

# CÔTE D'IVOIRE JOBS DIAGNOSTIC

## KEY MESSAGES

- Since the end of the post-election crisis in 2011, economic growth has resumed through sound macroeconomic management, combined with public and private investments.
- Overall, between 350,000 and 400,000 young people are estimated to join the working-age population each year.
- Côte d'Ivoire's high concentration of employment in agricultural and nonagricultural self-employment represents a major challenge.
- Self-employment is the most common form of employment in both urban and rural areas, consistently accounting for over 80 percent of employment.
- Approximately 20 percent of the population has wage jobs; 60 percent of wage jobs are informal; and most wage employment is informal and takes place in small firms and in the service sector.
- Despite good prospects for new jobs and better earnings within agriculture, over time, most jobs will be generated outside agriculture.
- To promote more inclusive employment opportunities in Côte d'Ivoire, a three-pronged approach is suggested: modernize and raise labor productivity in agriculture; expand productive employment opportunities off the farm, including through better earnings in self-employment and expansion of the modern sector; and provide social assistance for those unable to seize opportunities and access more productive employment opportunities.

Côte d'Ivoire's average real growth rate reached 8.5 percent annually between 2012 and 2015—one of the highest rates in Sub-Saharan Africa. For poverty reduction, the main challenges will be raising labor productivity in agriculture and informal off-farm employment to foster structural transformation, while in parallel, pursuing longer-term goals of expanding the thin formal sector.

## ECONOMIC GROWTH AND JOBS

**Over the past several years, sound macroeconomic management, combined with public and private investments, have driven Côte d'Ivoire's economic growth.** Its gross domestic product (GDP) growth rate was 10.7 percent in 2012, 8.7 percent in 2013, and 8.0 percent in 2014. Côte d'Ivoire's<sup>1</sup> labor

force participation rate rose by 8.7 percent from 68.1 percent in 2002 to 76.8 percent in 2013. In addition, the employment-to-working-age-population ratio grew from 64.6 percent in 2002 to 71.7 percent in 2013.

**Rapid growth rates for Côte d'Ivoire's economy and employment are essential for political, economic, and social stability.** As is prevalent in Sub-Saharan Africa, Côte d'Ivoire's demographic growth creates a significant youth bulge and, consequently, a priority to generate employment opportunities. For example, Côte d'Ivoire's youth population was roughly 5.9 million in 2005, and grew to about 7.3 million in 10 years. Between 350,000 and 400,000 young people are estimated to join Côte d'Ivoire's working-age population each year. Côte d'Ivoire is characterized by relatively low unemployment, at 6.7 percent of the labor force

<sup>1</sup> Côte d'Ivoire is categorized as an urbanizing in conflict country (WDR 2013). It is a lower-middle-income country in Sub-Saharan Africa. President Alassane Ouattara's peaceful reelection in late 2015 confirmed the country's stability since the end of the political crisis in 2011.

in 2014, and unemployment is more prevalent among the more educated in urban areas. While unemployment is relatively low, those without work tend to stay unemployed for a long time. Labor force participation is also lower for women, with 27.2 percent of adult women inactive, compared to only 19.3 percent of adult men.

## WHO CREATES JOBS?

**Côte d’Ivoire’s high concentration of employment in agricultural and nonagricultural self-employment represents a major challenge.** As illustrated in Figure 1, 30.4 percent of employment came from nonagricultural self-employment in microenterprises in 2014, compared to 50.2 percent from agriculture and 19.4 percent from wage jobs. Projections indicate that nonagricultural self-employment will likely be Côte d’Ivoire’s largest employment category by 2025.

**Côte d’Ivoire’s formal sector is not equipped to absorb a large amount of labor in the short term, as aggregate formal job creation has been small in recent years.** Between 2003 and 2012, the number of those employed in the formal sector increased from around 200,000 to approximately 300,000. This is a small segment of the individuals employed in Côte d’Ivoire, which total more than 10 million. At the same time, formal jobs creation has been small in the aggregate: the highest number of formal jobs created in a year is only approximately 40,000.

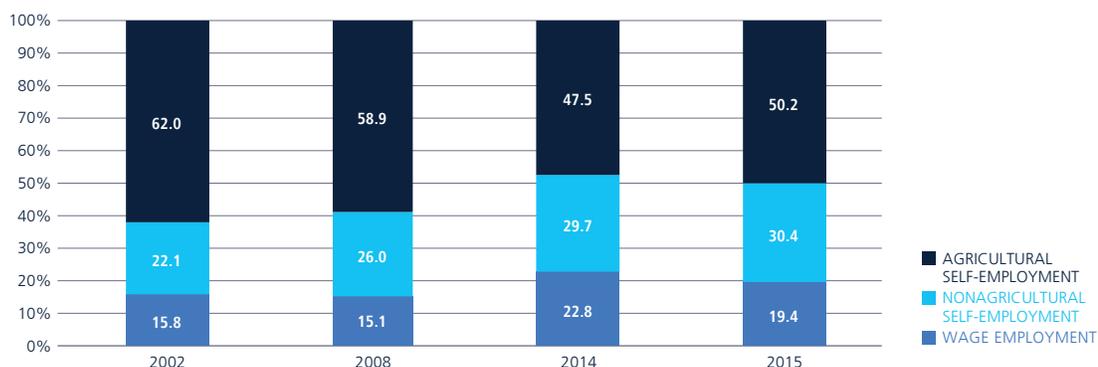
**Several factors explain why increasing agricultural labor productivity is key to the jobs agenda in Côte d’Ivoire.** First, doing so aligns with the country’s comparative advantage. Second, it raises earnings of the poor directly. Third, it helps generate demand for nonagricultural goods and services, and, consequently, off-farm employment. Finally, because of the large share of employment in agriculture in Côte d’Ivoire, fast growth of urban wage jobs would not be able to absorb all new entrants in the working-age population.

## WHO GETS JOBS?

**In Côte d’Ivoire, strong spatial employment patterns emerge.** Self-employment is the most common form of employment in both urban and rural areas, consistently accounting for over 80 percent of employment. In rural areas, wage jobs are very rare; 72.6 percent of employed residents work on family farms and are self-employed in agriculture; and 16.3 percent are self-employed outside agriculture. Only 40 percent of urban workers have wage jobs, while 51 percent are self-employed in nonagricultural work. Both wage employment and unemployment are strongly concentrated in urban areas and in the south, with more than 90 percent of formal jobs in Abidjan.

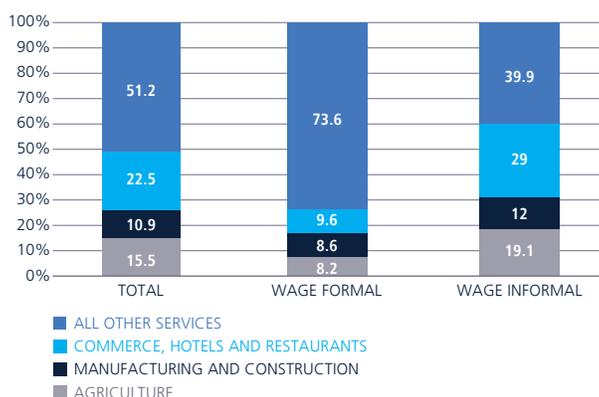
**Most women in Côte d’Ivoire are self-employed, including for work outside the agriculture sector.** Twelve percent of employed women hold wage jobs, and when counting only employed women in urban areas, that percentage increases to 24.4 percent.

Figure 1  
Evolution of the composition of employment between 2002 and 2015



Source: Data for 2002, 2008, and 2015 are from national household survey, and 2014 are from ENSETE 2014; Authors’ calculation.

**Figure 2**  
Most wage employment is in the service sector



Source: Authors' calculation, from 2014 National Employment Survey (ENSET 2014).

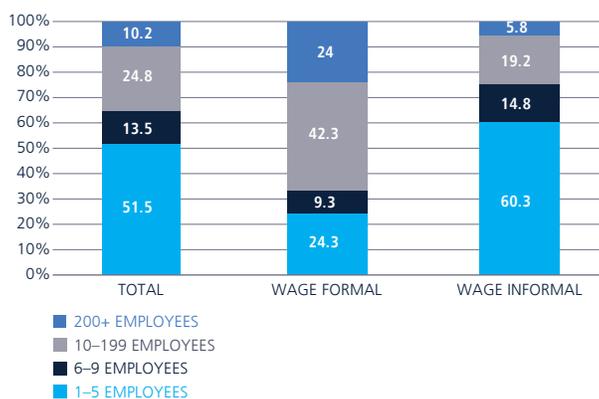
In comparison, 26.4 percent of employed men have wage jobs, and when counting only employed men in urban areas, that percentage increases to 52.9 percent. In addition, 41.9 percent of women are engaged in nonagricultural self-employment, which is twice the percentage of men.

**Most wage employment is informal and takes place in small firms and in the service sector.** Over 60 percent of individuals holding wage jobs do not have contracts. In early 2014, nearly 73.7 percent of all wage employment was in the service sector, with only 10.9 percent in industry and manufacturing. As Figure 2 illustrates, in the formal wage sector, the share of services is even higher, at 83.2 percent. In line

with the prevalence of informal wage employment, small firms account for most wage employment. As highlighted in Figure 3, 51.5 percent of wage employment takes place in firms with five or fewer workers.

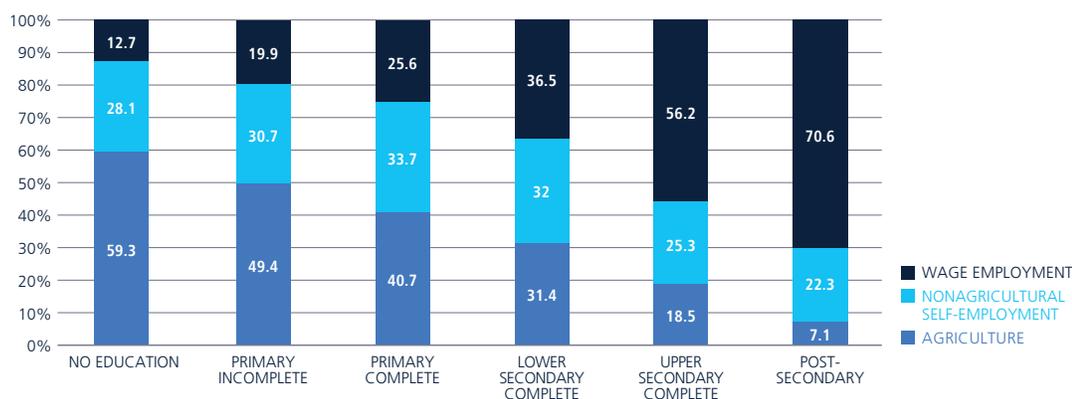
**Nonagricultural self-employment in household enterprises accounts for 29.7 percent of employment in Côte d'Ivoire.** Self-employed individuals working for themselves in small-scale commerce or service activities account for 65.9 percent of employment in the sector. Of the individual enterprises, 22.0 percent include the owner as well as unpaid family helpers from the same household. Only a small share of individual enterprises, approximately 10.4 percent, relies on workers from outside the households.

**Figure 3**  
Most wage employment takes place in small firms



Source: Authors' calculation, from 2014 National Employment Survey (ENSET 2014).

**Figure 4**  
Employment type by education attainment in Côte d'Ivoire in 2014



Source: Authors' calculation, from 2014 National Employment Survey (ENSETÉ 2014).

### Education contributes both to the occupations where individuals work, and to the productivity in these occupations.

Patterns of occupational selection are rather strong in Côte d'Ivoire. As illustrated in Figure 4, most individuals with low education achievement are concentrated in agriculture, and access to nonagricultural wage jobs is concentrated among individuals with completed secondary education or more. The share of nonagricultural self-employment is relatively stable across all education levels.

Approximately two-thirds of Côte d'Ivoire's poor live in rural areas, and almost half of the poor live in households whose head is primarily engaged in agriculture.

- Expand productive employment opportunities off the farm. This will require accelerating job creation in formal firms, as well as putting in place policies to raise productivity in nonagricultural household enterprises in the informal sector, while expansion of the formal sector continues.
- Provide social assistance for those unable to seize opportunities and access more productive employment opportunities. The occupational transformation typically lags the economic transformation.

## CONCLUSIONS AND LESSONS LEARNED

**Côte d'Ivoire holds employment, especially youth employment, as a top policy priority.** To promote more inclusive employment opportunities in Côte d'Ivoire, a three-pronged approach is suggested:

- Modernize and raise labor productivity in agriculture. This is a key entry point for more, better, and inclusive employment generation in Côte d'Ivoire.

This Jobs Note is based on Christiaensen, Luc; Premand, Patrick, 2017. Côte d'Ivoire Jobs Diagnostic: Employment, Productivity, and Inclusion for Poverty Reduction. Washington, DC: World Bank Group. <http://openknowledge.worldbank.org/handle/10986/26384>; License: CC BY 3.0 IGO. The Jobs Note was prepared by Arvo Kuddo and edited by Helena Hwang.

Recognizing that jobs are the key to development, the World Bank Group is developing and piloting a new multi-sector jobs diagnostic approach to help countries identify key jobs challenges, and prepare strategies for addressing them. By following how people in the economy benefit from jobs; by taking into account the country context, and recent trends in productivity and employment; and by considering the existing profile of jobs and workers in the economy, the new approach seeks to identify the key constraints a country faces in creating more, better, and inclusive jobs. These jobs diagnostics are part of the World Bank's IDA 17 commitments and led by the Jobs Group. For more information, contact the Jobs Diagnostic Team (Dino Merotto, Michael Weber, or Reyes Aterido, Jobs Group) or [jobsCCSA@worldbank.org](mailto:jobsCCSA@worldbank.org).