Chapter 13

Working in West Africa after Retirement Age

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Until recently, the retirement age in most French-speaking capitals in West Africa was 55. However, only people who work for the government or private firms in the formal sector of the economy pay contributions and are therefore entitled to pensions. The majority of workers work in the informal sector and do not receive pensions.

There is very little interest in seniors (defined here as people 55 and older) in the labor market, mainly because they represent just 5 percent of the population. Yet there are at least two good reasons for looking into their situation. The first has to do with the sharp upturn in their numbers, which will grow more rapidly in Africa than any other continent (Velkoff and Kowal 2007). The second concerns the participation of seniors in the labor force at relatively later ages.[1]

Who works after 55 and in what lines of business? What are the proportions of older men and women in the labor market? Do some people see retirement as a time to retrain and change occupation? Is the prolonged activity of old workers a potential source of conflict between generations?

To answer these questions, this chapter analyzes data from the 1-2-3 surveys coordinated by the Observatoire économique et statistique d'Afrique Subsaharienne (AFRISTAT) and Développement, Institutions et Mondialisation (DIAL) in seven capitals in the West African Economic and Monetary Union (WAEMU).[2] This secondary analysis of a survey designed mainly to study the labor market identifies the position of seniors on the labor market in each of the capitals studied, differentiating between informal sector workers and pension recipients. Most of these people still have children to support and therefore need to work.

Data and Variables Used

The data used come from the 1-2-3 surveys conducted in the seven French-speaking West African Economic and Monetary Union capitals in 2001/02. The analysis covers 4,955 individuals 55 and older who were interviewed in Phase 1 of the surveys (table 13.1).

The main variables covered by Phase 1 of the surveys are the characteristics of the household and each of its members. The Phase 1 augmented labor force survey concerns all individuals 10 and older. The questionnaire covers current employment, main job and any second job held, job-seeking, unemployment, father's job, previous employment, and unearned income. Most of the respondents are employed workers, but information from the surveys also sheds light on individuals 55 and older.

Sociodemographic Characteristics

One-third of WAEMU's population live in towns and cities. A large proportion of this urban population is concentrated in the country's economic capital, which generally attracts most investment. Some cities, such as Abidjan (population 3 million) and Dakar (population 2 million), are large.

The population is young: people 55 and older account for a very small proportion of the capital's population, ranging from 3.2 percent in Abidjan to 6.8 percent in Dakar. A large share of the capital's population are migrants from the country's interior, many of whom arrived in the 1970s and are now reaching retirement age.

A substantial proportion of the population in each of the capitals has no schooling; this share is particularly high among people 55 and older. Although illiteracy is being pushed back among the younger generations, many people lack postprimary education. Work still needs to be done in this area, particularly in Dakar, Niamey, and Bamako.

Table 13.1 Number of People Interviewed in Phase 1 of the 1-2-3 Surveys in Seven Cities in West Africa, 2001/02

City	Number of households	Number of individuals	Number of seniors	Seniors as percent of sample
Abidjan	2,494	11,257	360	3.2
Bamako	2,409	12,760	707	5.5
Cotonou	3,001	11,535	761	6.6
Dakar	2,479	18,700	1,272	6.8
Lomé	2,500	9,676	457	4.7
Niamey	2,500	14,342	683	4.8
Ouagadougou	2,458	13,513	715	5.3
Total	17,841	91,783	4,955	5.4

Sources: Based on Phase 1 of the 1-2-3 surveys of selected WAEMU countries conducted in 2001/02 by the Observatoire économique et statistique d'Afrique Subsaharienne (AFRISTAT); Développement, Institutions et Mondialisation (DIAL); and national statistics institutes.

Importance of the Informal Sector

Labor force participation rates for men range from 59 percent in Cotonou to 70 percent in Abidjan (table 13.2). For women, there are sharp differences between the capitals of the Gulf of Guinea countries (Benin, Côte d'Ivoire, and Togo), where just over 60 percent of women 10 and older participate in the labor force, and the capitals of the Sahelian countries (Burkina Faso, Mali, Niger, and Senegal), where 35–50 percent of women do so. These figures reflect differences in the status of women in the two regions (Adjamagbo and others 2005).

The survey divides the sample into five institutional sectors: public administration, public sector corporations, the formal private sector, the informal sector, and nonprofit organizations (Brilleau, Roubaud, and Torelli 2005). The informal sector accounts for 76 percent of employed workers across all seven capitals. There is little difference across cities (table 13.3). The formal private sector is in second place (except in Niamey), accounting for an average of 14 percent of jobs, ranging from about 10 percent in Cotonou to about 18 percent in Abidjan. Except in Niamey, relatively few people are employed in the public sector, which accounts for just 8.4 percent of employed workers (6.6 percent in the administration and 1.8 percent in public and semi-public corporations).

Even in the formal private sector, most workers (71–92 percent) do not pay pension contributions) (table 13.4). The majority of workers thus work in a sector that provides no social security.

Table 13.2 Sociodemographic Characteristics of the Sample in Seven Cities in West Africa, 2001/02

(percent, except where otherwise indicated)

Statistic	Abidjan	Bamako	Cotonou	Dakar	Lomé	Niamey	Ouagadougou
Population (thousands)	3,046	1,143	809	1,906	784	675	856
Structure by age							
0–14	34.1	44.0	36.4	34.6	35.0	43.0	37.6
15–54	62.9	50.8	58.3	58.9	60.4	52.4	56.9
55+	3.0	5.2	5.3	6.5	4.6	4.6	5.5
Male labor force participation rate among population 10 and older	70.1	59.3	58.8	62.1	68.9	63.5	66.3
Female labor force participation rate among population 10 and older	60.3	45.6	60.9	41.1	66.9	35.2	49.6
Net primary school enrollment rate	73.2	70.7	81.2	65.9	83.2	70.5	79.7

Sources: Population and labor force participation statistics are from Brilleau, Roubaud, and Torelli 2005; structure of the population by age statistics are from Phase 1 of the 1-2-3 surveys of selected countries (see table 13.1 for details).

Table 13.3 Distribution of Employment by Institutional Sector in Seven Cities in West Africa, 2001/02
(percent)

Institutional sector	Abidjan	Bamako	Cotonou	Dakar	Lomé	Niamey	Ouagadougou	All
Public administration	5.5	7.5	6.3	5.7	5.2	13.5	10.4	6.6
Public sector corporation	1.1	2.5	2.2	1.8	2.3	1.8	2.3	1.8
Formal private sector	17.6	11.4	9.9	15.0	10.5	11.8	11.8	14.2
Informal sector	74.7	77.5	80.3	76.4	81.0	71.1	73.4	76.2
Nonprofit organization	1.1	1.1	1.3	1.1	1.0	1.8	2.1	1.2
Total	100	100	100	100	100	100	100	100

Source: Brilleau, Roubaud, and Torelli 2005.

Table 13.4 Proportion of Workers in Private Formal Sector Paying Pension Contributions in Seven Cities in West Africa, 2001/02
(percent)

Sector	Abidjan	Bamako	Cotonou	Dakar	Lomé	Niamey	Ouagadougou	All
Formal private	10	19	12	13	8	15	17	12
Nonprofit organization	0	26	5	7	5	17	16	8

Sources: Based on Phase 1 of the 1-2-3 surveys of selected countries (see table 13.1 for details).

In the seven cities studied here, as in many other low- and middle-income countries, the social security system covers only a tiny minority of the population (mainly civil servants and formal sector workers). Informal sector workers—the vast majority of the population—have no welfare protection and are therefore particularly vulnerable when they can no longer work (Apt 2002). Improving these workers' lives, especially in terms of health and pensions, requires giving them the option of joining the state social security systems (Kannan 2007). Setting up a real welfare safety net is an effective way of protecting the poor against the risk of destitution (for a discussion of these issues, see James 1999; Gillion et al. 2000; Kakwani and Subbarao 2005; Scodellaro 2010; Willmore 2000).

The Importance of Seniors

The demographic weight of seniors in Sub-Saharan Africa is still small. In 2006, about 7.2 percent of the population was older than 55. Aging-related problems are not expected to emerge until 2030 (United Nations 2003; Velkoff and Kowal 2007). It would be a mistake to underestimate the demographic, social, and economic importance of seniors because their numbers are small, however; although their authority is gradually being challenged, elders continue to play an important economic role (Antoine 2007).

By the time they are 55, most men are heads of household (or at least say they are), except in Dakar, where men become household heads later than in other cities and not all men become heads of household (figure 13.1).[3]

The proportion of female heads of household is high in Abidjan, Lomé, Cotonou, and, to a lesser extent, Dakar and Niamey. The proportions are much lower in Bamako and Ouagadougou. The large proportion of older female heads of household mainly reflects women who are widowed and do not remarry (Adjamagbo and Antoine 2009).

Although people 55 and older account for a very small share of the population, they make up a significant share of heads of household, ranging from 10 percent in Abidjan to 32 percent in Dakar. Nearly one in four people lives in a household whose head is 55 or older; these figures range from 16 percent of the population in Abidjan to more than 40 percent in Dakar (table 13.5).

Pensions in Africa

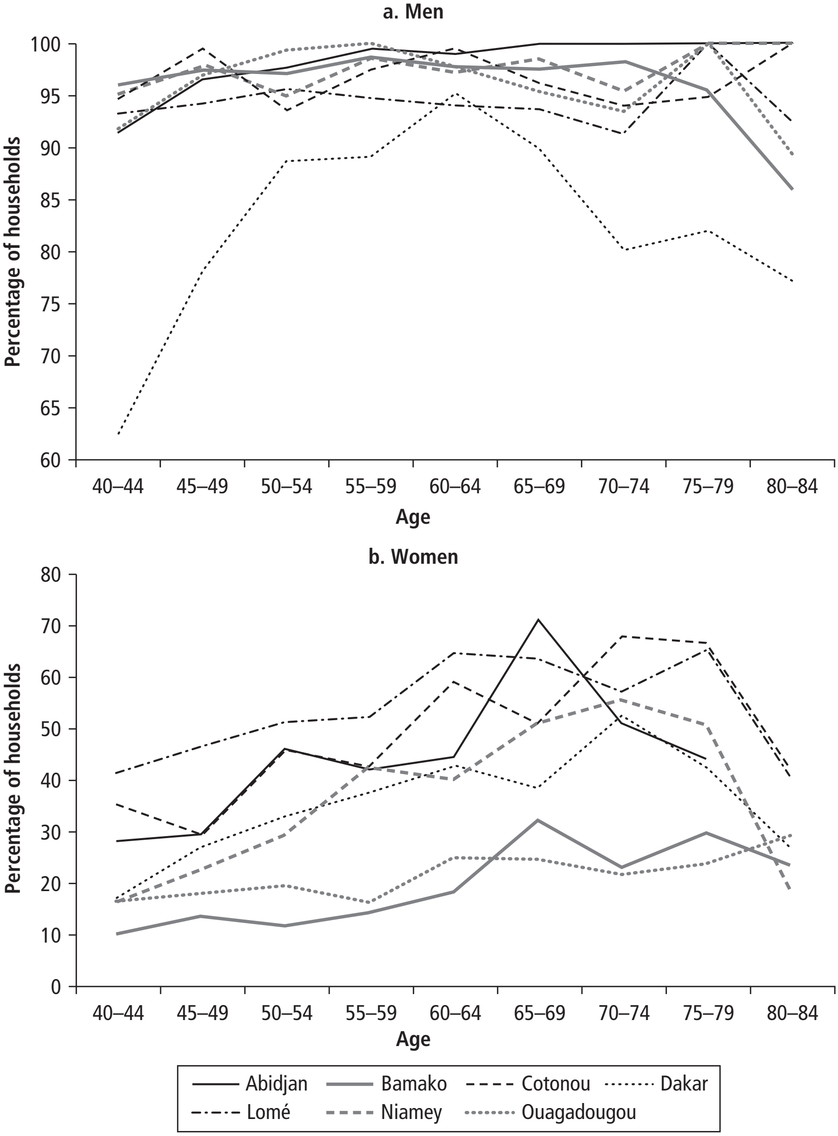
The term *pensioner* is sometimes used incorrectly in Africa, as not all "pensioners" receive pensions. The 1-2-3 survey defines as pensioners all people who report drawing a pension. All seven countries have similar pension schemes: a contributory pension scheme for the economy's formal private sector and a system for civil servants, whose pensions are budgeted for in the national budget and paid out based on the number of years spent in the civil service.

Case Study of Senegal

State pensions in Senegal are managed by two institutions, the Senegal Pension Insurance Institution (IPRES) for the private sector and the National Pension Fund (FNR) for the public sector. Pursuant to the labor code in force since 1952, in 1958 an agreement between management and labor unions set up the West African Welfare Institute (IPRAO) for private sector employees. Following the break-up of the French West Africa federation and the independence of its member states, many of these states withdrew from IPRAO. In Senegal, IPRAO became IPRES in 1978. In 1975, it became a legal obligation for all salaried employees and employers to join this pension scheme (Diop 2003).

The IPRES pension system is a contributory scheme, which pays out to pensioners part of the contributions paid by contributors (employers and employees) after deductions for administrative expenses. The pensions for a given period are financed by the same period's levy on earnings, giving rise to a relationship between the number of contributors and the number of pensioners.

Figure 13.1 Age Distribution of Heads of Household in Seven Cities in West Africa, 2001/02



Sources: Based on Phase 1 of the 1-2-3 surveys of selected countries (see table 13.1 for details).

Table 13.5 Importance of People 55 and Older in Seven Cities in West Africa, 2001/02

Item	Abidjan	Bamako	Cotonou	Dakar	Lomé	Niamey	Ouagadougou
Heads of household 55 and older as percentage of all heads of household							
Male	9	20	16	30	10	19	18
Female	16	26	24	36	19	31	23
All	10	20	18	32	13	21	19
Proportion of individuals living in household headed by person 55 or older							
Percent	16	26	20	41	18	28	25

Sources: Based on Phase 1 of the 1-2-3 surveys of selected countries (see table 13.1 for details).

The FNR is a special Treasury account. It handles the pension scheme for civil servants (government employees in stable employment governed by service regulations). The scheme is a contributory system. Pensioners enjoy the same health care and treatment advantages on the same terms as working civil servants in state hospitals and health care structures. Until 2005, the retirement age was also 55, except for certain groups of employees. Since then, it was raised to 60.

There are some 118,000 pensioners in Senegal across both public and private sectors. Because of financial problems in the system, they are no longer sure of collecting their pensions. The FNR has a deficit of CFAF 6 billion. IPRES is also struggling to meet its obligations. With just over 100,000 contributors, it was expected to pay pensions to nearly 60,000 pensioners, 35,000 widows, and 2,370 orphans in 2003. In 2003, IPRES paid out a quarterly average of CFAF 71,408 to pensioners, CFAF 28,666 to widows, and CFAF 15,789 to orphans (CFAF 793 a day to pensioners, CFAF 319 to widows, and CFAF 175 to orphans).

The extremely low level of pensions means that retirement forces changes in pensioners' economic situation. The substantial drop in income can disrupt the running of the household, as explained by a recent retiree interviewed in Dakar: "The family head who earns CFAF 100,000 to feed his family when he is working gets CFAF 60,000 a quarter when he retires. It's very tough. It's not enough to support a household." This respondent noted that the cut in resources makes retirement a time of insecurity. "You can't put your feet up when you retire, because the money you get is useless. So you're retired, but you're scrabbling about for money to survive," he observed. For people receiving IPRES pensions, the fact that payments are made quarterly adds to their problems. Another person interviewed observed that retirement was an unpleasant surprise because of the unexpectedly low pension. "I was disappointed when I retired. I worked for companies that didn't make the contributions for me. I worked for 45 years and now I get a pension of CFAF 22,000 every three months. What can you buy with that?"

Other Countries in the Region

The situation is similar in the other West African capitals. In most countries, the retirement age is 55, except in certain civil service corps. An exception is Niamey, where the retirement age is 60 for men and 55 for women. In 1998, the government of Niger responded to pressure from the Bretton Woods institutions and to the need to curb its expenditure by introducing a number of unpopular measures, among which was retirement at 55 or following 30 years of service. In May 2006, the government reinstated the retirement age of 60 for civil servants.

In most of the countries in our study, the pensioner-contributor ratio is increasing, putting a heavy strain on cash flows. This erosion partly reflects the fact that younger cohorts are increasingly working in insecure jobs with no social security coverage (Antoine, Razafindrakoto, and Roubaud 2001; Diagne 2006).

Everywhere, the same union cry has gone up: raise the retirement age, mainly to increase the low level of most pensions. In Burkina Faso, for example, these demands were voiced in January 2004, when the government decided to increase the retirement age for all workers. In the civil service, the retirement age now ranges from 55 to 63, depending on occupational category. In November 2004, the statutory retirement age for private and semi–public sector workers was set at 56 for manual and equivalent workers; 58 for nonmanual and equivalent workers; 60 for supervisors, managers, and equivalent; and 63 for doctors and professors working in the private sector (*Le Pays*, December 31, 2004). In Senegal, the retirement age for civil servants was raised to 60 in 2005; a management-labor agreement provides, in principle, for a gradual transition to 60 in the private sector. Implementation of this agreement has been slow; in June 2006, bank workers in Dakar donned red armbands to lobby for increasing the retirement age to 60 (*Wal Fadjri*, June 12, 2006).

Workers' concerns are matched by experts' fears about the viability of a pension system inherited from the colonial period. They believe that the pension system is oversubsidized and balanced only by making the entire population pay. "These systems can impose unfair burdens on the less well-off outside the formal economy, while providing them no systematic support in their old age," notes Holzmann (2000, p. 18). Pension expenditure accounts for about 1.5 percent of gross domestic product, but the sums paid out are often paltry. In 2004, Robert Palacios, a senior pension economist at the World Bank, advocated for reforms in Senegal to increase the retirement age, raise the contribution base, reduce benefits, and improve management to cut costs. He raised questions about the long-term viability of the system and stressed the need to raise contributions to keep the schemes in the black (Palacios 2004).

Seniors Who Work

The productivity of seniors generally decreases with age, either because they are physically diminished or because they find it hard to learn new techniques. The proportion of workers falls at retirement age for both men and women. There is a clear drop in the share of workers between 50–54 and 55–59 in all capitals except Niamey, where the retirement age is higher (figure 13.2). This sudden decline at 55 is surprising, given that most people work in the informal sector and are not covered by pension systems. Some male respondents mention health and disability problems; the share of the population citing these factors rises with age (4 percent at 55–59, 8 percent at 60–64, and up to 20 percent after 70). Large percentages of older men continue to work very late in life, however, with more than 45 percent in Bamako and more than 30 percent in Niamey and Ouagadougou still working at 70–74.

Women are also well represented in the labor market after age 55, especially in Lomé, Cotonou, and Niamey (figure 13.2, panel b). Older women have sometimes gone back to paid work very late in life, after bringing up their children. This is the case in particular in Dakar (Adjamagbo and Antoine 2009). Higher percentages of women than men cite health problems: 11 percent at 55–59, 16 percent at 60–64, and 32 percent at 70–74.

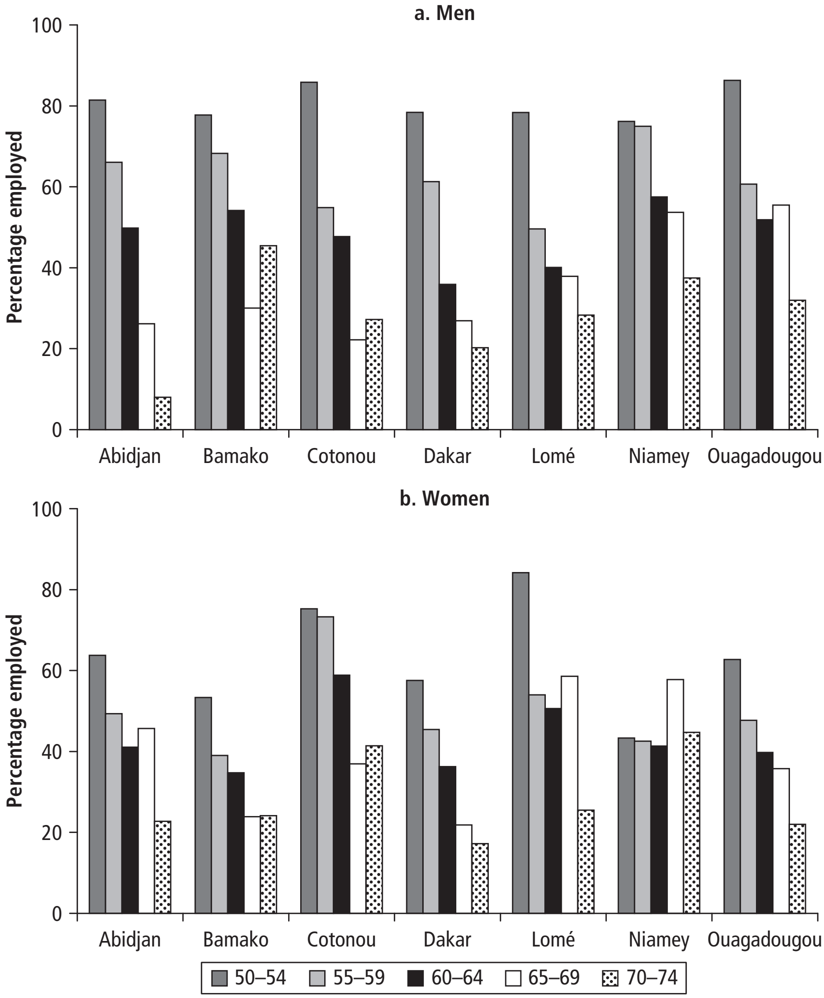
When it comes to work by seniors, the cities can be divided into two groups. In the first group, the proportion of working women is higher than the proportion of working men. Cotonou, Lomé, and, to a lesser extent, Abidjan are in this group. Women in these cities have more independence than women in the Sahelian countries, which leads them to continue to work longer than men (figure 13.3). In the second group, men work more in old age than women. The Sahelian countries, especially Mali and Burkina Faso, are in this group. This pattern reflects a certain level of continuing dependence among women.

Rates of employment among older men vary widely in Western countries (table 13.6). In some countries, the majority of men still work at 60–64 (65 percent in Japan, 55 percent in the United States). Rates are very low in other countries, such as Belgium (21 percent) and France (15 percent). These differences reflect countries' welfare policies and the ages at which retirement is actually taken (the average retirement age is often three to five years lower than the official age).

West African workers do not enjoy the same welfare protection as Western workers. Their employment rate at 60–64 is high, although the official retirement age is lower than in Western countries. Their life expectancy at 55 is also much shorter than in the developed countries. Working late into life therefore leaves them fewer years of retirement.

The already dominant share of informal sector jobs in West Africa is even larger for older workers. There is a clear swing to the informal sector between

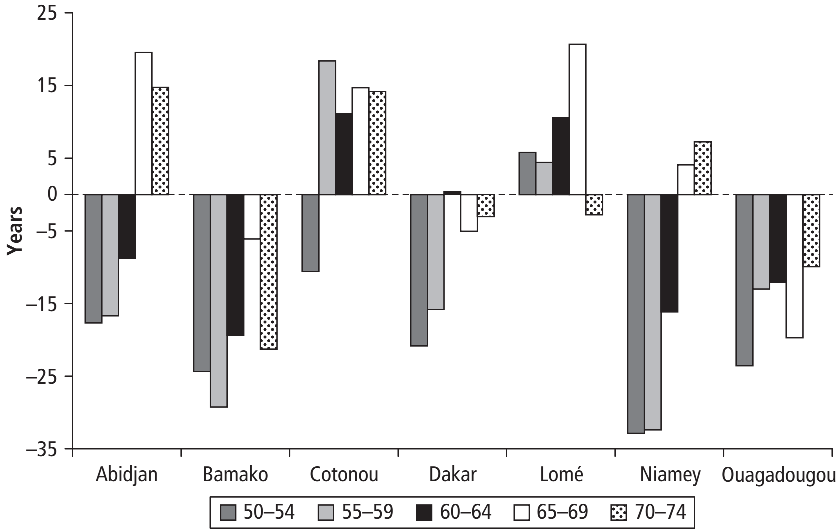
Figure 13.2 **Proportion of Employed Workers in Seven Cities in West Africa, by Age Bracket, 2001/02**



Sources: Based on Phase 1 of the 1-2-3 surveys of selected countries (see table 13.1 for details).

the 50–54 and 55–59 age brackets in all seven capitals. The proportion of men working in the informal sector in Abidjan increases from 37 percent at 50–54 (before retirement) to 61 percent at 55–59 (after retirement) (figure 13.4). The picture is the same in Bamako (where 44 percent of people 50–54 and 75 percent of people 55–59 work in the informal sector) and Cotonou (where 42 percent of people 50–54 and 62 percent of people 55–59 work in the informal sector).

Figure 13.3 Male-Female Differences in Proportion of Employed Workers in Seven Cities in West Africa, by Age Bracket, 2001/02



Sources: Based on Phase 1 of the 1-2-3 surveys of selected countries (see table 13.1 for details).

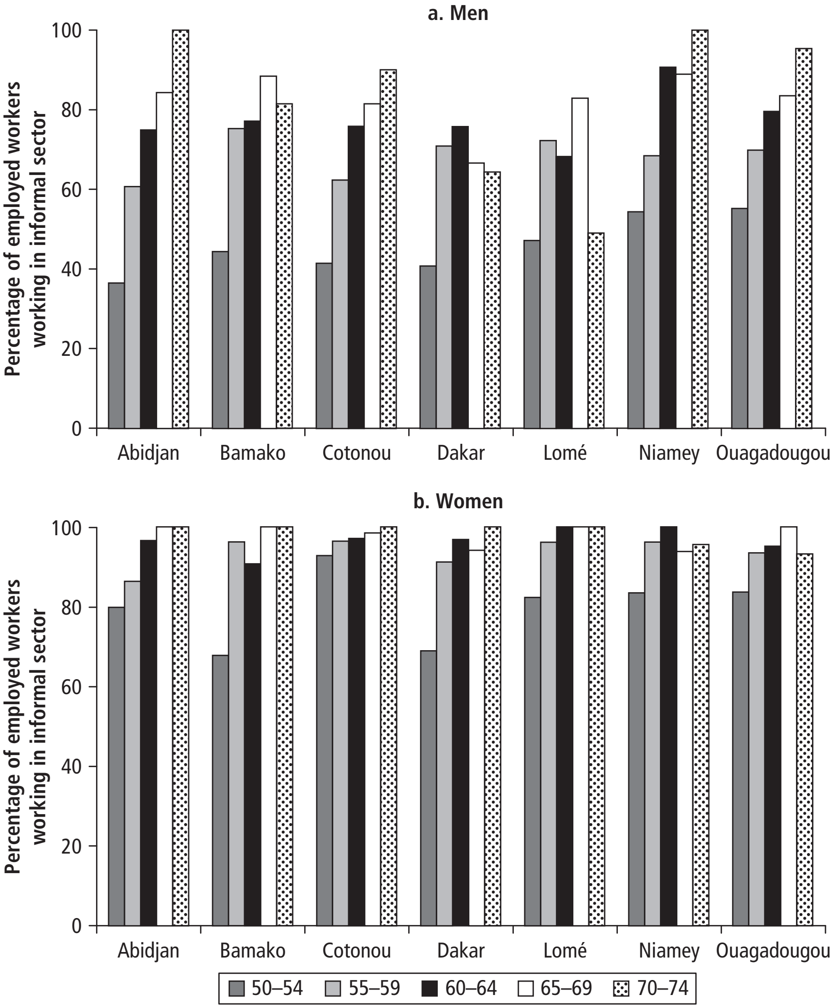
Table 13.6 Proportion of Men in Selected Countries Who Are Working, by Age Bracket, 2001/02

Country or city	25–49	50–54	55–59	60–64
Developed countries				
Belgium	85.7	77.1	52.3	21.3
France	87.5	84.0	60.2	14.5
Japan	92.0	92.1	88.8	64.7
United States	86.5	92.3	74.2	54.5
Africa				
Dakar	77.7	80.2	61.3	35.9
Niamey	80.5	75.7	75.0	57.5
Average for seven commercial capitals in West African Economic and Monetary Union	82.2	81.7	63.2	47.0

Sources: Data for Western countries are from d'Autume, Betbèze, and Hairault 2005. Data on Africa are from Phase 1 of the 1-2-3 surveys of selected countries (see table 13.1 for details).

Three causes underlie this transition. Individuals reaching retirement age today were massively recruited into the formal sector in the 1960s and early 1970s. They represent a larger proportion of formal sector workers than subsequent generations (people in their 40s and younger). On retirement, some of the people who worked in the formal sector switched to the informal sector.

Figure 13.4 **Proportion of Employed Workers in Seven Cities in West Africa Working in the Informal Sector, by Gender and Age Bracket, 2001/02**



Sources: Based on Phase 1 of the 1-2-3 surveys of selected countries (see table 13.1 for details).

Other formal sector workers withdrew from the labor market. Informal sector workers continue to work longer than formal sector workers. Together, these factors mean that after 55, the older individuals get, the more likely they are to work in the informal sector if they continue to work. This tendency is even more pronounced among women. In Abidjan, for example, the share of active women in the informal sector is 85 percent at 55–59 work, 95 percent at 60–64, and 100 percent at 65 and older. Similar patterns are found in other cities.

The change in socioeconomic group on retirement could be studied only for a small number of individuals, because this information is available only for people who receive a pension and are still working. In the absence of sufficient numbers for each city, the calculations were made for all seven cities.

A large proportion of managers (74 percent) become self-employed or set up a small business. Half of all nonmanual and skilled manual workers (53 percent) and a majority of unskilled workers (67 percent) do likewise (table 13.7).

The switch from formal to informal sector is therefore the dominant swing among formal sector workers who continue working after retirement age. Only a minority continue to work in the formal sector, either because their status allows them to do so (as is the case with certain civil service management positions) or because they secure new contracts. The small share of workers who were employers or self-employed obviously remain in their original sectors.

Not all workers have the experience they need to succeed in a new job that is sometimes very different from their previous job. Unions and pensioner associations are nevertheless pushing for working retirement by fostering access to loans and means of production. One of the motions tabled by the Eighth Congress of the National Association of Civilian and Military Retirees of Senegal (ANRCM) was that the government and private business should promote third-age access to new information and communication technologies in order to help reintegrate seniors into production. It would be useful to take a closer look at this transition, to determine how many retirees attempt to switch sectors and how many are successful in doing so.

Table 13.7 Previous and Current Jobs of 55- to 64-Year-Old Working Retirees with Pensions in Seven Cities in West Africa, 2001/02
(percent)

	Current socioeconomic group				
Previous socioeconomic group	**Manager**	**Nonmanual/skilled manual worker**	**Unskilled worker**	**Employer**	**Self-employed**
Manager	23	2	0	37	37
Nonmanual/skilled manual worker	6	30	11	4	49
Unskilled worker	0	0	33	0	67
Employer	0	0	0	0	100
Self-employed	0	0	0	21	79

Sources: Based on Phase 1 of the 1-2-3 surveys of selected countries (see table 13.1 for details).

A Range of Situations among Seniors

We combine labor status with pension status to gain a clearer picture of the diversity of situations among people 55 and older. Figure 13.5 shows the share of the population in each of the following five groups:

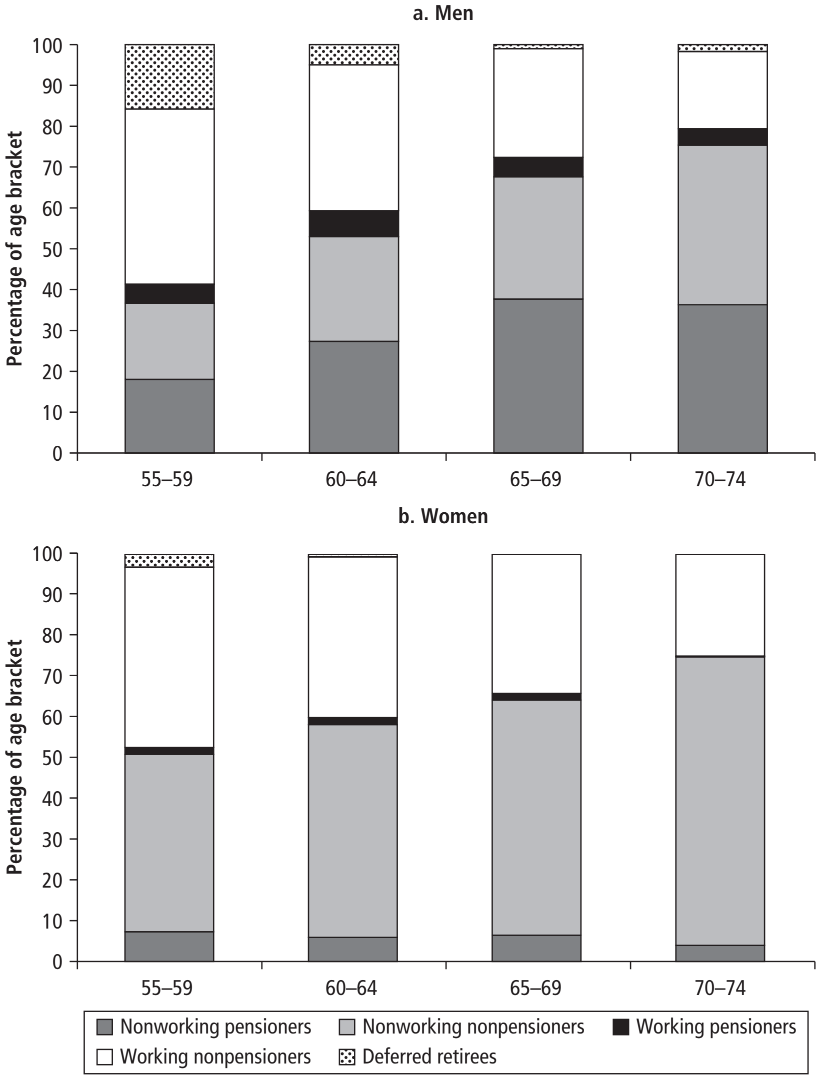
- Nonworking pensioners (people who receive pensions and no longer work)
- Nonworking nonpensioners (people who do not work and do not receive pensions)
- Working pensioners (people who work and receive pensions)
- Working nonpensioners (people who work and do not receive pensions)
- Deferred retirees (people who continue to work in the same job in the formal sector).[4]

The majority of men (63 percent) still work at 55–59, with a minority (less than 5 percent) combining work with a pension.[5] The majority of pensioners in this age bracket have stopped working (18 percent); 43 percent of men 55–59 who work have no pension. About 15 percent of the men in this age bracket have not yet claimed their pension and continue to work in the same formal sector firm or administration. The older they get, the fewer male seniors work: by 60–64, 53 percent have stopped working. Nevertheless, nearly one-quarter of men 70–74 still work, with one-fifth of them also drawing pensions.

The situation differs across cities. Lomé (10.5 percent) and Cotonou (7.5 percent) have the highest proportion of pensioners who switched to a new job (table 13.8). Between 5.4 percent (Lomé) and 11.9 percent (Abidjan) of men 55–74 continue to work in the same business. The relatively high proportion of seniors in Niamey who have not retired reflects the higher legal retirement age (60).

The major differences across cities are in the proportion of seniors without pensions who continue to work. Their numbers are much lower in Cotonou, Dakar, and Lomé than in Niamey and Ouagadougou. It is hard to explain these differences, which could reflect particularities of the labor market in each city or structural age bracket issues. In some capitals, in particular in the coastal countries (Benin, Côte d'Ivoire, and Togo), retirement could mark the age when individuals leave the capital and move back to their home regions. Beauchemin (2000) addresses this question using data from a 1993 Ivorian survey on emigration and urbanization.[6] He finds that emigrants from urban areas are five times less likely to be retirees than nonmigrants, implying that return migration from retirees is marginal. Beauchemin suggests that pensioners are probably people whose urbanization is most complete. In the absence of a more detailed analysis of this phenomenon of older people migrating from the capital to the hinterland, the question remains open.

Figure 13.5 Work and Pension Status of Men and Women Past Retirement Age in Seven Cities in West Africa, by Age Bracket, 2001/02



Sources: Based on Phase 1 of the 1-2-3 surveys of selected countries (see table 13.1 for details).

Table 13.8 Working and Pension Status of Men 55–74 in Seven Cities in West Africa, 2001/02
(percent)

Status	Abidjan	Bamako	Cotonou	Dakar	Lomé	Niamey	Ouagadougou	All
Nonworking pensioner	30.7	17.9	36.4	31.5	32.4	11.7	19.7	27.6
Nonworking nonpensioner	20.9	30.1	20.6	27.7	25.4	26.4	27.1	25.4
Working pensioner	1.9	4.3	7.5	6.1	10.5	4.1	6.3	5.4
Working nonpensioner	34.6	39.7	29.4	28.6	26.3	47.9	41.3	33.8
Deferred retiree	11.9	8.0	6.1	6.1	5.4	9.9	5.6	7.7

Sources: Based on Phase 1 of the 1-2-3 surveys of selected countries (see table 13.1 for details).

A slightly different picture emerges for women. Far fewer women draw pensions.[7] Most women who draw pensions no longer work, and most women who still work do not receive pensions. Nearly half (49 percent) of all women still work at 55–59, a much smaller proportion than among men (63 percent). Among women 70–74, 26 percent work (the figure for men is 23 percent). Half of these women are widowed heads of household. The others are married and take the place of their husbands, who are generally much older, to find the resources the household needs to survive. Most of these women sell food.

Workers with pensions, workers without pensions, and deferred retirees work in different occupations (table 13.9). Most active men without pensions are heads of small businesses or self-employed, mainly in informal trade (82 percent). A minority of pensionless workers (18 percent) are wage earners, generally in low-skilled or unskilled jobs.

A much broader range of situations is evident among pensioners who are still working. The majority (62 percent) turn to self-employment or set up small businesses; a substantial proportion of the men in this category remain employees, some as managers, others in skilled jobs. People who stay at work past 55 often work in management positions and skilled jobs; half of them are in the civil service. The self-employed tend to be traders in the formal sector, who are generally in relatively well-paid positions.

Regardless of whether they draw a pension, the majority of women are self-employed in the informal trade sector. The small minority of older women who have not yet retired work mostly in the civil service, mainly as teachers.

Responsibilities of Older Heads of Household

Employment among seniors is far from negligible. Most men 55–74 are heads of household with a large number of dependents. What percentage of the

Table 13.9 Job Type and Pension Status of Men and Women 55–74 in Seven Cities in West Africa, 2001/02
(percent)

	Men			Women		
Type of position	Without pension	Pension	Deferred retirement	Without pension	Pension	Deferred retirement
Senior manager	1.6	7.7	18.7	0.1	4.0	5.8
Middle manager	1.5	3.8	18.6	0.1	5.8	30.4
Skilled manual/nonmanual	3.6	12.9	21.5	0.3	1.3	9.6
Semi-skilled manual/nonmanual	4.4	2.9	10.8	0.6	0.0	26.9
Unskilled	6.7	10.7	14.1	1.8	0.0	20.7
Employer/proprietor	12.8	23.0	10.1	6.5	0.0	2.2
Self-employed	69.4	39.0	6.2	90.7	88.9	4.4

Sources: Based on Phase 1 of the 1-2-3 surveys of selected countries (see table 13.1 for details).

household's resources do the head's earnings represent? We consider three sources of income for the household:

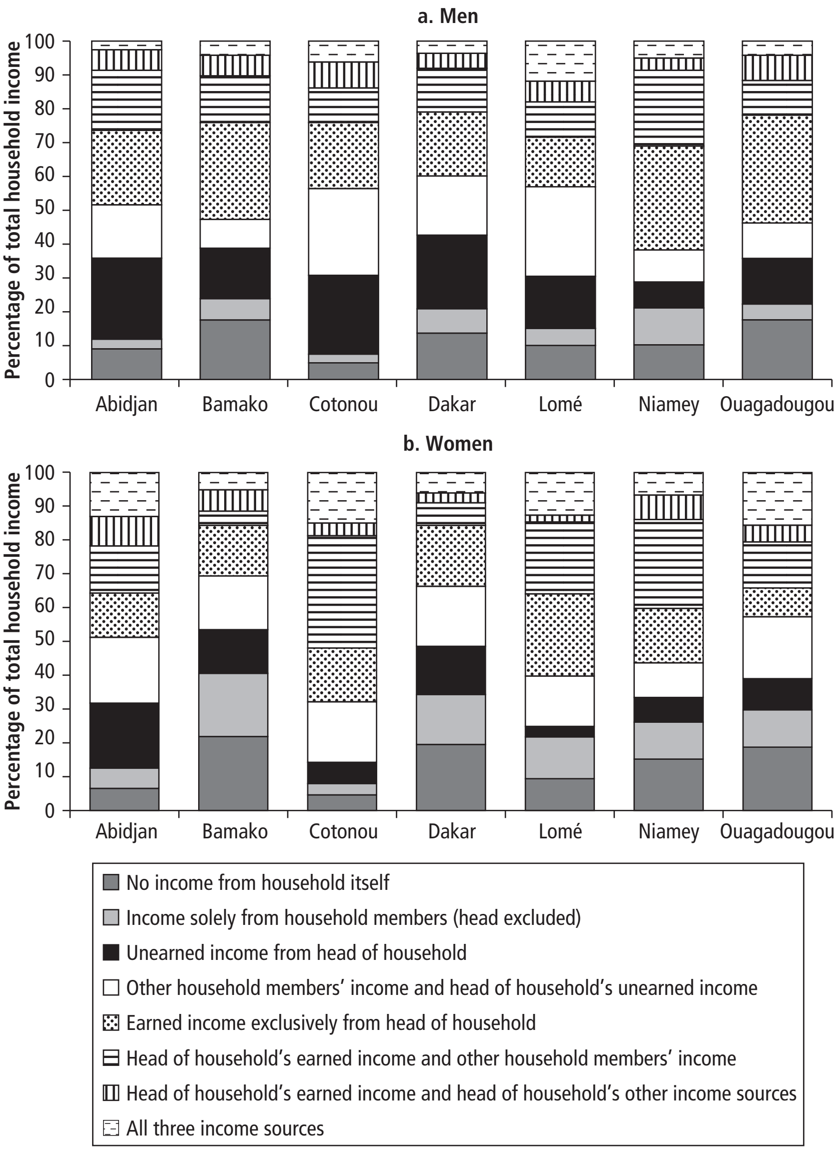
- Income from the head of household's employment
- Other sources of income of the head of household (pension, real property income, remittances, and so forth)
- Income from other household members (earned income, property income, remittances, and other sources).

The combination of these sources yields eight possibilities:

- No income from the household itself
- Income solely from household members
- Unearned income from head of household
- All income from other household members and unearned income from head of household
- Earned income from head of household only
- All income from other household members and earned income from head of household
- Head of household's earned income and other income sources
- All income from head of household and other household members.

The male head of household's earned income is the sole source of income in a minority of households, ranging from 14 percent in Lomé to 31 percent in Niamey (figure 13.6). His earned income contributes to the household budget in about half of all households (in Niamey, the percentage is 62 percent).

Figure 13.6 Sources of Income of Households Headed by Men and Women 55–74 in Seven Cities in West Africa, 2001/02



Sources: Based on Phase 1 of the 1-2-3 surveys of selected countries (see table 13.1 for details).

Including other sources of income, mainly pensions and rental housing income, about 80 percent of the households live totally or partially off the head of household's resources. Differences across cities partly reflect the fact that the proportion of households in which no member declared any income ranges widely, from 4.8 percent in Cotonou and 8.8 percent in Abidjan to about 17.5 percent in Bamako and Ouagadougou. In the Sahelian cities (Bamako, Niamey, and Ouagadougou), seniors remain the head of the family compound; in some cases, children living elsewhere finance the compound's expenditure. However, only about 5 percent of households live solely off the resources of other household members (11 percent in Niamey). These findings reinforce the idea that older heads of household have more than just an age-related position of prestige. They also fulfill an economic function linked to their income, whatever its origin.

The household head's earned income is the only source of income for 16.5 percent of households headed by women. The proportion is particularly high in Lomé (24 percent), with its massive contingent of dynamic women on the labor market. At the other end of the scale is Ouagadougou, where the proportion is relatively low (8 percent). About half of households draw on income from their female head's employment. This figure is the same as for male heads, but the disparities across cities are greater. Most households headed by women in Cotonou (68 percent) and Lomé (60 percent) draw on the household head's earned income. In contrast, just one-third of households in Bamako and Dakar do so. This Sahelian–coastal city split partly reflects differences in the status of and roles conferred on women. As with men, only a small proportion of households (about 10 percent) live solely off income from other household members (generally children or close family members). Exceptions are Bamako (19 percent) and Dakar (15 percent).

Older male heads of household generally still have dependent children. Late fatherhood is common, and very large age differences are often found between the oldest and the youngest child. We take a single indicator to illustrate this situation: the proportion of households headed by men with at least one child still at school (table 13.10). This indicator is imperfect, because not all children go to school in these capitals. However, it provides a rough measure of the share of households headed by men over 55 with dependent children.

Across all work and pension statuses, a large proportion of male heads of household (72 percent on average) still have dependent children at 55–59. This proportion decreases with age but remains high even among men 70–74 (almost 40 percent). It is lowest among households headed by working nonpensioners. A large share of men in this category (informal sector workers) have no schooling, and some of them do not send their children to school. This indicator therefore underestimates the proportion of still-dependent children in these households. It reveals the extent of family responsibilities weighing on

Table 13.10 Proportion of Households Headed by Men 55–74 with at Least One Child Still in School, in Seven Cities in West Africa, 2001/02
(percent)

Status	55–59	60–64	65–69	70–74	Proportion of heads of household with no schooling
Nonworking pensioner	84	66	56	48	30
Nonworking nonpensioner	74	65	58	32	61
Working pensioner	78	78	70	36	28
Working nonpensioner	62	63	68	37	70
Deferred retirement	83	66	66	48	32
All	72	66	60	39	52

Sources: Based on Phase 1 of the 1-2-3 surveys of selected countries (see table 13.1 for details).

older male heads of household, who often have to cope with the problems of aging while raising and supporting young children.

Conclusion

A relatively large share of men in West Africa continue to work after reaching retirement age (more than 60 percent of men 55–59). The proportion of workers decreases with age but still stands at more than 50 percent among men 65–69 in Ouagadougou and Niamey and at about 30 percent in the five other cities studied. The situation is more varied among women. They are still very much on the labor market at 55–59, especially in Cotonou (nearly 75 percent) and Lomé (55 percent), and they continue to work as they age, working longer than men in Cotonou and Lomé. With age, workers are increasingly confined to the informal sector.

Pensions in West Africa are very low, especially outside the public sector, suggesting that they act more like minimum survival income than replacement income. Retirees struggle to make their meager incomes meet family outlays. People 55 and older still make substantial contributions to the economic life of their households; few seniors depend exclusively on their family's help (women appear more dependent on family support than men). In fact, most household heads still have young children to support. Elderly heads of household often support adult children who have not yet entered the labor market. Understanding of these issues remains weak; more research on them is called for.

Throughout the WAEMU region, countries are gradually raising the retirement age in the formal sector to 60. Later retirement provides a short-term individual solution for formal sector workers; it does nothing for the already shaky pension scheme balance. In addition, it restricts the younger generation's access to jobs in the formal sector and the informal sector, the main sector in which seniors continue to work, exacerbating the already difficult youth employment situation (DIAL 2007). The debate on raising the retirement age is thus really a generational debate. The effect of a higher retirement age is currently marginal, as only a minority of the West African population draw pensions. It will take on growing importance as the number of seniors rises and their needs have to be met.

Later entry into the labor market may make retirement even more difficult for future generations than it is for today's retirees. It is not uncommon in West Africa to start a career in the formal sector at 30–35. Even with the retirement age at 60, this late start makes for a very short contribution period. Moreover, the majority of workers are still excluded from pension systems, although some trade associations have started to provide benefits. Extension of social security to all remains a major challenge.

Notes

1. The issue of seniors continuing to work late in life is high on the West African social agenda; unions in the region are calling for the retirement age to be raised to 60, because of the very low level of most pensions. Most countries in the West African Economic and Monetary Union (WAEMU) negotiated public sector solutions in 2004/05; talks are still under way in the formal private sector in several countries.
2. The cities are Abidjan, Bamako, Cotonou, Dakar, Lomé, Niamey, and Ouagadougou. Although Abidjan and Cotonou are not administrative capitals, we refer to them as capitals because they are the most important economic centers in their countries (Cotonou is also the seat of government). For a description of the 1-2-3 surveys, see box O.1 in the overview.
3. The relatively high cost of housing in Dakar doubtless prevents some men from establishing an independent home for their families; some couples and their children continue to live with another family member. It is difficult for a man who lives with his father to declare himself the household head, even if he is the main income provider.
4. The 1-2-3 surveys were not designed to study retirees; they therefore lack specific questions on their situation. In the absence of information on individual transitions to retirement, we draw on a number of variables to identify formal sector workers who continue to work in the same business after 55 and do not yet claim their pension.
5. It may be that more former formal sector workers attempt to make the switch to the informal sector. The survey does not provide information on this point.
6. This survey defines retirees as people who draw pensions. It therefore underestimates the number of people who leave Abidjan when they feel they have come to the end of their working lives.
7. The questionnaire is not clear about how widows' survivor's pensions are classified: we assume that they are classified as "other pensions"; only the pension paid to female employees is classified as a work pension.

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