

Republic of Benin

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Economic and Social Council

The President
to the
Secretary General of IAESCSI

Subject: seminar on "the measurement of progress, development and well-being" in Luxembourg from 12th to 15th July 2010.

Reference: your letter of 15.4.2010

Further to your letter mentioned above, enclosing the invitation from the Luxembourg ESC to attend the aforementioned seminar and the questionnaire to be completed by participants, I have pleasure in enclosing the questionnaire duly completed by the Beninese ESC as a contribution.

Yours faithfully

Nicolas ADAGBE.

Introduction

Situated in West Africa and occupying an area measuring 114,789km², the Republic of Benin is divided into 77 municipalities (*communes*), 568 districts (*arrondissements*) and 3,378 villages and urban sub-districts (*quartiers*). It has a population of 8.7 million, 70% of whom live in a rural area. 51.25% are female and 50% are under 16 years of age. The administrative capital is Porto-Novo and the financial capital is Cotonou.

Benin's Economic and Social Council existed briefly for a few months in 1968/69 and then became active from 1994. Its first term of office began officially on 17th May 1994. It is currently in its fourth term of office, which commenced in July 2009.

It is one of the essential building blocks of Benin's institutional structure.

The Constitution confers on the ESC an advisory mission and a major role in drafting and implementing the Government's economic, social, cultural, scientific and technological policies.

As a result, the Government must consult it on any draft laws of an economic and social nature. It also has powers to act on its own initiative in any matter that falls within its area of competence.

Using these powers, it has been involved in the preparation of several economic and social policy reports and documents. It has also carried out several studies itself, enabling it to make recommendations to the Executive and to the Legislature in order to draw their attention to economic and social reforms which, in its opinion, have either been in the public interest or have conflicted with that interest.

The Beninese ESC's opinion on the concerns raised in the questionnaire relating to indicators of progress is set out below.

Seminar on "the measurement of progress, development and well-being" in Luxembourg on 12th to 15th July 2010.

(Contributions by the Beninese Economic and Social Council)

Replies to the questionnaire

A) Progress made on work on the themes of progress, development and well-being

1) What work, reports or other contributions have been carried out or produced in your country on the themes of progress, well-being, quality of life, sustainable development:

Since 1999, Benin has been engaged in implementing a national poverty reduction strategy for sustainable human development.

The following has been achieved in Benin:

- The National Long-Term Prospects Studies entitled: Benin-2025 ALAFIA, which set out the wishes of the Beninese people for the next twenty-five years, as well as the paths to be followed to achieve them.
- The Poverty Reduction Strategy Document (2003-2005), which provides a strategic framework for reference, planning and budgeting for government actions, as well as for the dialogue with the technical and financial partners.
- The Growth and Poverty Reduction Strategy for the three years 2007-2009. This aims to consolidate previous achievements while emphasising diversification of the economy and intensification of growth in order to accelerate the fight against poverty and Benin's progress towards achieving the Millennium Development Goals (MDG).

An implementation and monitoring-evaluation system has been put in place for these different programmes. This monitoring-evaluation system makes

it possible to measure the success achieved in the different areas in order to refine and/or adjust the strategies and policies implemented.

- In addition to the documents listed above, there are also documents on the economic and social development of Benin prepared by the bodies within the United Nations system and the technical and financial partners.

2) Which themes are your ESCs currently working on relating to the measurement of progress, development and well-being?

The Beninese ESC is currently working on the following themes:

- The tourist sector's contribution to the Beninese economy;
- The problems of feeding the Beninese people;
- The problem of medical evacuations to other countries.

It is also working with the ministerial departments to combat poverty and achieve the Millennium Development Goals.

Through these last two areas of work it is working on virtually all the themes mentioned.

3) Which themes will your ESCs work on in the future relating to the measurement of progress, development and well-being?

Efforts to tackle poverty and achieve the Millennium Development Goals will continue.

In addition, the Beninese ESC envisages carrying out other work on:

- Access of populations to drinking water;
- Development of traditional medicine;
- ESC assistance with determining the optimal conditions for the Beninese economy in the face of the global financial crisis;
- National forum on the retirement system in Benin;

- Changes in prices, wages and purchasing power of the Beninese;
- Fifty (50) years of independence and the issues of prosperity in Benin.

4) Is the Beninese ESC interested in working on themes relating to the measurement of progress, development and well-being?

yes

A) National interest in work in this area

5) What is the interest of your institution in the different themes relating to the measurement of progress, development and well-being?

The Beninese ESC attaches great interest to this work as it believes that:

- a) It will make it possible to resolve the problem of the relevance of the indicators chosen and the issue of the reliability of the system used to measure those indicators with regard to the statistics.

In fact, it has been observed in Benin that there is often a deviation between the picture painted by the statistics on economic performance, progress, development and well-being, and the reality experienced by the Beninese (informal economy at more than 90%).

This work will without any doubt make it possible to:

- Determine the limitations of the indicators used to make the various assessments;
- Analyse the system put in place to measure economic performance, progress, development and well-being;
- Identify the improvements that may be necessary in order to have more relevant socio-economic indicators and a more reliable measurement system.

- b) It will also make it possible to resolve the thorny issue encountered in respect of the management of information on the informal sector. In Benin, official statistics on the informal sector do not account for the reality, as 90% of economic activity is in the informal sector. Nine (9) of every ten (10) jobs created are in the informal sector. This work could

help to correct the deficiencies noted in the statistics published on the informal sector.

6) Which of the areas mentioned are of the most interest to you currently?

The areas that are of most interest to the Beninese ESC currently and in the future are:

- Indicators of progress/well-being/happiness/quality of life/sustainable development;
- Relationship between social progress and individual conditions;
- Going beyond the simple logic of GDP;
- Creating indicators for the Beninese informal sector.

7) What is the interest of civil society in the different themes relating to the measurement of progress, development and well-being?

They will enable civil society to strengthen its ability in order to better perform its strategic monitoring role; to work better for the protection of the interests of citizens and the improvement of their living and working conditions.

B) Proposals for future work in the area of the measurement of progress, development and well-being

8) What are the main challenges and what are the main practical applications that you expect?

1. To have a mechanism capable of ensuring the monitoring and evaluation of policies implemented aimed at progress, development and well-being.
2. To have a reliable and up-to-date statistics system focused on progress, development and well-being.
3. To implement a policy for systematic and regular dissemination of the results.

a) Expectations

To have relevant indicators available that will make it possible to design appropriate policies and to take sound decisions for the benefit of the population.

9) The dimensions deemed to be particularly important for the measurement of progress, development and well-being of societies

- Choice of indicators;
- Collection and processing of statistical data;
- Determining the system for measuring the indicators;
- Choice of the measuring equipment;
- Selection of the human resources.

10) Do you have any suggestions, proposals or best practices to present in relation to the measurement of progress, development and well-being as regards the indicators to be used, the presentation of results in the form of a dashboard, etc.?

a) Indicators to be used

2. The indicators used in Benin to measure economic performance, progress, development and well-being

| Microeconomic indicators | Notation | Frequency | Source | Level of disaggregation |
|--|------------------|---|--------|------------------------------|
| Average household expenditure per head | Expenditure/head | Annual or according to the frequency of the surveys | INSAE | National, regional, by group |
| Monetary poverty threshold | GDP/head | " | INSAE | National, regional |
| Monetary poverty indexes | P0, P1, P2 | annual | INSAE | National, regional |

2. The indicators used in Benin to measure economic performance, progress, development and well-being

| Macroeconomic indicators | Notation | Frequency | Source | Level of disaggregation |
|---|----------|-----------|---------------------------------------|-------------------------|
| Life expectancy at birth | | annual | INSAE; RGPH (Housing and Pop. Survey) | National, regional |
| Gross primary school enrolment rate | GSER | annual | INSAE | National |
| Net primary school enrolment rate | NSER | Annual | INSAE | National |
| Proportion of population with access to drinking water | | Annual | INSAE | National |

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b) For the measurement system

3. *The system for measuring progress, development and well-being in Benin*

| Macroeconomic indicators | Measure | Measuring system |
|---|-------------------------------|--|
| Gross domestic product (GDP) | Sum of companies' added value | Gathering of information from companies and in the sector-based structures (agriculture, transport, public authorities, etc.) Use of consumer prices database |
| <i>Per capita</i> gross domestic product <i>Per capita</i> real gross domestic product | GDP/head Real GDP/head | Estimate of population to supplement calculation of GDP |

3. The system for measuring progress, development and well-being in Benin

| Macroeconomic indicators | Measure | Measuring system |
|-----------------------------------|---|---|
| Human development indicator (HDI) | <p>Composite indicator that combines the following three variables:</p> <ul style="list-style-type: none"> - life expectancy at birth; - the level of education measured by two indicators: the gross school enrolment rate (number of pupils in primary, secondary and higher education/total numbers in the age groups concerned) and the adult literacy rate - real GDP per inhabitant, calculated in purchasing power parity (i.e. in an amount that ensures the same purchasing power in all countries) | Data from the General Housing and Population Censuses; school statistics and data on prices coupled with prices in PPP (ICP project) and the national accounts 34 |

3. The system for measuring progress, development and well-being in Benin

| Macroeconomic indicators | Measure | Measuring system |
|--|---|---|
| The gender-specific human development index (GSHDI) and the gender empowerment measure (GEM) | These are composite indexes that correct the HDI by taking account of disparities between men and women. | Administrative data additional to those used to calculate the HDI |
| The human poverty indicator (HPI) | The HPI measures deficiencies in the following three dimensions of human development: health and longevity, education and decent standard of living | Data obtained from demographic and health surveys |
| | | |

3. The system for measuring progress, development and well-being in Benin

| Macroeconomic indicators | Measure | Measuring system |
|--|---|--|
| Proportion of the population having access to drinking water | Number of the population having access to drinking water/total population | Data from the RGPH (General Housing and Population Censuses) and household surveys (EDS [Demographic and Health Survey], EMICoV [National Household Survey]) |
| Average household expenditure per head | Total expenditure of households/Number of households x average size of households | Household consumption budget surveys (EMICoV) |
| Poverty threshold | Minimum expenditure necessary to satisfy food and non-food needs. | Household consumption budget surveys (EMICoV) |

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3. The system for measuring progress, development and well-being in Benin

| Macroeconomic indicators | Measure | Measuring system |
|------------------------------|--|---|
| Poverty indexes (P0, P1, P2) | P0 = incidence of poverty (number of poor/total population) | Evaluation based on consumer spending and the poverty threshold, data obtained from household surveys (EDS, EMICoV) |
| | P1= the average of the consumer spending gaps below the poverty threshold | " |
| | P2= average of the squares of the consumer spending gaps below the poverty threshold | " |

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The limitations of these indicators are

4. Critical analysis of the measuring system

- 4.1 GDP
- **Gross domestic product** (GDP) measures a country's **total production of goods and services** during a given period.
- It does not provide any information on **social inequalities** or how they are changing.

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4. Critical analysis of the measuring system

- The calculation of GDP is based on the **national** accounts, and therefore on what is declared to the State. **As a result, it does not take into account:**
 - ✓ unpaid work, which one does for oneself (housework, for example)

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4. Critical analysis of the measuring system

- ✓ what one produces for oneself (orchard, vegetable garden, etc.) also referred to as subsistence farming.
- ✓ production sold for cash and not declared;
- ✓ undeclared employment;
- ✓ illegal activities...

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4. Critical analysis of the measuring system

❑ GDP **also fails to take account of that which is qualitative, such as well-being, leisure, safety, the level of education, freedom, etc.**

❑ As it is above all an accounting measurement, gross domestic product cannot claim to measure well-being and much less **happiness**. That is the reason for the HDI, which seeks to provide better information on social well-being.

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4. Critical analysis of the measuring system

4.2 Principal advantages of the HDI

- The HDI is reported as a number, without units, between 0 and 1. The closer the HDI comes to 1, the higher the country's level of development.
- Calculating the HDI allows an annual classification of countries to be established.

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4. Critical analysis of the measuring system

4.2 Principal advantages of the HDI

- By combining health, education and income, this indicator shows that certain low-income countries obtain better results in terms of human development than wealthier countries.
- The HDI can be broken down by geographical region in order to reveal development gaps masked by national averages.

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4. Critical analysis of the measuring system

4.2 Principal limitations of the HDI

- i) The fact that it does not take account of aspects such as self-esteem, political freedom of individuals and environmental concerns;
- ii) The fact that it cannot be used to measure short-term progress;
- iii) The fact that it does not take account of differences in human development within the country.

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4. Critical analysis of the measuring system

4.2 (continued) Principal limitations of the GSHDI

- There are two major problems with the GSHDI:
 - Firstly, it is often wrongly interpreted as a measurement of gender inequality;

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4. Critical analysis of the measuring system

4.2 (continued) Principal limitations of the GSHDI

- Secondly, its calculation poses difficulties as regards the differences in income between men and women which are estimated on the simplistic assumption of a relationship between the number of economically active women and the women/men wage ratios in non-agricultural employment.

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Presentation of the results

It is necessary to:

- a) Create a Dashboard of Social Indicators (DSI) that will regularly publish the indicators used within the framework of monitoring and measuring progress, development and well-being;
- b) Update these indicators;
- c) Create full documentation for these indicators so as to enable the user to understand them and interpret them in an informed way by taking account of the informal sector.

- 11) Suggestions, proposals, best practices of the Beninese ESC in relation to the measurement of progress, development and well-being in order to ensure that civil society is consulted and is able to participate in moving this work forward.

Put in place an effective mechanism by placing particular emphasis on: institutional organisation, training, logistics and selecting the indicators.

1. Institutional organisation

- Put in place a mechanism that promotes good circulation of information;
- Implement a participatory process comprising consultation structures at national, departmental, municipal and local levels (public administration, private sector, civil society);
- Draw up precise specifications for all the structures.

2. Training

- Strengthen the capabilities of those coordinating/facilitating the mechanism.

3. Logistics

- Designing the tools for collecting, processing and analysing the data, as well as disseminating them;
- Identifying relevant indicators (in relation to the informal sector);
- Designing an appropriate monitoring and evaluation system.