on education (Figure 23a). This lack of efficiency may result from high unit costs of education. Data from 2006 shows that with the exception of lower secondary, Burkina Faso is on the high end of unit costs for each level of education (Figure 23b). In particular, the TVET sector appears to be very expensive compared to other countries, although primary level education (which absorbs the largest share of education expenditures) is comparatively expensive as well. Tertiary education is more than 20 times as expensive as primary level education. The high unit costs at higher levels, together with the inequitable access to higher education in (see below), indicate that public expenditures on education in Burkina Faso are regressive and favor children and youth from more well off families.

Figure 23: Efficiency in Education Spending

a. Expenditures on Education and Primary GER, Sub-Saharan Africa (2010 or latest)



b. Unit Cost of Education as % of GDP Per Capita, Burkina Faso and (median) for a Comparator Group in Africa¹



2006 for Burkina Faso. Comparator group: Benin, Cameroon, Côte d’Ivoire, Guinea, Madagascar, Mali, Mauritania, Niger, CAR, Senegal, Chad, Togo. Source: UNESCO (2012:a), Kamano et al (2010:b).

D. Outcomes

88. Although the education system in Burkina Faso deserves credit for having increased access significantly over the past 10 years, educational attainment is very low, even compared to other countries in the region. Major issues that need to be addressed include very early dropout for the majority, highly inequitable access, problems of quality that affect delivery at all levels of education, and low labor market relevance of vocational and higher education training – from which the vast majority of the population are excluded. Moreover, despite progress in school enrollment, coping with illiteracy remains an enormous challenge and significant disparities transcend gender, region, and income levels.

Pre-School, Primary, and Secondary Education

89. **Almost no children have access to pre-school activities.** In Burkina Faso, the children enrolled in pre-school make up less than 3 percent of the relevant age group. In general, it is reserved for non-poor families and with concentrations in Ouagadougou and in private institutions. Pre-school education is but one part of a broader set of policies relating to early childhood care and development (ECCD), through which a combined set of policies in health, nutrition, and education can help stimulate child development and improve employability and earnings opportunities. Since “skills beget skills and capabilities foster future capabilities” (Heckman 2008, p. 21), investments in early childhood development, including through different initiatives to develop children’s cognitive capabilities, are cost-effective compared to interventions later in life (Box 8).

Box 8: Early Childhood Care and Development in Burkina Faso

It is by now well recognized that a nurturing environment in early childhood is a major determinant of future opportunities, and that investments in the very young pay off much more than interventions later in life in terms of raising employability and earnings over the lifetime. Good nutrition, adequate health services, a caring environment, and stimulating activities can thus have a tremendous positive impact on children's future learning capacity and income growth (see, for example, Heckman 2008, UNESCO 2010). From the perspective of policy, this involves supporting the delivery of services to children (nutrition, health care, and education), training service providers, and educating parents and other caretakers in good practices.

In Burkina Faso, indicators for nutrition and health are generally poor; nearly one in five children dies before reaching the age of five. Moreover, the high frequency of shocks is likely to have long-lasting effects on child development.

To respond to the deficiencies, especially in health and nutrition, Burkina Faso has elaborated a National Strategy for Integrated Early Childhood Development (*La Stratégie Nationale de Développement Intégré de la Petite Enfance: SNDIPE*). The strategy is focused on providing more and better child care and protection of children and mothers. The Ministry of Social Action (*Ministère de l'action Sociale et la Solidarité Nationale: MASSN*) is responsible for developing initiatives in rural and semi-urban areas through non-formal initiatives. However, outreach remains very limited.

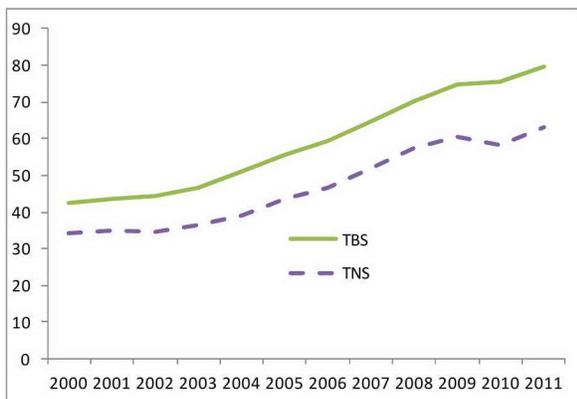
Source: Authors.

90. **Burkina has made very important progress on increasing access to primary education for children.** The number of children in primary school increased from under 1 million to over 2 million between 2000 and 2010, a net increase of over 100,000 children each year (Ouedragao et al. 2011, MEBA 2011). As a consequence, gross enrollment rates (GER) increased significantly, from 46 percent in 2000 to 79 percent in 2011 (Figure 6a).

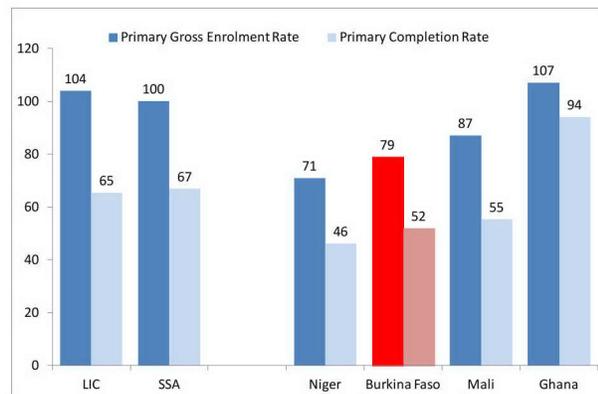
91. **However, when over-age children in primary school are excluded (late starters, repeaters), only six out of ten children in the age group 6-11 are actually enrolled in school.** Unfortunately, Burkina's enrollment rates remain low even compared to neighboring countries (Figure 6b) and are the third lowest in Sub-Saharan Africa, exceeding only those of Eritrea and Niger (World Bank 2012b).

Figure 24: Enrollment in Primary Education

a. Primary Gross and Net Enrollment Rates (2000-2011)



b. Primary Gross Enrollment and Completion Rates, Burkina and Comparators (2010 or latest)



Source: World Bank (2012b).

92. **Significant attrition throughout the system means that a majority of children and youth end up in the labor market with little more than a few years of education.** Enrollment rates also disguise important fall-outs each year. Data from 2006/07 show that retention of

children in the system is poor and that most Burkinabe children exit school in the early years of primary school. Although, in 2006, eight out of ten 7 year-olds entered primary school, one left during the first year; by fourth grade (age 10), only half of those children remained in school; and only three children entered the last year of primary (age 11) (Box 9). Admittedly, primary completion rates have increased significantly since 2007 but remain at just over 50 percent (Figure 6a).

Box 9: Children Leaving School in Burkina Faso

In 2006, serious attrition problems were shown early in the formal education system:

Out of ten children aged 7,

- Two never had any access to primary school (CP1) at all.
- By the age of 10 (CM1), only four out of ten children were in school.
- At the age of 12, entering junior secondary school, only two children remained in the system.
- Reaching upper secondary at the age of 16, less than one in ten remained in school.

Source: Kamano et al (2010).

93. **Access to secondary school remains very low.** Gross enrollment in junior secondary school has doubled since 2000, but the GER remained at 28 percent in 2010, with upper secondary at only 10 percent. Thus, in spite of important achievements in access, Burkina Faso’s population has very limited access to education. This holds true when compared to other neighboring low income countries as well (Table 13).

Table 13: Gross enrollment rates, Burkina Faso and comparators

	Primary	Lower Secondary	Higher Secondary
Niger	71	19	4
Burkina Faso	79	28	10
Mali	82	48	24
Ghana	107	83	39

Source: World Bank (2012b). Latest year available.

94. **Although inequalities have been reduced over time, opportunities are uneven.** Among the sexes and especially at higher levels, girls are excluded; by regions, the central regions have higher access; and among rich and poor, the poor remain significantly excluded. Gender gaps in primary enrollment have narrowed significantly over time. However, disparities increase over the school cycles, as a result of higher dropout among girls. By higher secondary school, the enrollment rates of girls are only 60 percent of those of boys (Table 14).

Table 14: Gross Enrollment Rates, Girls and Boys, and Gender Parity Gaps

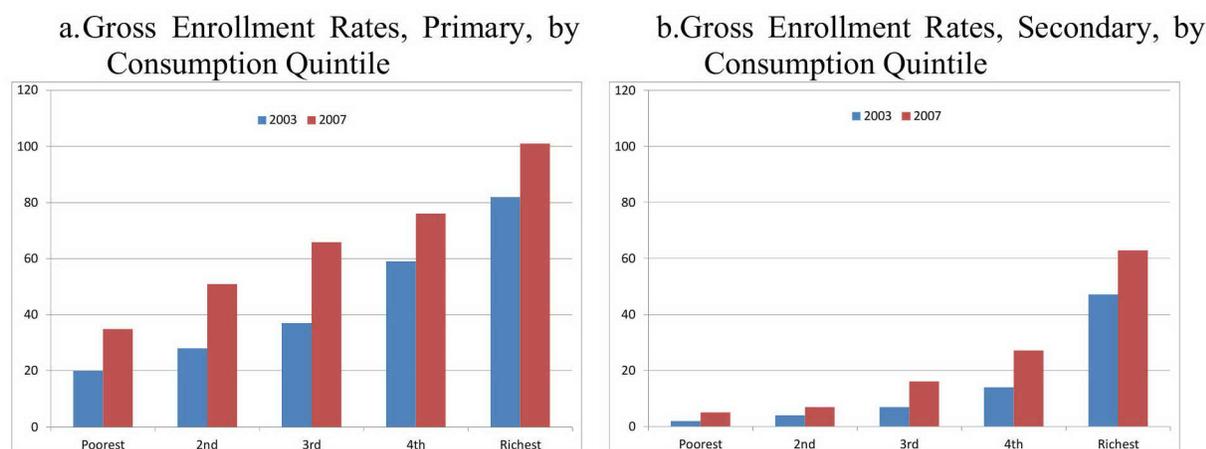
	2000			2011		
	Girls	Boys	Gender Parity	Girls	Boys	Gender Parity
Primary	35	49	71%	76	82	93%
Lower Secondary	11	15	70%	28	34	82%
Higher Secondary	3	6	49%	7	12	60%

Source: UNESCO, (2012).

95. **Poor children are much less able to attend school.** Only one in three children belonging to the poorest 20 percent of the population was in primary school in 2007, while GERs were universal for the richest group. If the access for the poor had increased proportionally with the national rate since 2007 (by one fifth), enrollment rates for the poorest quintile would still be less than 50 percent. Unsurprisingly, the disparities deepen over the school cycle. Moreover, for secondary education, the gap between poor and rich children actually increased between 2003 and 2007. These gaps suggest that different constraints, including the cost of materials, clothing, opportunity costs of time in class, distance to schools, or lack of perceived benefits of education, limit the options for poor children. Given the importance of education for earnings opportunities, these sharp inequities in schooling risk cementing inequalities and poverty over generations (Figure 24).

96. **In terms of access, regional differences are significant.** Overall primary enrollment rates in the Sahel and eastern region remained at 45 and 54 percent in 2011, compared to significantly higher levels in the central and more urbanized regions. Dispersed school infrastructure may explain part of this: Analysis of 2007 data show that a distance of more than half an hour to school has a strong negative effect on the enrollment of children in the first grade (Kamano et al, 2010).

Figure 25: Access to Schooling and Poverty



Source : Kamano et al (2010)

97. **Quality and efficiency need strengthening. Poor quality is a critical problem of the Burkina system. As access (quantity) increases rapidly, as in Burkina Faso, it is not**

unusual that quality lags behind as systems are coping with a high number of additional students. The high level of dropouts throughout basic education could be due to poor quality of training and/or failure to learn, to high direct costs of schooling in terms of books and other materials, and to the indirect opportunity costs of education due to need to contribute to household income. Given the high poverty levels in Burkina Faso, the two latter factors that bar equitable access are likely to play an important role, but several indicators also point to problems of quality. Overall, achievements in terms of increased nominal access to education is likely to be undermined by low teacher quality, high rates of teacher absenteeism, and limited numbers of actual days of attendance in schooling. The average number of students per teacher in primary school is high (54 to 1 in 2011) and has increased over time. More than half of the schools have no access to water, and in the poorer and less dense regions, one in five children travels a long way to school. Were all eligible children in school, there would be 75 children in each classroom (Table 15). As many as 30 percent of sixth grade students repeat their class, increasing costs and crowding. Among adults who have completed as many as six years of school, less than half are effectively literate (Kamano et al., 2010) and among youth (15-29), only about half are able to read and write. Multivariate analysis of scores in comparable tests suggests that lower achievement is related to gender (girls are more likely to fail), late entry in school, rural location, and public schools (Kamano et al., 2010).

Table 15: School Infrastructure and Crowding

Regions	% Incomplete Schools	% Schools Without Water	% students with more than 3 km to School	% Classrooms in Bad State	% Deficit in Seats	School Age Population/ Number of Classrooms
Boucle du Mouhoun	74	57	7	12	19	74
Cascades	81	40	19	17	33	81
Centre	41	82	22	3	9	41
Centre Est	63	64	20	12	20	63
Centre Nord	74	72	14	13	19	74
Centre Ouest	72	54	18	16	20	72
Centre Sud	75	61	18	8	19	75
Est	80	53	18	20	24	80
HautsBassins	58	59	15	10	23	58
Nord	56	52	9	20	28	56
Plateau Central	69	57	19	18	24	69
Sahel	87	48	13	21	27	87
SudOuest	84	54	21	13	22	84
Burkina Faso	68	59	16	13	21	68

Source: MEBA (2010).

98. **The primary education targets set out in the SCADD are unlikely to be met.** Aligned with the Millennium Development Goals, the SCADD sets out targets of gross and net enrollment of 100 and 70 percent respectively, and youth literacy at 60 percent, albeit with a more modest target on the primary completion rate (Table 16). However, unless progress accelerates significantly, these indicators are not likely to be met. More particularly, the gap vis-à-vis actual primary completion rates (52 percent) and those targeted for 2015 (76 percent) is significant.

Table 16: SCADD Education Targets and Actuals

	SCADD Baseline	Latest Actual	Target SCADD 2015
Gross Enrollment Rate, Primary	75 (2009)	79 (2010/11)	100
Net Enrollment Rate, Primary	57 (2009)	61 (2010/11)	70
Completion Rate, Primary	46 (2009)	52 (2010/11)	76
Youth Literacy (15-24)	39 (2007)	47 (2009/10)	60

Source: Government of Burkina Faso (2011), for actuals: MEBA (2010), for access and completion rates, and EICVM for literacy rates.

99. **In 2009, some 2.6 million children and youth between ages 6 and 18 were out of school.** This is the corollary of the high rates of child and youth labor in Burkina Faso. Indeed, the concept of 15 year olds as “new entrants on the labor market” is misconstrued in a country where six out of ten children have been out of school since the age of 10. Such early dropouts prevent the formation of even basic literacy and numeracy skills and are the source of significant vulnerability, lack of further opportunities for skills development, and poor prospects in the labor markets.

Higher Education

100. **Access to higher education is restricted,** with gross enrollment rates at 4.5 percent for men and 2.1 percent for women. In 2010, there were less than 10,000 university graduates. Again, this compares unfavorably with other countries in the region (Table 17a). Women are only half as likely as men to access university training.

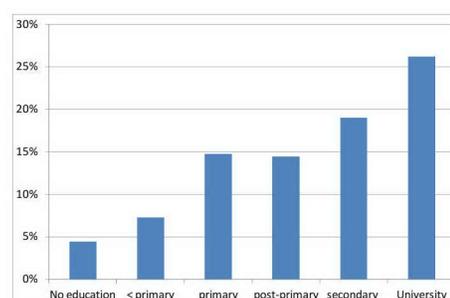
101. **Demand for (specific) types of tertiary education is low.** Most tertiary students (60 percent) graduate in social sciences, business administration, or law (UNESCO data). The fact that one in four of the young graduates is unemployed (Table 17b), in spite of the very limited number of tertiary students, illustrates a lack of connection between the education system and private sector demand. A mix of low demand for skills due to the undiversified economy and weak investment climate, poor relevance of training, and quality problems throughout the educational system make tertiary graduates less attractive case. These problems may be compounded by the influence of generous pay and working conditions in the public sector (Chapter 2), leading Burkinabe tertiary students to seek specializations that may pay off in public administration but that are less relevant in the private sector competitive market.

Table 17: Little Access to Higher Education and Lack of Labor Market Relevance

a. Tertiary Gross Enrollment Rates, Burkina Faso and Regional Comparators

	2003		2010	
	Female	Male	Female	Male
Burkina Faso	0.7	2.3	2.1	4.5
Ghana	4.0	7.2	6.7	10.8
Mali	1.5	2.9	3.4	8.1
Niger	0.5	1.6	0.8	2.2

b. Unemployment Rates in Urban Areas, 15-34-Year Olds, by Level of Education



Source: UNESCO (2012:a), Estimates based on EICVM 2009/2010 (b).

Technical and Vocational Education and Training (TVET)

102. **The provision of technical and vocational training is dispersed across private and public institutions.** As explained earlier, various institutions provide TVET: (i) the vocational and technical schools of the formal education system under the Ministry of Secondary and Higher Education and Scientific Research; (ii) the vocational training centers under the National Employment Agency in the Ministry of Labor; (iii) the training centers of the Chamber of Commerce; (iv) the schools of various ministries; (v) the training centers of parastatals in telecommunications, energy provision, and postal services (World Bank 2006); (vi) for-profit training providers, including private institutions that provide their own programs or run national programs; and (vii) non-profit organizations, both NGOs and professional.

103. **The formal public TVET system incorporates a very small share of the population.** With only 40,000 students, enrollment in the vocational education system is less than 7 percent of the number enrolled in general secondary education. These institutions are fairly exclusive in the Burkina context – all require at a minimum primary school certificate, meaning that a majority of school dropouts are not eligible, and they are only available in four urban centers, primarily Ouagadougou and Bobo-Dioulasso. In 2008, in total, some 8,000 students were enrolled in public formal TVET. Secondary level formal TVET education accounts for a majority (80 percent) of public students, with another 20 percent in non-formal TVET provided by the programs under the Employment Promotion Agency (*Agence Nationale de la Promotion de l'Emploi: ANPE*) (Table 18).⁷

104. **Overall, the private sector dominates the provision of TVET.** Based on available information, private establishments take in about 20,000 students at the secondary formal level (Table 19). The system is dispersed across a myriad of small and largely unregulated institutions, and the provision of courses is not, in general, closely connected with market demand. Moreover, registration fees tend to be prohibitively high for most of the population (AfDB/OECD 2008). Although no consolidated information exists with respect to the entire TVET system, the ANPE training courses are overwhelmingly accessed by male youth. Women account for less than one

⁷ By 2010, the number of students enrolled in ANPE-run training had increased to 3,500 students, of which 70 percent were in dual training.

out of five students in the ANPE programs, and are concentrating almost exclusively in tailoring and building design.

Table 18: TVET in Burkina Faso (2008)

	Duration	Students	Establishments	Students/School
Secondary level TVET		25,587	114	
Public		6,065	11	551
Private		19,522	103	190
Non-formal (ANPE)				
Formations permanents		1,850	20	93
<i>Dual</i>	<i>3 years</i>	<i>1,561</i>		
Residential	<i>2 years</i>	<i>289</i>		
<i>Formations de perfectionnement</i>	<i>6 weeks - 7 months</i>	<i>1,155</i>		
<i>Formations aux métiers 10,000 jeunes</i>	<i>3 x 3 months</i>	<i>11,910</i>		
TOTAL		40,502		
<i>Public excluding «10,000 jeunes »</i>		<i>9,476</i>		

Source: Dalbera (2012).

Table 19: Types and Numbers of TVET Structures (2009-2010)

Public Institutions	
Technical Training Institutions	28
Vocational Training	78
Social Training Centers	7
Agriculture Training Institutions	7
Total 1	120
Private Institutions	
Technical Training Institutions	104
Vocational Training	152
Social Training Centers	16
Community Training	1
Agriculture Training Institutions	6
Transport Training Centers	2
Total 2	281
General total (Total 1+Total 2)	401

Source: MEBA (2011).

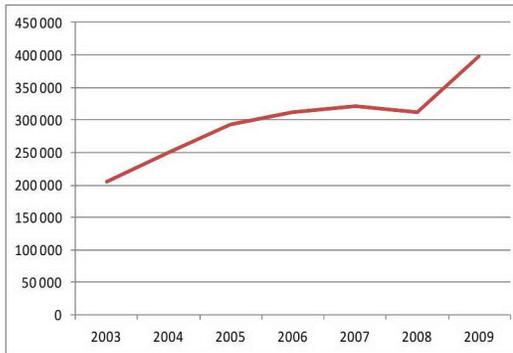
Non-Formal and Alphabetization

105. **Enrollment in non-formal education doubled between 2003 and 2009, suggesting high demand for non-formal education.** In the period from 2003 to 2009, the number of enrolled students in non-formal education doubled, from 200,000 to 400,000 (Figure 26a). Non-formal education involves literacy training (most important), alternative basic education training, and some vocational training. These different types of trainings are provided by both the public and private sectors, NGOs, and donors. The focus on literacy is consistent with the high number of early dropouts from the formal education system and the continued large gaps in terms of basic capabilities. However, given the large stock of illiteracy, even among youth, these trainings

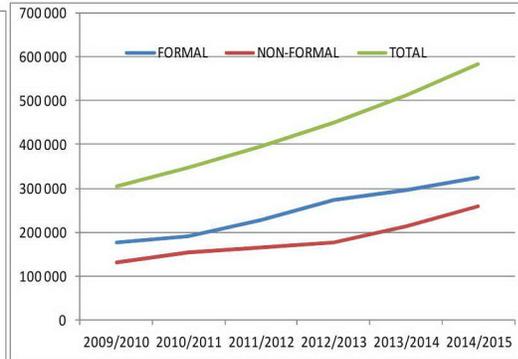
clearly need to be expanded. The accelerated literacy program (PRONAA) initiated by the government plans to raise the number of literate individuals through non-formal systems by 1 million between 2010 and 2025 (Figure 26b).

Figure 26: Demand for Non-Formal Education

a. Enrolled in Non-Formal Education



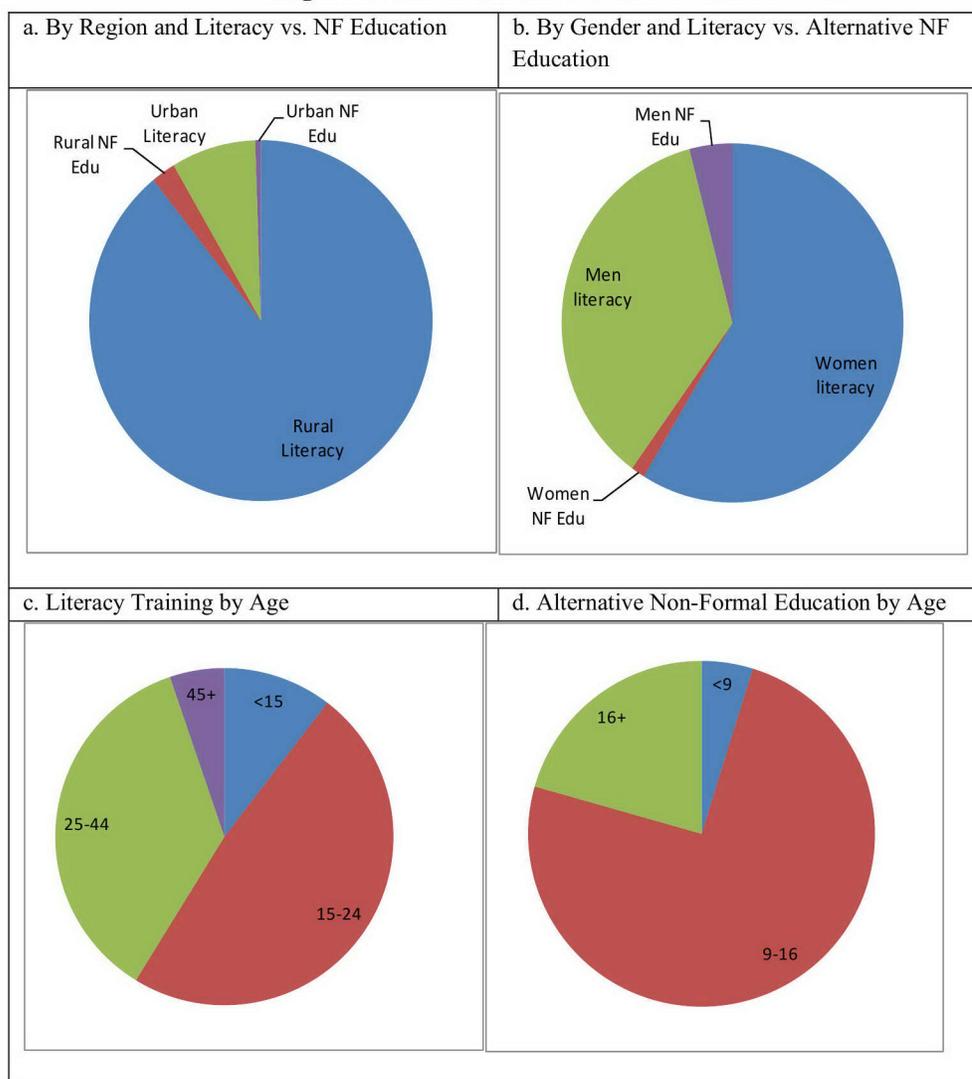
b. Youth Literacy Training, PRONAA



Source: Ouedragao et al. (2011)

106. **The non-formal system is dominated by literacy training in rural areas, and options for non-formal training in order to re-enter the formal basic education system are limited.** Rural literacy programs make up more than 80 percent of total enrollment in the non-formal education system, while alternative basic education makes up less than 5 percent, whether in rural or urban areas. There are consequently few options for those who have exited basic education to re-enter. Women also have greater access to literacy training, but there are more men (boys) than women (girls) in the alternative basic education. Most of the literacy training caters to working age youth (15-24 years of age), while the majority of students in alternative basic education are between 9 and 15 years of age (Figure 27).

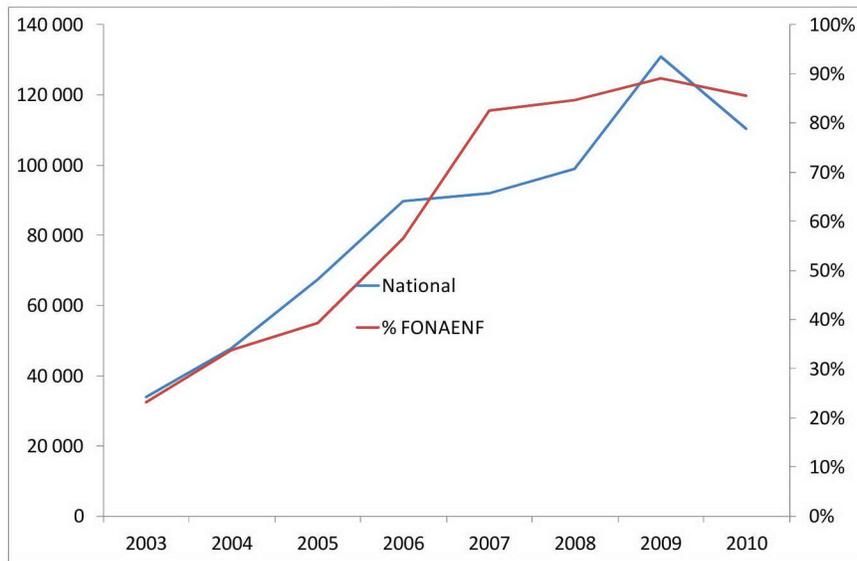
Figure 27: Distribution of Non-Formal Education



Source: MEBA (2010).

107. **Literacy programs appear to achieve some success in Burkina Faso.** The success rates of literacy programs are calculated based on the number of literate individuals evaluated as share of total entrants in the program. Overall, success rates appear to be high and increasing (from 80 percent in 2006 to over 90 percent in 2009). Literacy education received an impetus from the creation of the Literacy and Non-Formal Education Fund (*Fonds pour l’alphabétisation et l’éducation non formelle: FONAENF*) in 2002. The institutional set-up is quadropartite, with the State and local governments, training institutions for non-formal education, donors, and the private sector. FONAENF has successfully attracted increasing investment from various donors and the private sector is an example of the advantages of streamlining policy initiatives under one key program. By 2010, the national literacy programs were producing around 120,000 literates per year, of which between 80 and 90 percent from FONAENF (Figure 28).

Figure 28: Number of Graduating Literates and the Share of FONAENF



Source: FONAENF Annual Reports.

108. **Nonetheless, the system continues to suffer from difficulties**, notably: lack of perceived value of training, low level of quality of training for reasons of low capacity of students due to poverty (malnutrition) or poor level of instruction, language difficulties, social and cultural constraints on women’s participation, and lack of appropriate certification at the end of studies (MEBA 2010).⁸

Enterprise-Based Training

109. **The formal private sector appears to provide opportunities for training.** No information on enterprise-based training is provided in the household surveys. The World Bank manufacturing enterprise survey from 2009 suggests, however, that there is provision of training to workers in the formal sector (Table 20). This is consistent with evidence from other Sub-Saharan countries, where enterprise training (other than traditional apprenticeships) is more frequent in the higher earning sectors, and is correlated with the education levels of workers. In the case of Burkina Faso, one out of four surveyed firms did provide training to its workers, covering about 40 percent of workers. The training incidence is lower in smaller firms than in larger firms and is much more common among exporting firms and foreign-owned firms than among non-exporting firms or domestic ones. Moreover, these trainings are mainly provided to more educated workers and do not benefit the low skilled ones. Smaller firms are less selective in providing training to low skilled and high skilled.

⁸ A national commission for trade certification and training programs (Commission Nationale de Certification et des Programmes de Formation :CNC – PF) is responsible for piloting a trade certification program. So far, the program has had limited reach, is present in 6 out of 13 regions, and certifies only 7 different trades (métiers). Between 2006 and 2010, some 600 youth per year received a certificate.

Table 20: Share of Firms who Train their Workers in Burkina Faso

Small (5-19)	17
Medium (20-99)	40
Large (100+)	40
Exporters	50
Non-exporter	23
Domestic	24
Foreign ownership	35

Source: World Bank (2012c). Note: Refers to 2009.

110. The system of apprenticeship is widespread in Burkina Faso, although little quantitative or qualitative information exists. The traditional apprentice system is – for lack of available data – *likely* to constitute, by far, the most important form of training beyond primary level of education. The 2009/10 household survey shows that an estimated 7 percent of the employed population (i.e., about 500,000 people) were apprentices or interns. Most were in agriculture, but some 100,000 were apprentices in the non-farm informal sector – twice the number enrolled in TVET, even with a generous definition of TVET. The government estimates about 900,000 master crafts persons in Burkina Faso, many of whom have one or more apprentices (Government of Burkina Faso, *Plan d’Action EFTP*, 2010). In other countries, access to apprenticeship appears to be complementary with some basic functional capabilities like literacy and numeracy and/or some or completed primary education, again suggesting that access to basic skills is vital to access further forms of skills development, even informal and traditional ones (Adams et al. forthcoming).

111. These programs have been shown elsewhere to have both strengths and weaknesses. Strengths of the apprenticeships include the fact that they are self-financing – an apprentice can accept lower wages to work and/or production is combined with teaching – and as such may be more accessible to lower income segments, although the very poorest generally are excluded. They provide hands-on training as opposed to classroom teaching of technical tasks, and are directly linked to the actual labor/goods and services markets. Evidence from other African low income countries shows that apprenticeships also often suffer from a lack of connection with technological, organizational, and business management advances, and that the systems are fragmented with no oversight of quality of teaching and measurements of outcomes. The lack of standardization in the apprenticeship training means that its value may be reduced in the labor market as there is no guarantee with respect to actual skills acquired (Adams et al. forthcoming). There is also evidence that apprenticeships may exclude women.

E. Main Conclusions and Recommendations

112. Burkina Faso has been successful in expanding basic education, but many challenges remain, especially in view of the continued high population pressures on school systems. Policy needs to both address issues in improving the flow through the system and in dealing with the large stock of unskilled children and youth. Because of the nature of Burkina Faso’s economy, where few high or medium high skill jobs are likely to be created in the near future, and because of the large existing challenges in terms of access to education and basic skills,

focus needs to be on those basic skills and in particular literacy and numeracy. For current and future potential students, policy needs to focus on: (i) ensuring that children are enrolled in basic education and complete their studies; (ii) considering interventions on the demand side to reduce dropouts; (iii) addressing quality and equity issues; (iv) preparing for increasing demand for post-primary education; and (v) ensuring that the education and training system prepares youth for work. For the stock of unschooled youth, policy can help by: (a) raising functional capabilities like literacy and numeracy through non-formal programs; (b) providing second chance programs that reinsert youth into the formal education system; (c) improving the quality of the main skills development systems for youth - traditional apprenticeships - so that it offers skills recognized by employers and opens opportunities for further education; and (d) tracking education and training system performance and outcomes.

- **Completion of basic education:** Over the last decade, the government has put priority on primary education, but given the high dropout rate much still needs to be done in terms of increasing completion rates and expanding access to lower secondary. At the moment, a large majority of children leave the formal education system without a good educational foundation. Both demand-side and supply-side barriers need to be addressed. On the supply side, the government needs to continue expanding and upgrading, in particular, the network of primary schools in rural areas as well as primary and secondary schools in both rural and urban areas. On the demand side, further work is needed to understand how the direct costs and the opportunity cost of schooling is affecting the decision to keep children in school as well as the reasons for non-completion and for high repetition rates. Analysis of employment in Burkina Faso indicates that the transition out of subsistence agriculture requires primary education or more. This means that to achieve inclusive growth, the key strategic objective of the education system must be to ensure that as many children as possible start and finish basic education with competency in basic subjects and the skills that will help them find productive activities that provide a better income.
- **Considering interventions on the demand side to reduce dropouts.** One of the key conclusions of the report is that assisting the population in accessing higher productivity and better paying jobs requires more emphasis on skills development through investments that increase the quality and relevance of education, given that completing primary and secondary school is linked to higher consumption levels. The analysis points towards high level of child labor and early school dropout even when primary schools exist. While programs that support the education supply (expanding education coverage, improving teachers training, etc.) are very important, demand side interventions such as cash incentives for poor children to attend school and finalize the highest level available in their community might be equally relevant. Where there is access to primary school, such demand side incentives could be developed to compensate for the opportunity cost of staying in school and thus gradually ensure that youth increase their school attainment.
- **Raising quality of basic education.** The poor quality of basic education may reduce the incentives for children to stay in school and weakens the link between education and individual and collective economic progress. Among factors that can help improve quality are: (i) better school infrastructure especially in rural areas; (ii) access to books and materials at free or low cost; (iii) curriculum reforms; and (iv) teacher training.

Reviewing the reasons behind the comparatively high unit costs and the rigid structure of spending may be important to improve the delivery of educational services.

- **Preparing for a growth in the demand for post-basic education.** As basic education enrollment continues to rise and if efficiency improves, the country will face serious supply challenges in the post-basic levels. Since operating costs per student in post-basic are much higher, the government will face difficult policy choices in terms of improving access to education for its population, particularly the most disadvantaged, while at the same time improving the possibility for student to progress to the next education level. International experiences with private provision (e.g. Bangladesh) may be useful. It will be helpful for the government to look at cost analysis for post-basic education and to assess budget tradeoffs on the supply side (increasing access, efficiency, and quality at the basic education level) and the implications on equity, employment opportunities, and poverty reduction of various options.
- **Continue to focus on literacy.** Illiteracy and innumeracy hampers skills development at all levels. They are basic capacities necessary for functioning in any form of non-traditional society and are the basis for further learning. Children and youth who enter working life without the capacity to do anything more than basic tasks are also vulnerable to subsequent financial, business, and technological illiteracy. Enrolling and keeping children in school, and ensuring that school does provide these basic skills, is the most important long term solution. However, the stock of illiterate youth and adults is large and the government is rightly focusing efforts on providing them with functional capabilities in non-formal approaches.
- **Providing Second Chances.** In addition to literacy, other forms of education that can provide an entrance back into the formal education system for the early dropouts are needed in Burkina Faso. Second chance programs are largely missing in Sub-Saharan Africa. They are more frequently found in Latin America, where they have been shown to increase employment opportunities.
- **Preparing youth for work.** Given the growing number of youth, the government needs to ensure that they are ready for work. This requires: (i) as many children as possible finish basic education with competency in basic subjects and (ii) competencies that support finding productive activities that pay an earning. The vast majority of Burkinabe children will not go beyond basic education; therefore, the curriculum will need to include financial literacy and other practical competency-based subjects that can serve youth in the workplace. These modules can be inexpensive and evidence indicates that teaching basic “rules of thumb” can make a difference with minimal numeracy skills.
- **Strengthening traditional apprenticeships by improving their quality and outcomes.** Improving traditional apprenticeships is likely to have a high payoff: They are the most common form of skills development for youth and are successfully opening employment opportunities for youth outside the farm sector. Drawing on international experiences, the government could take steps that make traditional apprenticeships work better, including: (i) bringing literacy to master crafts persons and apprentices; (ii) upgrading the technical and pedagogical skills of master crafts persons; (iii) opening access to new technologies for master crafts persons; and (iv) certifying

apprenticeship skills as a guide to their quality. Carefully designed programs, taking into account the constraints facing master crafts persons in upgrading their own skills, can be helpful in increasing skills levels in the overall sector in this vein of “training the trainers.” For example, the Kenya Youth Empowerment Program is designed to offer master crafts persons training the opportunity to upgrade their business skills. Training is offered after working hours to allow crafts persons to participate without compromising earnings opportunities.

- **Tracking and monitoring education and training system performance and outcomes.** Meeting quality and quantity challenges requires continuous monitoring of education and training expenditures and results, including: quality of school infrastructure, teacher performance, availability of books and learning tools, and student outputs and outcomes. In a predominantly rural country like Burkina Faso, effective monitoring of service delivery must be done at the school level. The analysis in this chapter had difficulties obtaining updated data on expenditures and results for the education and training systems. Although administrative data are collected, they are not accurately or consistently reported and do not help decision makers devise informed policy reforms. There is need for a more efficient approach to develop a simple monitoring system at the local government level (with inputs from parents, teachers, students, and school). Such a system would allow benchmarking at the local level and would set up an accountability mechanism for outcomes. Moreover, in respect to training programs, it would be helpful to set up a basic monitoring system and for some major program develop evaluation mechanisms.
- **Introducing greater accountability for performance is needed, particularly within the public sector.** Subjecting institutions to competition for public financing and placing public and private institutions on equal footing for receiving this financing can change the incentives for performance. Vouchers, for example, can subject training institutions to competition for resources directly from the beneficiary. Performance-based budgeting is another tool requiring training institutions to compete for public financing where performance may consider training outcomes such as reduced dropouts, higher skill certification rates, and job placement, along with training inputs such as the number of classes and workshops, number of instructors, and number of programs offered. By moving to funding formulas that focus as much on the outcomes and performance of the providers as on inputs, and by holding managers accountable for results, the incentive can be changed in a meaningful way to alter the outcomes. Moreover, encouraging public training institutions to earn more revenue through their design and delivery of customized training for employers can further improve incentives for performance.

CHAPTER IV: SUPPORTING JOB CREATION

ACTIVE LABOR MARKET PROGRAMS

A. Interventions to Promote Employment Creation and Poverty Reduction

113. **Previous chapters have shown that the Burkina Faso economy does not result in high productivity jobs.** In Burkina Faso employment is largely rural, given the predominance of subsistence agriculture. Urban employment is mostly informal and a vast majority of the labor force has little or no formal education. Low and insecure earnings, rather than lack of access to jobs, are the main problem for poor households. Unemployment is marginal at less than 2 percent of the labor force, primarily affects the urban, non-poor and those with some education, and constitutes a major political challenge for the government. Therefore, creating jobs is largely about creating jobs for youth, given the demographics: jobs that offer increasing productivity with higher earnings. Moreover, lack of basic skills, because of very early school dropout rates, is both a cause and consequence of high poverty.

114. **Active labor market programs can assist youth and others in accessing better job opportunities; however, as a resource-constrained country Burkina Faso must identify and prioritize the most effective policy interventions given its own challenges.** As discussed in Chapter 1, labor market outcomes depend on a large panorama of policy areas, including the general investment climate, private sector development, and education policies. Within this realm, active labor market programs (ALMPs) aim at providing employment and/or increasing employability or earnings prospects for beneficiaries. ALMPs can include efforts that act: (i) on the labor supply side, for example, training of labor to improve their chances in the job market; (ii) on the labor demand side, for instance, public works that create temporary income opportunities; and (iii) on intermediation, job search assistance, for example. The set of interventions adopted in Burkina Faso is modeled on those prevailing in high and middle income countries which are tailored to labor market challenges (e.g. skills mismatches or information asymmetries) that arise in more developed countries. As such, they are not well suited to addressing the key constraints in Burkina Faso, notably the low quality of employment and its impact on poverty, and the lack of basic skills. Moreover, the evidence on the impact of ALMPs, even in more developed countries, is quite mixed and even when there are positive effects, they are relatively modest (World Bank, 2012). All of this suggests that careful evaluation and prioritization *ex ante*, during and *ex post* of interventions is important to ensure effectiveness of ALMPs. With limited budgetary resources, Burkina Faso needs to concentrate on a small number of programs that are the most adequate and efficient interventions to meet the objectives of poverty reduction and job creation. Public expenditures on different programs should therefore reflect the type of constraints facing the economy and whether the programs can be applied effectively and help improve employability of the workforce.

115. **Reducing poverty by increasing and improving employment opportunities is a transversal theme in Burkina Faso's most recent Poverty Reduction Strategy (*Stratégie de Croissance Accélérée et de Développement Durable 2012-2016*: SCADD), National Employment Policy (*Politique Nationale d'Emploi*: PNE), and various policies relating to education and skills.** Combating widespread poverty is not the same as combating

unemployment, however, as 99 percent of the poor are employed, with a majority working in subsistence agriculture (Chapter 2). The main risks facing poor households are low and variable earnings rather than problems of labor market insertion *per se*. Although short term policy programs cannot do much to reduce long term causes of poverty, some can help provide a safety net against predictable (seasonal) or unpredictable shortfalls in income.

116. The remainder of this chapter reviews the set of active labor market programs in Burkina Faso. It looks at the policy framework that guides employment policy and the different types of exiting interventions. Related to this, it also discusses the implications of the recent Special Program for Job Creation for Youth and Women (*Programme Special de Creation d'Emplois des Jeunes et des Femmes: PSCE/JF*).

B. Institutional Framework and Government Policy

117. The overall responsibility for the National Employment Policy (PNE) lies under the Ministry of Youth, Vocational Training, and Employment (*Ministère de la Jeunesse, de la Formation Professionnelle et de l'Emploi: MJFPE*). The MJFPE is as such in charge of the main national employment funds, including the Employment Promotion Fund (*Fonds d'Appui à la Promotion d'Emploi: FAPE*), the Informal Sector Support Fund (*Fond d'Appui au Secteur Informel: FASI*), and the Youth Initiative Support Fund (*Fond d'Appui aux Initiatives des Jeunes: FAIJ*). The National Employment Agency (*Agence Nationale de la Promotion d'Emploi: ANPE*) and the National Employment Observatory (*Observatoire Nationale de l'Emploi et de la Formation Professionnelle: ONEF*) are both under the auspices of the MJFPE: The ANPE is responsible for job intermediation and information while the ONEF is charged with building a timely and efficient information system to monitor the labor market.

118. In addition, other institutions have some form of employment program, but these are not coordinated in one comprehensive approach. Apart from the MJFPE, other ministries are in charge of what ultimately are direct or indirect employment programs either through public works (e.g. infrastructure, agriculture, livestock) or through specific employment programs such as the National Fund for Laid-off Workers (*Fonds National des Travailleurs Déflatés: FONADR*), which addresses public workers made redundant through civil service retrenchments and is run by the Ministry of Labor and Social Security (*Ministère du Travail et de la Sécurité Sociale: MTSS*), or the FAARF (*Fond d'Appui aux Activités Remunératrices des Femmes: FAARF*), which is run by the Ministry of Finance. However, there is no clear coordination mechanism among different ministries to ensure complementarity among the different programs.

119. Adopted in 2008, the PNE aims to improve labor market opportunities by increasing the quality of work for poor workers and creating new job opportunities for the new labor market entrants. The PNE was prepared by the MJFPE in consultation with other ministries and representatives of trade unions and employers. It rightly recognizes that poor labor market outcomes and high poverty levels in Burkina Faso are intrinsically related to the low productivity and revenues of existing jobs, that the low levels and inadequate focus of skills in the population are part of the problem, and that the challenge goes much beyond “mere” job creation. Accordingly, the PNE is centered around four important strategic objectives :

- **Making employment a transversal issue**, by linking employment policies to the general policy framework and strengthening the contribution of economic policies to employment creation, by both promoting employment as a goal in macro-economic and sectoral policies and reviewing the employment effects of different policies.
- **Using specific interventions to strengthen job creation and improve job quality**, by: (i) accelerating the private sector development reform agenda; (ii) consolidating and coordinating policies and interventions to promote small and medium enterprises (SME) (e.g. the different Funds), and giving crafts persons (*artisan*) higher prominence in terms of training and support; (iii) adapting initiatives, vis-à-vis training and internships, to such groups as rural youth, out-of-school youth, educated youth, and women; (iv) assisting university graduates with job search training and business management training; (v) strengthening the role of ANPE; and (vi) mainstreaming the use of public works (*HIMO*) using past experience and developing pilot programs to test efficiency in rural and urban areas.
- **Improving employability** through different initiatives in technical and vocational training and ensuring stronger links between TVET and labor market needs, by: (i) introducing skills surveys to inform the direction of TVET; and (ii) working with social partners to identify opportunities for training and internship.
- **Improving the efficiency of the labor market and promoting decent work**, by: (i) improving regulation by reviewing labor market regulations together with social partners and adjusting in line with International Labor Organization (ILO) conventions; (ii) improving intermediation by strengthening the capacity of ANPE and engaging the private sector to form partnerships for labor market insertion; and (iii) strengthening the information system, notably on TVET offer and demand, more frequent and updated labor market data, etc.

120. **While the PNE recognizes the links between private sector development, employment creation, and skills development, much of the focus is on the formal sector and on strengthening existing initiatives, the effectiveness of which are not known.**

121. **Moreover, monitoring progress on the PNE is hampered by lack of access to more frequent information on the labor market and lack of follow-up to operationalizing the monitoring.** As an illustration, the PNE does not identify the causes behind the skills mismatch apparent in the high unemployment rates for university graduates. The PNE sets out 12 labor market indicators to be used for monitoring progress (Box 10). These are comprehensive and address aspects of both quantity and quality of work, and they provide a useful mix of quantitative indicators (e.g. participation and unemployment rates) and qualitative indicators such as the share of vulnerable jobs. However, it is not clear how the data can be monitored without regular access to household survey data and to date, there are no collaborative efforts in place to develop more, or more frequent, survey instruments. In practice, most of the labor market monitoring in Burkina Faso that emanates from the ANPE and ONEF is based on administrative data regarding job seekers and job offers in the formal sector, which, as seen in Chapter 1, involves only a small minority of the labor force. At the time of the writing of this report, what broader labor force survey data was available from the ONEF and ANPE dated back

to the 2007 Core Welfare Indicators Survey (*Questionnaire unifié des Indicateurs Base du Bien-être*: QUIBB) as the 2009/10 survey was still being explored. Thus, no data are available for the period during the implementation of the PNE. Moreover, virtually no consolidated information is available on financing of employment programs by the public sector. In sum, although the framework was designed to be monitored, there has been no follow-up to collect the information and operationalize the monitoring system.

Box 10: Labor Market Monitoring Indicators in the PNE

- Participation rates
- Sectoral distribution of employment
- Occupational distribution of employment
- Urban unemployment rate
- Under-employment rate
- Share of youth out of school and out of work
- Growth rate of labor productivity
- Share of working poor
- Share of irregular and unprotected jobs
- Share of vulnerable jobs
- Share of bad jobs
- Share of public expenditures allocated to employment

Source: Kobre (2011).

122. **In light of the recent social unrest in 2011, the government has elaborated an emergency plan for job creation.** The overall objectives of the PSCE/JF remain in line with the PNE, namely lowering unemployment (from 2.7 to below 1 percent) and reducing poverty (without quantitative goal). The program is focused on youth and women, in particular on: (i) increasing access to jobs for university graduates as well as youth with low or no education; (ii) increasing the productive capacities of rural youth; and (iii) helping women upgrade their productivity.

C. Labor Market Programs

Categories of Programs and Financing

123. **Burkina Faso has a broad range of active labor market programs aiming at increasing employment or revenues.** Some of these, like the different public works programs, date from the 1970s and 1980s, while others have been introduced or restructured more recently. These efforts can broadly be sorted into four categories of programs and initiatives:

- Creating or supporting self-employment through micro-credit
- Improving business skills through training
- Improving employability through training
- Providing short term employment and income through public works.

124. **A large set of programs also aims at improving rural household revenues by increasing agricultural productivity.** Expenditure on such programs (e.g. focusing on providing improved irrigation methods) accounted for approximately 0.1 percent of GDP in 2009. Given the high dependence on agriculture and the low productivity levels and high vulnerability of agricultural income, agricultural programs are central interventions in the poverty reduction framework. However, agricultural productivity programs are normally not addressed with the realm of active labor market programs and will not be discussed in this report.

125. **Together, the level of expenditures for the ALMPs that reach beneficiaries account for about 0.3 percent of GDP and almost half of the financing comes from external resources** (Table 21,). Data are not available on total costs, including overhead/administration costs. However, direct ALMP spending allocated to the beneficiaries has hovered around 8 billion CFAF per year in recent times. The total spending on these ALMPs reaches about 0.3 percent of GDP, which is comparable with levels of public expenditure on ALMPs (including all costs) in such OECD countries as Chile, Czech Republic, Estonia, and the UK (OECD 2012). It is thus not a negligible share in the context of a resource-constrained economy with a small, non-agricultural economy, and is high compared to other forms of social spending in Burkina Faso. For example, total spending on safety nets excluding fuel subsidies amounts to 0.6 percent of GDP, for a population where over 20 percent – some 3 million people - are food insecure. Moreover, expenditures on the PSCE/JF are estimated to account for 0.2 percent of GDP in 2012-2014. It is not clear how these programs are expected to be financed and whether these will be entirely additional to the actual expenditures.

126. **Among ALMPs, micro-credit programs and public works have accounted for most of the spending in recent years.** Between 2005 and 2009, micro-credit accounted for half of labor market programs expenditure, while public works accounted for about one third. The expenditures on training, at about 10 percent of total, are limited in this perspective. The government largely finances the micro-credit programs while public works and training programs are financed predominately by external resources.

127. **The ALMPs reach a relatively small number of beneficiaries – a little over 100,000 beneficiaries per year**, most of them through the micro-credit programs and through labor intensive public works (HIMO), which created temporary jobs for about a third of total beneficiaries. The coverage of training programs whether for self-employment or for increasing employability is considerably smaller, around a couple thousand beneficiaries per year.

128. **Programs carry a high cost per beneficiary, raising issues of cost-effectiveness.** While accounting for a small share of expenditure and beneficiaries, training programs in particular carry a relatively high cost, at nearly US\$800 per beneficiary, and are more than five times as expensive per beneficiary as public works or micro-credit programs.

Table 21: Program Overview – Key Data on Expenditures¹ and Beneficiaries

Program category	Expenditures (destined to beneficiaries), millions of CFAF					No. Benef (thds). Average per year 2005-2009	% total	Exp/Benef (thds CFAF)
	2005	2006	2007	2008	2009			
Support SME start-up and expansion by micro-credit	4,137	4,221	3,890	4,540	5,713	22,501	52%	69
Entrepreneurship training	255	509	959	717	498	2,573	6%	77
Training for labor market	5,129	4,802	1,681	1,769	806	13,381	31%	294
Public works								68
Other								1,614
TOTAL	9,521	9,532	6,680	8,821	8,453	43,006	100%	76
% GDP	0.3%	0.3%	0.2%	0.2%	0.2%	0.3%		
% Public Expenditures	3%	2%	1%	2%	2%	2%		

1. Refers to expenditures destined to beneficiaries. Source: Kobre (2011).

Table 22: Share of Financing: Government and Donors.

Program categories	% of total financing	
	Govt of Burkina Faso	External
Support SME start-up and expansion by micro-credit 2000-2009	100%	0%
Entrepreneurship training 2007-2009	100%	0%
Training for labor market 1994-2009	12%	88%
Public works 1991-2011	0%	100%
Other 2005-2009 ¹	88%	12%

Source: Kobre (2011) 1. Essentially institutional support to strengthen labor market monitoring.

D. Review of Main Programs

Micro-Credit Programs

129. **Burkina has a range of micro-credit funds managed by different ministries.** Among the more important ones, the FAPE, FASI, and FAIJ are under the MJFPE, while the FONA-DR is managed by the MSSR, and the FAARF is under the Ministry of Finance. However, there are also micro-credit initiatives managed by the National Investment Promotion Agency (*Agence Nationale de la Promotion des Investissements*: ANPI), the Rural Enterprise Project (*Projet d'Appui aux Micro-entreprises Rurales*: PAMER) run by the Ministry of Agriculture, and the Breeding Development Fund (*Fonds de Developpement de l'Elevage*: FODEL).

130. **These funds accord soft loans well below the interest rates offered by micro-credit institutes or commercial banks.** Interest rates range from 2-4 percent for the FAIJ to 8-13 percent for FAPE and FASO. Vulnerable groups (e.g. women and the disabled) are given preferential treatment. (See Annex 4).

131. **The main micro-credit funds have partly overlapping objectives and target groups, are poorly coordinated across institutions, and have been vulnerable to changing donor priorities:**

- **The FAIJ has the largest annual budget envelope.** Beginning in 2008, it has provided nano-credit up to 2 million CFAF at very low interest rates. The fund is specifically addressed to youth 20-35, with at least basic education, who have graduated from the Training 5000 Youth Program (*Programme de Formation de 5000 Jeunes*: PJF 5000) (Table 23). In practice, these programs incorporate youth with higher levels of education; in practice, those with secondary or higher education account for 30 percent of beneficiaries, which is not the target group. The recovery rate is around 80 percent; yet, without an estimate of the cost of the grant portion of soft loans or overhead expenditures, it is not possible to gauge the real expenditures.
- **The FAPE and FASI are directed to informal sector operators (irrespective of age or level of education).** In theory, the beneficiaries of FASI (which provides credit of less than 2 million CFAF) could “graduate” into the FAPE (which provides larger credit at higher interest rates). In practice, there is no such continuity and graduation remains very limited (ILO 2011). The FAPE and FASI funds originally were financed by a Taiwanese cooperation, but the external financing from Taiwan, China was stopped in 2008 and they are now funded through government support and repayment of existing credit.
- **The FAARF provides a specific package (training, credit, or guarantees) directed at encouraging female economic activity.** As in the case of the FASI, the credit offered is very small, between 5,000 and 500,000 CFAF (under US\$1,000) for individual borrowers.
- **The FONA-DR dates from the structural adjustment process in the beginning of the 1990s, and is aimed at supporting the business projects of public employees who have been laid off.** It is, by far, the smallest of the micro-credit programs listed in Table 2, but with the largest volume per beneficiary.

Table 23: Micro-Credit: National Funds (CFAF)

FUND	Years	TOTAL			Per year			Loans per beneficiary ('000)
		Benefic (thsds)	Projects (thsds)	Loans (million)	Benefic (thsds)	Projects (thsds)	Loans (million)	
Fond d'Appui au Secteur Informel	2000-2009	12	11	5242	1	1.1	524	431
Fonds d'Appui à la Promotion d'Emploi	2000-2009	6	1	4381	1	0.12	438	790
Fond d'Appui aux Initiatives des Jeunes	2008-2009	8	2	2073	4	1.1	1037	251
Fonds d'Appui aux Activités Rémunératrices des Femmes	2000-2009	654	35	25252	65	4	2525	39
Fonds National des Travailleurs Déflatés	2000-2009	3		3650	0.3	0	365	1246

Note: These data include only amounts reaching the beneficiaries. Data are for the entire period available (e.g. 2000-2009 for FAARF) and are therefore not necessarily comparable with Table 21. Source: Kobre (2011).

132. The FAIJ, FASI, and FAPE are limited in size, largely benefit male and educated persons, and remain concentrated in the central region (Ouagadougou). Over 2000-2009, the FASI and FAPE benefited some 18,000 people in total. Women make up around one third of the beneficiaries of FAPE, FASI, and FAIJ. Most of the beneficiaries of FAPE (especially) and FASI are in fact over 35 years old, and more than one third of the beneficiaries of the three funds have completed secondary levels of education or more (ILO 2011). Almost half of the projects financed under FAIJ have taken place in Ouagadougou.

133. The FAARF, in contrast, is much larger, geared to women, and geographically spread across the country. The FAARF is the largest of the micro-credit funds, with funding from the government, donors, and NGOs. The program has provided financing to over 1,000 projects and 65,000 beneficiaries per year since 2000. It is directed to groups of women, except in Ouagadougou where individual credit also is granted. The program has a small training component, focusing on raising the business management skills of beneficiary groups, though only about 4 percent of the groups – some 2,400 women – have been trained each year.

134. Information on the costs of the funds, and their effectiveness in terms of creating jobs or revenues, is scant. No consistent monitoring, impact evaluations, or tracer studies are available to gauge the effectiveness of the funds in creating or sustaining employment or revenues. Estimates suggest that for each direct FAIJ beneficiary, there were approximately three indirect beneficiaries (through employment in firms receiving credit); there is no evidence on revenue impact for those who already had a firm. The value added of the fund, however, cannot be determined (i.e. whether the fund substitutes other forms of market financing). In addition, there is no basic monitoring of the program in place. In spite of its size, systematic follow-up on the impact of FAARF on livelihoods is not available and data on costs, beneficiaries, and sources of financing are incomplete.

Training Programs to Increase Business Skills, Technical Skills for Entrepreneurs (Self-Employment), and Employability

135. **Training programs to prepare for more productive self-employment are relatively new (three years) and focus exclusively on youth.** The two most important programs, *the Programme de Formation de 5000 jeunes à l'entrepreneuriat* (PFJ 5000) and the *Programme de formation de 10000 jeunes par an aux métiers* (PFJ 10,000) are only a few years old and are run by the MJFPE.

- **The PFJ 5000 works as a precursor to applying for credit in FAIJ.** However, training is very short, about five days in total, including the formulation of business plans. Out of the 4,000 trained in 2009, about half prepared a business plan, and about one in four actually received financing from FAIJ.
- **The PFJ 10000 provides training and technical skills to a wide target group.** The target groups of this program are: youth, crafts persons in both urban and rural areas, and master crafts persons. The program is provided through different forms of courses and modular forms of training, ranging from a few weeks to two years. Between 2008 and 2010, more than 30,000 people received training and about one quarter of those trained were women.

136. **The Fund for Vocational Training and Apprenticeship (*Fonds d'Appui à la Formation Professionnelle et à l'Apprentissage*: FAFPA) provides training subsidies to firms wishing to upgrade skills of their employees and to assist in labor market insertion for a range of structures and individuals.** Training subsidies are provided at many different levels: (i) in-service training at the enterprise level; (ii) individuals wishing to access vocational training; (iii) skills upgrading for crafts persons and others; (iv) apprenticeships and internships; and (v) modernization of training centers. About one quarter of the funds is reportedly available for the informal sector. Most beneficiaries (about 3,000 in 2009) are from the central region or the Haut-Bassins, and about half of them are women. The major share of subsidies is allocated to apprenticeships and internships, and these in turn are largely focused on traditional “female” occupations such as tailoring or beautician services. Overall, the FAFPA does not have a medium term strategy in terms of the skills that should be developed or prioritized and does not involve the relevant stakeholders, including employers and training institutions.

137. **The Young Graduate Insertion Program (*Programme d'Appui à l'Insertion Professionnelle des Jeunes Diplômés en fin de cycle des Universités et Écoles Supérieures*: PJD-UES) is the main training program to improve employability.** It has three axes: (i) specific additional training at the end of university studies, (ii) technical assistance for job search, and (iii) wage subsidies for internships. Between 2006 and 2009, it resulted in 3,000 internships, about 1,500 trained in entrepreneurship (over very short term, three days), and 1,500 trained in job search techniques. About one third of beneficiaries were women.

138. **Overall, the program has been unsuccessful in instigating private sector labor demand for workers over the medium term.** The available information suggests that the program has had difficulties in finding internships to meet demand – pointing to the lack of productive jobs *per se*, even with subsidies. One quarter of the internships has been in public entities and even though the internships are funded by the government, demand appears to exceed supply from the private sector. Moreover, a study from 2009 of those who had benefited

from an internship indicated that excluding those still in an internship, some 40 percent were unemployed and 31 percent were employed in the public sector, while only 17 percent were employed in the private sector.

139. **The National Program for Voluntary Placement (*Programme Nationale de Volontariat au Burkina Faso: PNVB*) is another recent program aiming at involving youth through placement in different parts of the public administration or civil society, often at a decentralized level.** These programs have placed some 2,000 workers over the past. There is neither available information on the outcomes of these placements in terms of employability nor on the output and productivity of the workers' contributions. The expenditures are relatively high, at over 400,000 CFAF per beneficiary per year.

140. **In conclusion, all of the training programs have limited coverage, exclude women, are disconnected from labor market demand in terms of current and future demand for general or technical skills, and lack monitoring mechanisms to assess the results.** The program for graduates appears unsuccessful in terms of increasing employability while other programs have no follow up in terms of labor market outcomes, targeting of beneficiaries, or adequacy of skills.

Labor Intensive Public Works

141. **Burkina Faso has a long tradition of public works (PW) programs in rural areas.** Recent years have seen an upswing in the demand for public works activities in Sub-Saharan Africa and elsewhere, owing to their potential for generating revenue and building community assets, their political visibility, and the positive experiences of other countries. In this area, Burkina Faso has significant experience to build on and donors are now funding different initiatives in the country (Box 11).

142. **A review of the experience of PWs suggests that although they have generated jobs, they have been primarily focused on building physical assets rather than employment or temporary income support (as safety nets) for the poor** (Box 11). The wage share is limited to about 30 percent of total costs, and programs have not been expanded or implemented in response to economic crises. No information is available on the socio-economic characteristics of the participants to judge the number of poor or vulnerable who participate in the programs. However, the alignment of payments with the minimum wage (SMIG), which is relatively high in Burkina Faso, together with the emphasis on infrastructure, suggests that programs may not have been targeted to the very poorest. As such, the focus is less on safety nets than on building physical assets. The output in terms of physical assets, moreover, has historically been mixed. A major problem has been the limited emphasis on maintenance which has eroded the long term value of the assets.

143. **More recent experiences confirm that PWs have the potential for generating large volumes of temporary jobs.** For example, two recent programs, the Local Community Investment Fund (*Fonds d'Investissement pour les Collectivités Décentralisées: FICOD*), together with the Eastern Rural Roads (*Pistes Rurales de l'Est: PrEst*), have generated some 15,000 job opportunities per year.

144. **The efficiency of public works programs in providing safety nets and rendering visibility to government efforts could be explored further in Burkina Faso but need a systematic approach.** The high seasonality and uncertainty of production and revenues in

Burkina Faso and the experiences from the country and elsewhere suggest that these types of programs could be beneficial in Burkina Faso. However, effectiveness hinges on whether programs can provide additional and timely sources of income to the most vulnerable. Design needs to consider among other things good targeting methods, the length and timing of work, methods to targeting women, and level and method of payments (World Bank, 2011). The government could also consider whether such initiatives could be linked to different forms of skills development, for example life skills training or literacy. Finally, the increasing emphasis and interest of donors in this area is a good opportunity but requires a strong coordination mechanism to ensure complementarity, and that lessons learned from different approaches are shared with policy makers to inform future interventions and policy choices.

Box 11: Experiences from Public Works in Burkina Faso

An overview of eight public works (PW) programs from the past and present in Burkina Faso finds that: (i) there have been HIMO's in both rural and urban programs; (ii) these programs have globally generated an important volume of jobs; (iii) women have accounted for 30 percent of the jobs; and (iv) the labor share accounted for 30 percent of total costs on average.

Most programs apply/applied task-based payments in cash, align payments with the SMIG, and range from three to eight months (on average five to six months) in terms of work.

The quality of output has been mixed. In particular, lack of maintenance beyond the projects' closing date has eroded the value of the assets.

Infrastructure is the primary objective of most programs, with employment creation as a secondary objective. Public works are not intended to fill a safety net function and are not implemented or expanded in response to crisis.

New programs in the pipeline (mainly focused on infrastructure) are:

- Rural roads project (GoBF), replicating the Helvetas approach in five regions.
- Urban infrastructure programs in Ouaga and Bobo-Dioulasso (GoBF).
- Urban infrastructure programs by Helvetas.
- World Bank rural roads PW program (Helvetas will be executing agency).
- EU rural roads PW program (roads Ouaga-Yagma), safety net aspect.

Source: Ouedraogo and Ouandaogo (2011).

Additional Programs

145. **The Burkina Economic and Social Development Fund (*Fonds Burkinabè de Développement Economique et Sociale: FBDES*) has broad objectives but reaches a small number of beneficiaries.** The FBDES was created in 2008 with the objective of supporting poverty reduction through promotion of economic activities. More specifically, it is intended to promote the creation of incorporated companies and help sustain (through financial support) existing firms. Between 2008 and 2009, the FBDES financed 29 firms and supported the creation of 238 jobs, at a cost-per-beneficiary of over 6 million CFAF. The limited job creation effect and focus on formal firms suggests that the direct impact on poverty has been negligible.

E. Relevance of ALMPs

146. **Burkina Faso is a resource-constrained country, thus strategic use of public expenditures, including those on subsidies in different forms, is of essence.** Total public expenditures on transfers and subsidies amount to about 4 percent of GDP (World Bank 2009). Applying scarce resources effectively is necessary.

147. **The review above suggests that Burkina Faso has many dispersed ALMPs, most of them small in size, implemented by different ministries and institutions that are not coordinating interventions, and the programs are relatively costly.** Excluding the public works programs, there are nearly 20 different ALMPs in Burkina Faso benefiting only 80,000 people per year, three quarters through the nano-credit for women (FAARF). Such a large number of interventions carries high administrative costs, and is likely to dilute budgets and reduce the effectiveness of targeting. Most of the programs consequently have small annual budgets and reach a limited number of beneficiaries, although collectively, they account for a non-negligible share of public expenditures. They provide similar services (micro-credit or training in one form or other). Where complementarities could exist (e.g. FAPE and FASI) they have as yet not been explored (ILO 2011).

148. **Targeting is also a problem: The programs have overlapping and wide target groups, do not benefit the poorest families, and under-prioritize women.** Many of the programs are directed at youth with a certain level of education although, as seen in chapter 2 and 3, most Burkinabè youth have not even finished primary school. As such, the programs miss a key constraint - lack of basic education in the general population - and are not pro-poor (those with some education almost invariably are from non-poor households). Although women make up a majority of the unemployed, especially at lower levels of education, they have significantly less access to these programs with the exception of programs like FAARF.

149. **Some programs are dependent on external financing, which can be volatile.** Training programs and public works programs rely heavily on donor support. As donor priorities change, programs may be vulnerable to funding short falls, threatening their sustainability as well as the overall policy approach.

150. **Because of the lack of evidence of what works, especially in the context of poor countries, careful monitoring and evaluation of existing programs in Burkina Faso is essential.** With the exception of public works programs, the purpose of which has not necessarily been job creation in the first place, very little is known about the value added of these programs. Do they create additional jobs? Do they increase the employability of youth, or raise revenues compared to status quo? Do they complement other private or public institutions? Are they interfering with market supply or demand factors? Are they cost-effective? In addition, the international evidence on ALMPs such as training programs, micro-finance, and labor intensive works is mixed (Betcherman, 2012, Ouerghi et al., 2012, World Bank, 2012e). Currently in Burkina Faso no rigorous evaluations are available to show program impact compared to non-participation; tracer studies are extremely rare; and there are not even basic monitoring systems in place to provide information on costs and coverage of the existing programs. Although the PNE has set a number of monitoring indicators, they depend on household survey data in one form or other and none of these indicators appear to be monitored in practice. The lack of basic evidence is a serious problem in terms of ensuring efficient resource allocation.

151. Expenditures on these programs must be measured against other expenditures that could help meet Burkina Faso's employment and poverty reduction challenges. Beyond the objectives and outcomes of individual interventions, it is also important to take a more aggregate look at the emphasis of short term labor market interventions in Burkina Faso compared to the key constraints discussed in Chapter 1. Table 24 recapitulates and reformulates the constraints framework from Chapter 1, focusing on short term interventions of ALMP type only (investment climate, education policy, and other accompanying policies are thus taken as given here). As seen, it is possible to identify solutions that address these constraints directly, but their efficiency in practice is not guaranteed. Although theoretically valid, experience indicates that programs may not work in a specific context. Information from more rigorous evaluations does exist on active labor market programs in OECD countries and some middle income countries, especially Latin America and Central and Eastern Europe, but evidence of what works and what does not is essentially unavailable for poorer countries that face similar challenges as Burkina Faso (Sanchez-Puerta, 2010).

152. Government policy documents correctly highlight sluggish job creation in the private sector as a key constraining factor for employment growth and poverty reduction in Burkina Faso. While all of the constraints in Table 24 could become important with time, the principle binding constraints currently hindering job creation in Burkina Faso are indeed likely to be: (i) lack of labor demand or demand for higher value added goods and services that could be provided through self-employment because of a slow job growth economy and lack of consumer demand (Chapter 1), and (ii) insufficient basic education and skills at all levels (Chapter 2 and Chapter 3). These are long-term structural problems.

153. As a consequence, short term employment programs can only have limited effects on overall employment numbers and revenues, but could focus on specific vulnerable groups and on providing short term income support. Employment programs largely address labor supply issues including firm start-up constraints through micro-credit (with or without training) lack of technical skills and lack of entrepreneurial skills, as well as lack of labor demand for university graduates (through internships/wage subsidies). Perhaps most significantly, the internship program for university graduates has had problems in finding internships, which in turn points to the low demand for high qualifications and the limited size of the formal sector in. The labor-intensive public works are an exception although their role is primarily as a safety net (rendering income) rather than as an ALMP (rendering a job experience). The resources spent on ALMPs need to be compared with other poverty-reducing spending that addresses some of the more critical constraints in Burkina Faso – low productivity of the workforce because of low skills and poor health, and high variability and vulnerability in income levels. In sum, allocating resources to ALMPs compared to health, nutrition, or basic education can only be motivated by closer evaluation and monitoring and a rationalization of the programs to focus on the most efficient ones.

Table 24: Constraints to (Youth) Employment and Possible ALMP Interventions: A Conceptual Guide

Constraints <i>(Constraints that are considered binding for Burkina Faso are shaded)</i>		Possible ALMP interventions <i>Programs that are in place in Burkina Faso are shaded</i>	
		Evidence-based interventions (have been shown to work in some settings)	Theoretically sound but mixed evidence in practice
Job-relevant skills constraints	Insufficient basic skills	Information about the value of education	Second chance programs
	Technical skills mismatch	Training plus/comprehensive programs Information on the returns to technical specialties	On-the-job training/ Apprenticeships
	Behavioral skills mismatch		Behavioral skills training
	Insufficient entrepreneurial skills		Entrepreneurial skills training
Lack of labor demand	Slow growth of productive jobs	Wage or training subsidies	Public service programs Labor-intensive public works
	Employer discrimination	Affirmative action programs	Subsidies to employers who hire target groups (young graduates) Employee mentoring
Job search constraints	Job matching	Employment services	Technology-based information sharing
	Signaling competencies		Skills certification Training center accreditation
Firm start-up constraints	Lack of access to financial or social capital	Comprehensive entrepreneurship programs	Microfinance
Social constraints on the supply side	Excluded group constraints (ethnicity, gender, etc.)	Target excluded-group's participation in programs Non-traditional skills training Safe training/employment spaces for specific groups	Adjusted program content/design to account for excluded-group specific needs

Source: Adapted from Ouerghi et al. (2011).

154. **The problems of relevance and targeting within the ALMP system also apply to the government's response to the economic and jobs crisis – PSCE/JF (Table 25).** The program builds largely on the same approach of existing ALMPs and as such, the problems that affect these also affect the program. In principal, it may be sensible to scale up well-functioning programs in times of need rather than create new programs (Paci et al. 2010). In Burkina Faso, however, programs do not address the main issues in terms of earnings vulnerability and skills deficits, and more should be known about effectiveness before a scale-up. Targeting is also an issue. School graduates (those with primary school diploma and up to doctorate) are the target of more than half of the budget, although the unemployed school graduates make up only one percent of the total labor force and are less likely to live in vulnerable households. A good share of the budget is directly reserved for unemployed university graduates who number 8,000 in the country, virtually all in the two main cities, while other actions, such as the creation of permanent public sector jobs, focus on this group as well. In contrast, there are nearly 3 million low educated rural youth (less than primary education), and nearly 500,000 urban low educated

youth. Actions contained in the program cover less than 1 and 2 percent respectively of these two vulnerable groups.

Table 25: PSCE/JF: Actions, Beneficiaries, and Costs

Target group/actions	Beneficiaries	% of total beneficiaries	Est. costs (million CFAF)	% of total costs	Cost/beneficiary (thousand CFAF)
A. YOUNG SCHOOL GRADUATES	33,904	34%	5,906	54%	174
1. Wage employment in private sector (university graduates)					
Internships	10,000		900		90
Wage subsidies	1,000		900		900
2. Self-employment					
Entrepreneurship training plus credit	10,000		1,500		150
Credit for youth with vocational training	2,000		700		350
3. Public sector					
Public sector employment (university graduates)	904		1,006		1,113
Voluntary workers	10,000		900		90
B. UNSKILLED URBAN YOUTH	11,000	11%	3,170	29%	288
Public Works	11,000		3,170		288
C. RURAL YOUTH	36,855	37%	602	5%	16
Training in agricultural production	35,100		76		2
Support agricultural firms start-up	1,755		527		300
D. WOMEN	17,550	18%	1,000	9%	57
Training	17,550		1,000		57
PROGRAM MGMT COSTS			298		
TOTAL	99,309		10,976		111

Source: Estimates based on Government of Burkina Faso (2012).

155. Experiences from other countries suggest moreover that training programs for educated youth is a costly means of addressing skills constraints compared to addressing problems earlier in the education system, including the lack of connection between university level specializations and labor markets. As seen in Chapter 3, there may well be a mismatch in terms of skills produced by universities and those in demand. In Burkina Faso, only 3 percent of university graduates are in engineering while over half are in social sciences and law.

156. The PSCE/JF program may consequently face difficulties in meeting its objectives of lowering unemployment and poverty. First, unemployment rates are overall low suggesting that lowering them further will be difficult. Second, a significant share of the program's resources are directly directed at university graduates who, while at high risk for unemployment, account for less than 10 percent of the unemployed and who are essentially non-poor. Third, beneficiaries of public works and specific skills training may well be under-employed rather than unemployed and their participation in programs will therefore not change unemployment. Fourth, poverty reduction is mentioned but remains without a specific target in the program and given the program's focus on more educated segments, poverty rates are not likely to be affected.

157. **The reliance on public sector employment also introduces sustainability risks.** The government's PSCE/JF relies on the public sector as an employer of youth rather than a facilitator, which puts in question the sustainability of the jobs. Several of the included activities *de facto* result in public sector hiring over the long-term: a recruitment guarantee (50 percent of new public sector recruitment to university graduates), wage subsidies, direct recruitment for the public sector at the national and decentralized levels, and an expansion of the Voluntary Work system. This creates a structural engagement of public sector employment that is vulnerable to revenue shortfalls, especially in view of the fact that wages already account for about half of public current expenditures.

F. Main Conclusions and Recommendations

158. **Active Labor Market Programs are not likely to make important inroads into poverty reduction in Burkina Faso.** This is not their purpose - they are short term interventions that at best can help labor market insertion for specific vulnerable groups, or can help offset the short and long term consequences of temporary income shortfalls through public works programs. Whether they can help reduce unemployment or under-employment depend on their effectiveness in the specific country context.

159. **Burkina Faso could benefit from a streamlining and change of emphasis in its current set of programs to increase their relevance.** There are many dispersed ALMPs in Burkina Faso, and most are small in size, overlapping in terms of target groups and approaches, poorly coordinated, and difficult to access for women and the poor. Together, they nonetheless account for a reasonably high share of public expenditures and to sustain such expenditures, their demonstrable effectiveness must exceed other poverty reducing social expenditures. These observations are also relevant for the PSCE/JF as it builds on existing interventions. Given that less than 10 percent of the unemployed are university graduates, the effectiveness of allocating a significant share of resources on labor market insertion of this relatively small group is questionable. More generally, the dispersion of resources across many programs obscures targeting objectives and reduces effectiveness. Reviewing targeting objectives, delivery mechanisms and cost effectiveness in order to rationalize programs should be a first priority.

160. Building on existing training programs, Burkina Faso could consider new modalities that are proven to have more impact on earnings and employment among low education youth. Overall many of the training schemes that are operating in Burkina Faso seem to use a cost-inefficient recipe: they are targeted to youth who have spent many years and resources in the education system and they are all supply driven. Several countries in Latin America have implemented training programs that are demand driven and are combined with internship, life skills and job search assistance. The type of training, duration and amount of stipends can be used to induce self-targeting to attract only those who would not have other opportunities. Of course, this model assumes a vibrant private training sector that can tailor their training offers in response to the demand from employers and can ensure places for internship; it also takes as a given a relatively high level of labor demand in the private sector. Given that most jobs in Burkina Faso are not in the formal sector it may be appropriate to focus the technical training on areas that can lead to self-employment but remains highly relevant to combine with or focus exclusively on life skills. Recent evidence from Dominican Republic Youth employment

program has shown that life skills alone (when combined with internship) is as good as technical and life skills together in terms of impact on earnings and employment but is delivered at the third of the cost of a combined program.

161. The ALMPs should be monitored, evaluated, and rationalized before being scaled up further. It is vital to put in place a comprehensive monitoring system that can provide consistent and comprehensive information on basic program details, such as the number and profile of beneficiaries and actual costs to the budget. Moreover, efforts must be made to measure effectiveness. The international evidence of the employment effects of both training and micro-credit programs is mixed; therefore, it is essential to find out whether such approaches work in Burkina Faso and if so, how. Rigorous impact evaluations may be costly and time-consuming, but at a minimum, tracer studies should be employed to follow beneficiaries' outcomes and guide prioritization of the programs. Skill surveys could be employed to identify the most important skill deficits, and use this information to adapt ALMPs accordingly. In addition, closer collaboration among concerned ministries (Education and Vocational Training, Employment, Agriculture) is needed to monitor closely their programs and adapt their policies according to the results and market needs.

162. More generally, there is a need for stronger information systems – on the type of skills needed, on the expectations of employers and potential employees, and more. Evidence from Nigeria shows a mismatch between the supply of technical and vocational skills and the demand for more specific technical skills as well as general skills including supervisory, numeracy, literacy, ICT, entrepreneurship skills (Billetoft, 2010). Little is known in Burkina Faso as to the skills most in demand among actual firms as well as potential investors. STEP type skills measurement surveys (see Robalino, 2010), that gauge the available skills from a broad perspective, as well as those in demand in the private sector, could be useful tools. Moreover, there is also need to develop an appropriate information system on outcomes of the existing programs (literacy, entrepreneurships, public work, micro credits, etc.).

163. Coordination and monitoring of the implementation of the National Employment Policy (PNE) should be strengthened. The PNE has several potential strengths in its transversal nature and the focus on both jobs and earnings opportunities, but there seems to be no consistent monitoring of outcomes at a centralized level and the different initiatives are not coordinated. An inter-ministerial committee could be charged with following up on different forms of indicators. Because of the lack of high frequency data, innovative approaches must be explored to be able to monitor both the quantity and quality of job creation policy.

164. Burkina Faso could explore how to strengthen the public works (PW) approach to address income vulnerability among youth and adults. First, since this area has many ongoing initiatives, a considerably body of evidence should exist on how to best adapt PW programs to the Burkina Faso context. Second, in order to improve coordination and the collective learning of how to do this, the government could consider introducing a permanent system of highly labor intensive public works to provide temporary income support as a safety net to the vulnerable population. Experience in other countries has shown that these programs can be scaled up easily in the context of shocks (e.g. Ethiopia, Kenya, and Tanzania). These efforts could potentially be combined with some life skills development (e.g. workplace skills and basic capacities) for selected workers that may help them find better earning jobs in the future.

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STATISTICAL ANNEX

1. LABOR MARKET REGULATIONS

Table A 1: Selected Labor Market Regulation Indicators

Country	Burkina Faso	Ghana	Mali	Niger	Rwanda	Kenya
DIFFICULTY OF HIRING						
Are fixed-term contracts prohibited for permanent tasks?	No	No	Yes	Yes	No	No
What is the maximum cumulative duration of a fixed-term employment relationship (in months), including all renewals?	No limit	No limit	72	24	No limit	No limit
Ratio of min to average wage	0.71	0.15	0.16	0.96	0.23	0.66
RIGIDITY OF HOURS						
Can the workweek for a single worker extend to 50 hours per week (including overtime) for 2 months each year to respond to a seasonal increase in production?	Yes	Yes	Yes	No	Yes	Yes
What is the maximum number of working days per week?	6	5	6	6	6	6
Paid annual leave (working days) - 1 year	22	15	22	22	18	21
REDUNDANCY RULES						
Is it legal for an employer to terminate the employment contract of a worker on the basis of redundancy?	Yes	Yes	Yes	Yes	Yes	Yes
Are there priority rules that apply to redundancy dismissals or lay-offs?	Yes	No	Yes	Yes	Yes	Yes
REDUNDANCY COST						
What is the legally mandated notice period for redundancy dismissal after 1 year of continuous employment?	4.3	2.0	4.3	4.3	4.3	4.3
severance pay for redundancy dismissal after 1 year of continuous employment	1.1	8.7	5.2	5.2	4.3	2.1
<i>Share of firms that consider labor regulatory framework a major constraint</i>	<i>26.0</i>	<i>1.7</i>	<i>2.8</i>	<i>4.3</i>	<i>6.4</i>	<i>5.3</i>
Ranking in Doing Business ¹	150	63	146	173	45	109

Source: World Bank (2012d). 1. Doing Business Indicators no longer include labor regulations in the overall ranking of the business climate.

2. ESTIMATIONS OF CONSUMPTION, EARNINGS, AND SECTOR OF WORK

Table A 2: Selection into Sectors (Relative Risk Ratios)

	Formal	Non-Waged Informal	Waged Informal
Male	1.000	0.718 ***	1.656 ***
Age	1.345 ***	1.116 ***	1.022
Age squared/100	0.712 ***	0.865 ***	0.919 **
Up to complete primary	4.738 ***	1.715 ***	2.506 ***
Post-primary	19.443 ***	2.065 ***	3.902 ***
Secondary and above	77.726 ***	1.363	4.758 ***
Urban	13.556 ***	11.743 ***	39.178 ***
HH receives remittances	0.900	1.057	1.138
Head	4.832 ***	2.644 ***	2.649 ***
HH owns livestock	0.285 ***	0.298 ***	0.201 ***
Constant	0.000 ***	0.036 ***	0.015 ***

Source: Estimates based on EICVM 2009/10.

Table A 3: Determinants of Earnings (OLS)

	Formal	Informal Non-Waged	Informal Waged
Male	-0.363	0.974 ***	-0.275
Age	0.369 *	0.084	0.105
Age squared/100	-0.461 *	-0.091	-0.093
Up to completed primary	0.42	0.271	-0.217
Post-primary	-0.019	0.707 **	0.843 *
Secondary and above	0.115	-0.209	0.137
Urban	-1.006 **	-0.364	-1.625 ***
Constant	3.911	7.386 ***	8.273 ***
R squared	0.051	0.048	0.101
N	351	939	292

Source: Estimates based on EICVM 2009/10.

Table A 4: Determinants of Earnings (Selection Corrected)

	Formal	Non-Waged Informal	Waged Informal
Male	-0.277	0.952 ***	-0.361
Age	0.410	0.122 *	0.109
Age squared/100	-0.505	-0.138 *	-0.090
Up to complete primary	0.631	0.303	-0.269
Post-primary	0.383	0.558	0.756
Secondary and above	0.772	-0.825	0.078
Urban	-0.834	0.454	-1.956 *
Lambda 2	-0.394		
Lambda 3		-0.843 *	
Lambda 4			0.283
Constant	1.900	5.294 ***	8.961 ***
N	351	939	292
R squared	0.051	0.052	0.101

Source: Estimates based on EICVM 2009/10.

Table A 5: Determinants of Consumption

	All	Rural	Urban
DEMOGRAPHICS			
Age	0.009 ***	0.003	0.020 ***
Age squared/100	-0.009 **	-0.004	-0.013 **
Male	0.167 ***	0.25 ***	0.035
Log (household size)	-0.506 ***	-0.503 ***	-0.554 ***
EDUCATION			
Less than completed primary	0.04	0.004	0.114 **
Completed primary	0.207 ***	0.179 **	0.252 ***
Post-primary	0.272 ***	0.229 ***	0.351 ***
Secondary general	0.537 ***	0.556 ***	0.585 ***
Technical/vocational	0.771 ***	0.721 ***	0.804 ***
University	1.107 ***	0.924 ***	1.163 ***
NON-WAGE INCOME			
Credit	0.051 ***	0.065 ***	0.01
Remittances	0.061 ***	0.068 ***	0.056
Livestock	0.111 ***	0.123 ***	0.044
LOCATION			
Urban	0.252 ***		
Hauts Bassins	0.099	0.13 *	-0.059
Boucle du Mouhoun	0.134 *	0.13	0.121
Sahel	0.234 ***	0.229 ***	0.08
East	-0.067	-0.082	-0.014
South West	-0.122 *	-0.141 *	-0.088
Central North	0.327 ***	0.331 ***	0.213
Central West	0.035	0.066	-0.144
North	-0.023	-0.026	-0.004
Central East	-0.014	-0.043	0.05
Central	-0.068	0	-0.214 *
Cascades	0.305 ***	0.347 ***	0.078
Central South	0.092 *	0.112 **	-0.132
LABOR MARKET STATUS			
Agriculture	-0.172 ***	-0.101 *	-0.216 ***
Formal	0.303 ***	0.443 ***	0.264 ***
Informal	0.016	0.09	0.02
Unemployed	0.002	0.262	0.005
Constant	12.374 ***	12.376 ***	12.548 ***
R squared	0.448	0.320	0.488
N. obs.	8183	5563	2620

Dependent variable is per capita consumption (adult population). Reference category: education - no schooling, labor market status - inactive, region - Plateau Central.

Source: Estimates based on EICVM 2009/10.

3. ADDITIONAL STATISTICAL TABLES FROM EICVM 2009/2010

General

Table A 6: Hierarchical Decomposition of the Labor Force

Group	Thousands	%
0. Total population	15 200	100
1. Population 6 years and above	12 014	79
1.1 Child population (6-14 years of age)	4 272	36
1.1.1 Child laborers	2 718	64
1.2 Population 65+ years of age	518	4
1.2.1 Employed	335	65
1.3 Working age population (15-64 years of age)	7 224	60
1.3.1 Inactive	733	10
1.3.1.1 Discouraged	109	15
1.3.2 Active	6 492	90
1.3.2.1 Employed	6 370	98
1.3.2.2 Unemployed	121	2

Source: Estimates based on EICVM 2009/10.

Table A 4: Employment Categories, Shares in Total Employment

Total	Non-		
	Total	Agriculture	Agriculture
Public waged worker	1.9	7.6	0.0
Private waged worker	3.4	12.7	0.2
Unpaid family worker	46.3	9.3	58.8
Apprentice/intern	6.8	7.4	6.6
Volunteer	0.3	1.1	0.1
Own-account	40.4	60.2	33.7
Employer	0.8	1.7	0.6

Source: Estimates based on EICVM 2009/10.

Table A 7: Distribution of the Employed by Economic Sector

Agriculture/fishing	77.3
Mining	0.4
Manufacturing	4.4
Energy & water	0.1
Construction	1.0
Trade/hotels & rest.	10.5
Transport, storage & comm.	0.6
Finance, insurance & real estate	0.3
Public administration	1.2
Education, health & social services	3.4
Other services	0.8
Total Employment	100.0

Source: Estimates based on EICVM 2009/10.

Table A 8: Distribution of Employment by Sector and Characteristics

	All	Rural	Urban	Female	Male
Agriculture/fishing	77	91	22	82	73
Mining	0	0	1	0	1
Manufacturing	4	3	11	4	4
Energy & water	0	0	0	0	0
Construction	1	0	4	0	2
Trade/hotels & rest.	10	4	35	9	12
Transport, storage & comm.	1	0	3	0	1
Finance, insurance & real estate	0	0	2	0	1
Public administration	1	0	5	0	2
Education, health & social services	3	1	14	3	4
Other services	1	0	4	1	1

Source: Estimates based on EICVM 2009/10.

Table A 9: Poverty rate by Individual Employment Status

	Employed	Unemployed	Inactive	Total Working Age Population	Poverty Headcount Rate
Urban	22.9	21.7	18.2	21.7	24.9
Rural	49.7	21.7	42.1	49.2	52.3
Total	44.0	21.7	27.1	41.9	46.3

Source: Estimates based on EICVM 2009/10.

Table A 10: Poverty Rate by Individual Occupational Status

	public waged worker	private waged worker	unpaid family worker	Apprentice /intern	volunteer	own-account	employer
Urban	2.5	16.4	29.2	26.4	18.5	25.5	14.8
Rural	12.9	19.6	53.1	53.3	36.6	45.4	32.0
Total	4.5	16.8	51.4	45.8	23.6	40.1	25.6

Source: Estimates based on EICVM 2009/10.

Table A 11: Poverty Rates by Individual Sector of Employment

Agriculture/Fishing	50.7
Mining	34.7
Manufacturing	30.7
Energy & Water	39.0
Construction	25.7
Trade/Hotels & Rest.	23.2
Transport, Storage & Comm.	16.0
Finance, Insurance & Real Estate	16.9
Public Administration	7.3
Education, Health & Social Services	15.2
Other Services	31.0

Source: Estimates based on EICVM 2009/10.

Table A 12: Population Ages 15-39, by employment status

		Rural		Urban	
		Level	Share	Level	Share
15-19	Employed	991 250	93	176 621	47
	Unemployed	967	0	22 450	6
	Discouraged	6 241	1	31 646	8
	Inactive	66 858	6	146 729	39
	Total	1 065 316	100	377 446	100
20-24	Employed	711 475	95	208 951	59
	Unemployed	2 163	0	34 851	10
	Discouraged	2 760	0	22 492	6
	Inactive	32 712	4	85 231	24
	Total	749 110	100	351 525	100
25-29	Employed	653 011	95	208 203	74
	Unemployed	1 123	0	29 074	10
	Discouraged	2 990	0	6 978	2
	Inactive	30 786	4	36 301	13
	Total	687 910	100	280 556	100
30-34	Employed	571 909	96	194 890	82
	Unemployed	1 154	0	9 590	4
	Discouraged	1 960	0	8 395	4
	Inactive	21 249	4	25 565	11
	Total	596 273	100	238 440	100
35-39	Employed	481 791	97	153 933	87
	Unemployed	554	0	5 852	3
	Discouraged	1 741	0	2 936	2
	Inactive	13 732	3	14 055	8
	Total	497 818	100	176 776	100

Source: Estimates based on EICVM 2009/10.

Table A 13: Population Ages 40-64, by Employment Status (Thousands, and %)

		Rural		Urban	
		Thousands	Share	Thousands	Share
40-44	Employed	460	97	123	84
	Unemployed	0	0	5	3
	Discouraged	1	0	4	2
	Inactive	15	3	16	11
	Total	477	100	147	100
45-49	Employed	370	96	103	83
	Unemployed	0	0	5	4
	Discouraged	1	0	2	1
	Inactive	14	4	14	11
	Total	385	100	124	100
50-54	Employed	346	95	88	86
	Unemployed	0	0	1	1
	Discouraged	1	0	3	3
	Inactive	18	5	10	10
	Total	364	100	102	100
55-59	Employed	246	93	54	77
	Unemployed	0	0	1	2
	Discouraged	1	0	3	4
	Inactive	17	6	12	18
	Total	264	100	71	100
60-64	Employed	195	89	33	64
	Unemployed	0	0	1	2
	Discouraged	1	1	3	7
	Inactive	22	10	14	27
	Total	218	100	52	100

Source: Estimates based on EICVM 2009/10.

Table A 14: Unemployment Rates Among Selected Groups

	Unemployment Rate by Groups	Group Share Among Unemployed
Total	1.9	100.0
Gender		
Male	1.7	41.9
Female	2.0	58.1
Age		
15-24	2.8	49.8
25-54	1.5	48.5
55-64	0.4	1.7
Area of residence		
Urban	7.9	94.7
Rural	0.1	5.3
(last) region		
HAUTS-BASSINS	3.3	18.6
BOUCLE DU MOUHOUN	0.1	0.8
SAHEL	0.1	0.5
EST	0.5	2.3
SUD-OUEST	0.6	1.3
CENTRE-NORD	0.1	0.5
CENTRE-OUEST	0.5	2.4
PLATEAU CENTRAL	0.1	0.2
NORD	0.4	2.0
CENTRE-EST	0.6	2.5
CENTRE	9.1	66.6
CASCADES	0.8	1.8
CENTRE-SUD	0.2	0.6
educational level		
no schooling	0.6	24.8
less than completed primary	2.7	17.0
completed primary	5.7	11.3
post-primary	7.3	24.7
secondary general	12.1	14.2
tec/vocational	9.9	1.4
university	14.1	6.6
Poverty		
Non poor	2.6	78.3
Poor	0.9	22
Quintiles of consumption		
Lowest quintile	0.4	4.0
2	1.3	13.7
3	1.4	14.6
4	1.9	20.5
Highest quintile	3.9	47.1

Source: Estimates based on EICVM 2009/10.

Table A 15: Child Labor Rate by Groups

	Child Labor by Groups	Group Share Among Child Laborers
Total	63.6	100.0
Gender		
Male	66.4	53.5
Female	60.7	46.5
Age		
6-11	58.1	64.8
12-14	77.2	35.2
Area of residence		
Urban	21.7	6.4
Rural	73.3	93.6
Poverty		
Non poor	57.3	43.5
Poor	69.6	56.5
Quintiles of consumption		
Lowest quintile	70.8	25.7
2	68.6	23.8
3	64.4	20.8
4	59.0	17.6
Highest quintile	50.3	12.0

Source: Estimates based on EICVM 2009/10.

Table A 16: Occupation by Agriculture and Non-Agriculture

	Total	Non-Agriculture	Agriculture
Public waged worker	1.9	7.6	0.0
Private waged worker	3.4	12.7	0.2
Unpaid family worker	46.3	8.9	58.8
Apprentice/intern	6.9	7.5	6.6
Volunteer	0.3	1.1	0.1
Own-account	40.4	60.5	33.7
Employer	0.9	1.7	0.6

Source: Estimates based on EICVM 2009/10.

Table A 17: Employed Population by Payment (%)

Payment type	Salary/In-Kind	Paid by Task (hour/day)	Apprentice/Unpaid	Own-Account	Total
Female	3.4	1.0	64.7	30.9	100.0
Male	7.8	3.6	33.9	54.7	100.0
Rural	1.3	0.6	57.7	40.5	100.0
Urban	21.9	8.6	20.9	48.5	100.0
Total	5.5	2.2	50.2	42.1	100.0

Source: Estimates based on EICVM 2009/10.

Table A 18: Distribution of Underemployed Population (%) by Gender, Age and Location¹

Underemployment (last 7 days)	Rural		Urban		Total
	Female	Male	Female	Male	
15-24	11.1	12.3	1.6	2.4	27.3
25-34	10.9	10.4	2.2	3.7	27.1
35-44	8.5	9.1	1.8	3.3	22.6
45-54	5.8	6.5	1.3	2.0	15.6
55-64	2.7	3.8	0.3	0.6	7.5
Total	38.9	42.1	7.0	11.9	100.0

1. Reports to be willing to work more than currently is the case. Source: Estimates based on EICVM 2009/10.

Table A 19: Distribution of Population Holding Multiple Jobs¹ (%) by Gender, Age and Location

Multiple jobs	Rural		Urban		Total
	Female	Male	Female	Male	
15-24	8.3	10.4	1.3	1.0	21.1
25-34	8.2	15.7	1.6	2.5	27.9
35-44	7.5	12.9	1.6	2.6	24.6
45-54	6.3	8.5	0.9	1.7	17.4
55-64	2.9	5.5	0.2	0.5	9.0
Total	33.0	53.0	5.7	8.4	100.0

1. Two jobs or more. Source: Estimates based on EICVM 2009/10.

Table A 20: Population by Number of Jobs Held and Under-Employment

	Underemployed		
	No	Yes	Total
1 job	92.9	77.3	89.2
2 jobs	6.9	20.2	10.0
3 jobs	0.3	2.5	0.8
Total	100.0	100.0	100.0

Source: Estimates based on EICVM 2009/10.

Skills

Table A 21: Distribution of the Employed by Level of Education and Sector

	Total	Non-Agriculture	Agriculture
No schooling	75.8	51.9	51.9
Less than completed primary	11.7	18.6	18.6
Completed primary	3.6	6.8	6.8
Post-primary	6.0	13.0	13.0
Secondary general	2.0	5.9	5.9
Tec/vocational	0.2	0.9	0.9
University	0.8	2.9	2.9
Total	100.0	100.0	100.0

Source: Estimates based on EICVM 2009/10.

Table A 22: Employed Population by Education and Location

	Total	Rural	Urban
No schooling	75	84	44
Less than completed Primary	12	9	21
Completed primary	4	3	8
Post-primary	6	4	16
Secondary general	2	1	7
Tec/vocational	0	0	1
University	1	0	4

Source: Estimates based on EICVM 2009/10.

Table A 23: Employed Population by Education and Gender

Educational Level	Total	Female	Male
No schooling	75	82	67
Less than completed primary	12	9	15
Completed primary	4	3	5
Post-primary	6	5	8
Secondary general	2	1	3
Tec/vocational	0	0	0
University	1	0	1

Source: Estimates based on EICVM 2009/10.

Table A 24: Employed Population by Education and Age

educational level	Total	15-34	35-64
No schooling	75	68	85
Less than completed primary	12	15	7
Completed primary	4	5	2
Post-primary	6	9	3
Secondary general	2	3	2
Tec/vocational	0	0	0
University	1	1	1

Source: Estimates based on EICVM 2009/10.

Table A 25: Youth literacy

	Rural			Urban		
	Yes	No	Literacy rate (%)	Yes	No	Literacy rate (%)
15-19	418	648	39	291	86	77
20-24	213	536	28	262	90	74
25-29	170	518	25	186	94	66
Total	801	1 702	32	739	270	73

Source: Estimates based on EICVM 2009/10.

Earnings

Table A 26: Median Earnings by level of Education

Educational Level	Median
No schooling	10 002
Less than completed primary	11 000
Completed primary	17 974
Post-primary	28 000
Secondary general	59 000
Tec/vocational	25 000
University	50 000

Note: Few observations reduce the reliability of the results at secondary level and above.

Source: Estimates based on EICVM 2009/10.

Table A 27: Median Earnings by Sector of Work (Non-Agricultural)

Sector	Median Earnings
Mining	..
Manufacturing	8 117
Energy & water	..
Construction	13 655
Trade/hotels & rest.	13 655
Transport, storage & comm.	..
Finance, insurance & real estate	..
Public administration	48 726
Education, health & social services	19 607
Other services	..

Source: Estimates based on EICVM 2009/10.

Table A 28: Median Earnings by Occupation (Non-Agricultural)

Occupation	Median Earnings
Public waged worker	68 278
Private waged worker	22 097
Apprentice/intern	8 839
Own-account	10 000
Employer	68 585

Source: Estimates based on EICVM 2009/10.

Table A 29: Distribution of Employed Population by Education and Occupation

Educational Level	Public Waged	Private Waged	Unpaid Worker	Apprentice	Own-Account	Employer
No schooling	4.4	32.3	80.9	67.9	78.9	70.8
Less than completed						
Primary	7.8	20.2	10.0	15.6	12.4	14.9
Completed primary	5.0	9.3	3.2	5.7	3.1	2.2
Post-primary	22.7	20.4	5.0	8.3	4.4	8.6
Secondary general	36.1	9.2	0.8	1.9	1.0	1.2
Tec/vocational	4.5	1.6	0.1	0.4	0.1	0.9
University	19.6	7.0	0.1	0.2	0.2	1.5
Total	100.0	100.0	100.0	100.0	100.0	100.0

Source: Estimates based on EICVM 2009/10.

Informality

Table A 30: Definitions of Informality and Share of Total and Non-Agricultural Employment

Sector, Informal Sector Narrow definition 1	Share of Tot. Emp.	Share of Non-Ag. Emp.
	Percentage	Percentage
Agriculture	75.3	
Formal	7.4	30.1
Informal	17.3	70.0
Total	100.0	100.0
Sector, Informal Sector Broad Definition 2	Share of Tot. Emp.	Share of Non-Ag. Emp.
	Percentage	Percentage
Agriculture	75.3	
Formal	3.7	15.2
Informal	20.9	84.8
Total	100.0	100.0

1. Self-employed and unpaid workers 2. Self-employed, unpaid, and informally employed wage workers.
Source: Estimates based on EICVM 2009/10.

Table A 31: Distribution of Employed Population by Sector and Location

	Agriculture	Formal	Informal	Total
Rural	94.2	21.3	36.2	79.1
Urban	5.8	78.7	63.8	20.9
Total	100.0	100.0	100.0	100.0

Source: Estimates based on EICVM 2009/10.

Table A 32: Distribution of Employed Population by Sector and Location

Age Group	Agriculture	Formal	Informal	Total
15-24	35.2	9.8	28.2	25.4
25-34	23.8	33.3	30.5	31.0
35-44	18.2	30.7	20.5	22.1
45-54	14.0	20.2	14.3	15.2
55-64	8.9	6.0	6.5	6.4

Source: Estimates based on EICVM 2009/10.

Table A 33: Distribution by Gender and Formal/Informal Sector of Work

	Formal	Informal
% by Gender		
Female	10.0	90.0
Male	19.7	80.3
% by Sector		
Female	29.3	47.6
Male	70.7	52.4

Source: Estimates based on EICVM 2009/10.

Table A 34: Distribution by Gender, Age and Formal/Informal

	Female			Male		
	formal	informal	Total	formal	informal	Total
15-24	5	95	100	7	93	100
25-34	11	89	100	21	79	100
35-44	15	85	100	25	75	100
45-54	13	87	100	26	74	100
55-64	5	95	100	22	78	100
All	10	90	100	20	80	100

Source: Estimates based on EICVM 2009/10.

Table A 35: Distribution by Location, Age and Formal/Informal

	Rural			Urban		
	Formal	Informal	Total	Formal	Informal	Total
15-24	4	96	100	7	93	100
25-34	12	88	100	19	81	100
35-44	14	86	100	26	74	100
45-54	10	90	100	27	73	100
55-64	6	94	100	20	80	100
Total	10	90	100	18	82	100

Source: Estimates based on EICVM 2009/10.

Table A 36: Employed Population by Education Level and Sector of Work

Educational Level	Agriculture	Formal	Informal	Total
No schooling	84	21	58	76
Less than completed primary	9	13	20	12
Completed primary	3	6	7	4
Post-primary	4	19	12	6
Secondary general	1	23	3	2
Tech/vocational	0	4	1	0
University	0	15	1	1
Total	100	100	100	100

Source: Estimates based on EICVM 2009/10.

Table A 37: Employed Population by Literacy and Sector of Work

literacy	agriculture	formal	informal	Total
No	77	16	51	69
Yes	23	84	49	31
Total	100	100	100	100

Source: Estimates based on EICVM 2009/10.

Table A 38: Informal Sector Employed by Level of Education and Gender

Educational level	female	male	Total
No schooling	62	53	58
Less than completed primary	18	22	20
Completed primary	7	8	7
Post-primary	11	12	12
Secondary general	2	4	3
Tech/vocational	0	1	1
University	1	1	1
Total	100	100	100

Source: Estimates based on EICVM 2009/10.

Table A 39: Informal Sector Employed by Level of Education and Location

educational level	rural	urban	Total
No schooling	78	46	58
Less than completed primary	12	25	20
Completed primary	4	9	7
Post-primary	5	15	12
Secondary general	1	4	3
Tech/vocational	0	1	1
University	0	1	1
Total	100	100	100

Source: Estimates based on EICVM 2009/10.

Table A 40: Distribution of the Employed by Sector and Consumption Quintile

Consumption quintile	Agriculture	Formal	Informal
Q1	22.1	2.4	9.0
Q2	21.7	3.7	13.8
Q3	21.0	9.0	17.0
Q4	19.7	14.4	24.3
Q5	15.5	70.6	36.0

Source: Estimates based on EICVM 2009/10.

Table A 41: Informal Sector: Distribution by Urban/Rural and Consumption Quintile

Consumption Quintile	Rural	Urban	Total
1	13	6	9
2	15	13	14
3	22	14	17
4	26	23	24
5	24	43	36
Total	100	100	100

Source: Estimates based on EICVM 2009/10.

Table A 42: Sector of Employment and Formal/Informal

Sector of Employment	Formal	Informal	Total
Mining	1	2	2
Manufacturing	9	21	19
Energy & water	0	1	0
Construction	4	4	4
Trade/hotels & rest.	18	52	46
Transport, storage & comm.	2	3	3
Finance, insurance & real estate	2	1	2
Public administration	29	1	5
Education, health & social services	34	11	15
Other services	2	4	3
Total	100	100	100

Source: Estimates based on EICVM 2009/10

Table A 43: Occupational Status and Formal/Informal

Occupational status	Formal	Informal	Total
Public waged worker	50	0	8
Private waged worker	19	12	13
Unpaid family worker	0	11	9
Apprentice/intern	2	9	8
Volunteer	7	0	1
Own-account	11	69	60
Employer	11	0	2
Total	100	100	100

Source: Estimates based on EICVM 2009/10.

Table A 44: Educational Level, Formality, and Gender and Location

Educational level	Formal		Informal		Formal		Informal	
	Female	Male	Formal	Informal	Rural	Urban	Rural	Urban
No schooling	19	22	62	53	42	15	78	46
Less than completed								
Primary	9	15	18	22	8	14	12	25
Completed primary	7	6	7	8	9	6	4	9
Post-primary	24	17	11	12	20	19	5	15
Secondary general	22	23	2	4	18	25	1	4
Tech/vocational	6	2	0	1	1	4	0	1
University	14	15	1	1	3	18	0	1
Total	100	100	100	100	100	100	100	100

Source: Estimates based on EICVM 2009/10.

Minimum Wage

Figure A 1: Density Functions of Earnings by Sector Relative to Minimum Wage

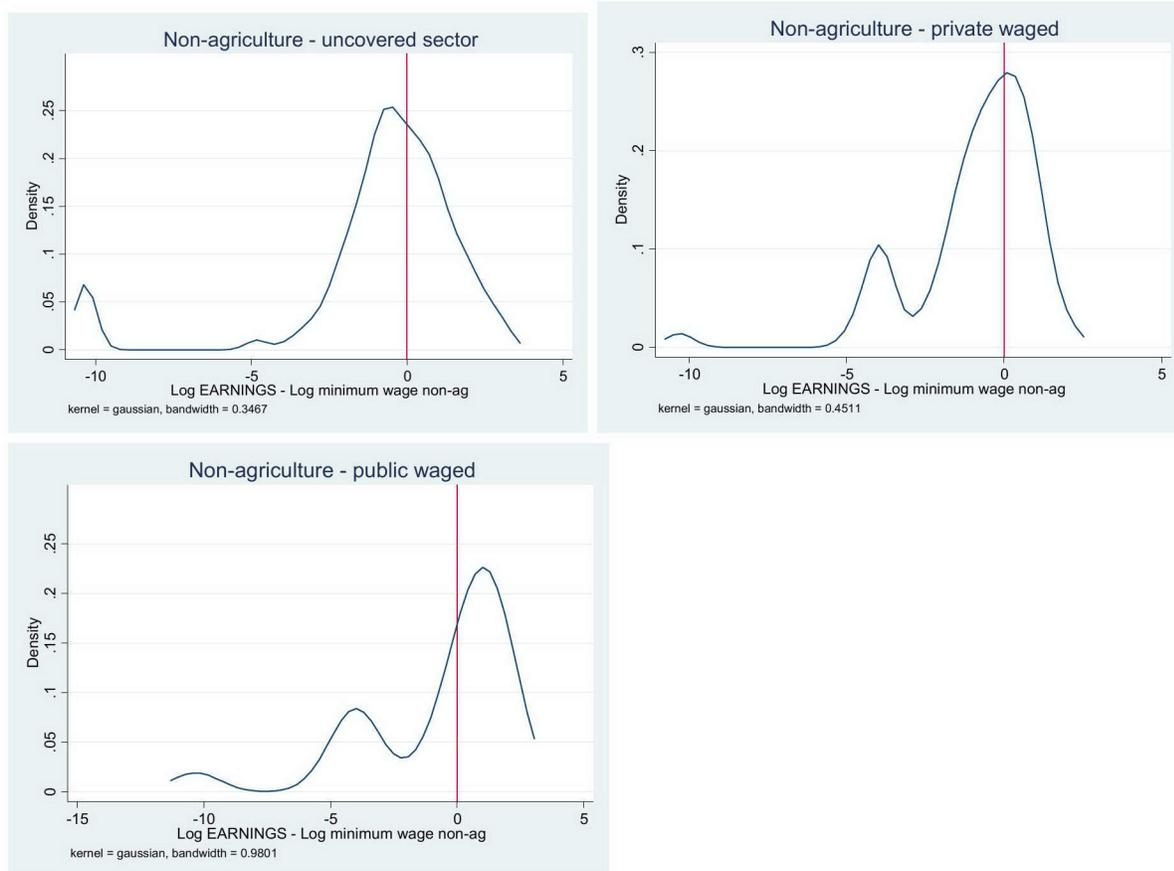


Table A 45: Minimum Wage in Relation to Average and Median Wage, by Sector

	Private Sector Waged Workers	Public Sector Waged Workers	Uncovered Sector Workers
MW/Average wage	1.10	1.08	1.08
MW/Median wage	1.04	0.96	1.04
Share paid below mw	60	32	58
Share paid the mw (+/-5%)	28	17	24
Share paid above mw	40	68	42

Source: Estimates based on EICVM 2009/10; Ministry of Social Security and Work.

4. ACTIVE LABOR MARKET PROGRAMS

Table A 46: Summary of Programmes Aiming to Develop Entrepreneurship through Microcredits

Institution	Objective	Beneficiary	Number of Projects Financed	Number of Jobs Created	Cost of Projects Financed in CFAF (millions)
FASI (2000-2009)	Reducing unemployment and poverty through provision of loans for micro projects	Stakeholders in the informal sector	11 292	12 164	5 242
FAPE (2000-2009)	Promote employment and reducing unemployment	Owners of Small to Medium Enterprises and Youth who want to set up their own businesses	1 177	5 547	4 381
FAIJ (2008-2009)	Reduction of poverty, unemployment and underemployment among youth in rural and urban areas	Youth in rural and urban areas	2 122	8264	2073
FAARF (1991-2010)	Promote women access to credit by providing loans and/or guarantees, as well as trainings on business management	Women in urban and rural areas	24 841	654 222	28652
FONA-DR (2000-2006)	Promote professional reorientation through self-employment and the creation of small and medium enterprises	Laid-off or retired workers	513	2930	3650
PAPME (2000-2006)	Provide technical assistance to enterprises in micro project design, monitoring, evaluation and trainings	Promoters of small and medium enterprises	326	373	3210
PAMER (2001-2008)	Contribute to the increase and diversification of revenues (benefiting rural populations) through the promotion and expansion of viable rural micro enterprises in non-agricultural sectors	Promoters of micro enterprises in rural areas	381	5277	97
FILAJ (2000-2005)	Reduce youth migration	Rural youth	316	30 000	305
FODEL (2010-2011)	Finance all start up activities initiated by experts in livestock production, transformation, and commercialization)	Professionals in the livestock sector	69	340	139
Total			41 037	719 117	47751

Source: Kobre (2011).

Table A 47: Summary of Training Programmes Aiming to Promote Entrepreneurship

Program	Objective	Beneficiary	Number of Youth Trained	Number of Business Plans Financed	Cost in CFAF (millions)
Providing entrepreneurship training to 5000 youth per year (2008-2009)	Promote entrepreneurship among youth by supporting youth-led initiatives that generate jobs, as well as micro, small and medium enterprises creation (MSME).	Rural and urban youth	7711	2122	2 073
Providing technical skills training to 10 000 youth per year to (2008-2009)	Provide a qualified and young workforce to the regions	Rural and urban youth	31 227	n.a.	500
Total			38 938	2 122	2 573

Source: Kobre (2011).

Table A 48: Summary of Programs Aimed at Building Competencies to Facilitate Access to Employment

Programs	Objective	Beneficiaries	Cost in CFAF (millions)
Support the Professional insertion of young graduates from the higher education system (2006-2009)	Build entrepreneurship competencies of youth graduates through trainings, and facilitate access to paid employment	-2927 youth receive an internship placements (including 2038 men and 889 women ; -1497 young graduates are trained in entrepreneurship (including 474 women and 1023 men ; -118 projects are designed.	352
Public Interest Group— National Program for Volunteer Placement (GIP-PNVB) (2006-2010)	Provide youth opportunities to acquire Professional experience	1913 volunteers for the last three years (2008, 2009, 2010)	775
Project 1000 young women (1994-2010)	Provide young women in rural areas with access to socio-economic opportunities to, and contribute to an increase in agricultural production.	2408 young women trained 650 teenagers trained	4034
TOTAL		9395	5161

Source: Kobre (2011).

Table A 49: Summary of Programs that Resulted in Job Creation through Labor Intensive Public Works

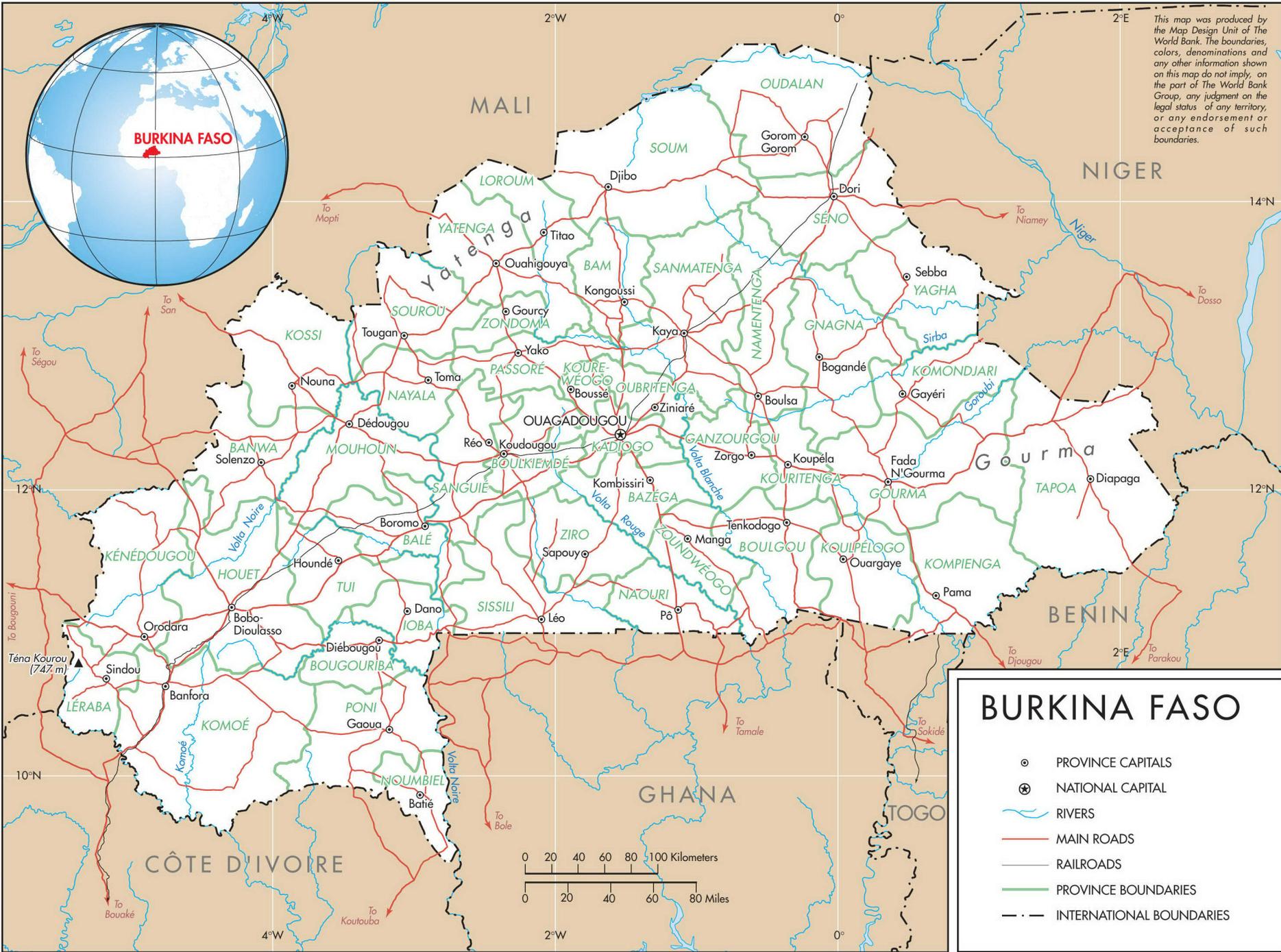
Programme	Objective	Beneficiary	Salary injected CFAF (millions)	Cost in CFAF (millions)
Special Labor Intensive Public Works Program (PSTP/HIMO) (1982-1987)	Create jobs in urban areas using local materials ; construct infrastructures in urban and rural areas	16 120 people in urban and rural areas	234	350
Kaya urban infrastructure project (BKF project/90/02M/BEL) (1994-1999)	Create jobs in urban areas using local materials for infrastructure construction	Entreprises with skilled and unskilled workers	9	237
Road rehabilitation through labor intensive public works (2001-2002)	Construct rural roads through a labor intensive approach	Skilled and unskilled workers (total of 10 120 people)	300	1 234
Road rehabilitation through labor intensive public works (2003-2005)	Construct rural roads through a labor intensive approach	Skilled and unskilled workers (total of 66 320 people)	950	2 024
Public Interest Program for Job Creation (TIPE) (1991-2006)	Mitigate the negative effects of the structural adjustment programs (SAP) that started inn 1991	Enterprises, firms, skilled and unskilled workers	1613	6 450
Investment Funds for Decentralized Collectivities/Local Community Investment Funds(FICOD) (2005-2008)	Construct roads, facilitate sanitation and anti-erosion activities through labor intensive public works	All communes	1 701	5 000
Eastern rural roads program (PrEst) (2002-2011)	Stimulate economic activities in rural areas by reducing marginalization	Eastern regions and local populations	n.a.	n.a.
Faso Barra (KFW/HIMO) (1991-2008)	Short term job creation benefiting local populations through road and water infrastructures construction	Local populations and enterprises involved	2827	11307
Total			7633	26602

Source: Kobre (2011).

Table A 50: Summary of Programs to Improve Employability

Program	Objective	Beneficiary	Cost in CFAF (millions)
Support to job promotion and professional training Project (PA-Emploi-FP) (2008-2009)	Strengthen the capacity of the National Employment Observatory to improve information sharing on the job market; Support the DGSPE for an effective implementation of the PAO	ONEF DGSPE All institutions of the MJE	353
Vocational Training and Apprenticeship Fund (FAFPA) (2005-2009)	Capacity building of stakeholders	Paid workers of enterprises, crafts men, and other actors in the informal sector, rural workers (agricultural and animal farmers, fishermen), apprentices, unemployed youth.	956
Burkina Economic and Social Development Fund (FBDES) (2008-2010)	Support the implementation of projects contributing to social and economic development through the creation of new businesses (SA, SARL) and the expansion of existing businesses	Enterprises (businesses), Associations, federations	1 615
Total			2 923

Source: Kobre (2011).



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BURKINA FASO

- PROVINCE CAPITALS
- ⊛ NATIONAL CAPITAL
- ~ RIVERS
- MAIN ROADS
- RAILROADS
- PROVINCE BOUNDARIES
- - - INTERNATIONAL BOUNDARIES