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### Afterword

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## Afterword

Romain Houssa and Jean-Philippe Platteau

This study was developed in a context where Benin has been experiencing several institutional changes since President Talon was elected in 2016 and re-elected for a second term in 2021 (see Chapter 3 for details). Moreover, the COVID-19 pandemic has severely impacted Benin since 2020. We were not able to systematically study the 2016–2022 period due to the evolving nature of the institutional changes that have been occurring in Benin since 2016, but also due to the lack of consistent and systematic data for that period. It is nonetheless natural to ask whether the main conclusions of the diagnostics presented in this volume are still valid today. We now revisit a number of critical issues that were identified in our analysis.

Overall, there have been significant improvements along several dimensions since President Talon took power in 2016. Some issues remain, however. Moreover, it is not clear whether the improvements will persist.

### I ECONOMIC PERFORMANCE

The growth rate of Benin increased from 3.3 to about 7.0 per cent in 2016–2019. This performance was much better than sub-Saharan average growth of 1.3–2.6 per cent over the same period.<sup>1</sup> Gross domestic product (GDP) per capita growth in Benin also significantly increased (from 0.5 to 4.0 per cent) over that in the average sub-Saharan country in 2016–2019 (from –1.4 to –0.1 per cent). Even though Benin suffered from the COVID-19 crisis, it has proven more resilient than the rest of West Africa, as testified by the fact that it had the

<sup>1</sup> World Bank, <https://data.worldbank.org/indicator>.

highest growth rate of GDP per capita in 2020.<sup>2</sup> As a result, Benin moved from low-income status to the status of a lower middle-income country in 2020. The acceleration of Benin's growth coincided with the impressive growth in the cotton sector and huge investments in infrastructure mostly financed from debt (domestic and external). The public debt-to-GDP ratio increased from about 31 per cent to 41.2 per cent in 2019 and to 48.7 per cent by September 2020. The capacity of the country to borrow from the international capital market is an indication of the confidence of international investors towards the government. In 2019, for instance, Benin issued its first government Eurobond, equivalent to about 3 per cent of GDP. The increase in government debt in Benin also implies some cost, however. The debt service to GDP ratio was slightly above 4% in 2019, but, worryingly, amounting to as much as 50% of government revenues (IMF 2021).

## II INSTITUTIONAL CAPACITY TO RESPOND TO UNEXPECTED ADVERSE SHOCKS

In Africa, Benin was unique for its effective strategy for handling the COVID-19 pandemic. In contrast to many countries of the region, where lockdowns were imposed by the government during the pandemic, Benin developed an original approach, termed *cordon sanitaire*, which consists of dividing the country between the north and the south–centre regions. Limited movement was allowed across the two regions, while free movement was authorised within each region. At the same time, strict measures of testing and quarantining for those tested positive on their entry into Benin were implemented. Moreover, several government supports were provided to households and firms. To what extent such a strategy contributed to the country's resilience is hard to assess, however, since other factors were simultaneously at play.

## III THE COTTON SECTOR

Since President Talon took power in 2016, the performance of the cotton sector has significantly improved and, together with Burkina Faso and Mali, Benin is now the top cotton producer in Africa. This improvement coincides with a change of governance in the sector, which shifted from public to private status in 2016, as discussed in Chapter 5. According to experts, the change has helped to restore trust among stakeholders. Among the main implications of the change are a vertically integrated coordination approach by the

<sup>2</sup> GDP per capita growth in Benin was 3.8 per cent in 2020 compared to other West African countries (Burkina Faso 1.9 per cent, Côte d'Ivoire 2 per cent, Ghana 0.5 per cent, Niger 3.6 per cent, Nigeria -1.9 per cent, Senegal 1.6 per cent, Togo 1.8 per cent). It was also much lower in the average sub-Saharan African country in 2020 at -2 per cent (World Bank, <https://data.worldbank.org/indicator>).

Association Interprofessionnelle de Coton (AIC), timely payment of cotton growers, and efficient delivery of inputs.

#### IV CROSS-BORDER TRADE WITH NIGERIA

Nigeria officially closed its border with Benin from August 2019 to December 2020 and Benin was severely affected, thus confirming the vulnerability of one of the country's main leading economic activities, as was stressed in our diagnostic in Chapters 2 and 8. Even though Benin has suffered from this shock, the good news is that growth in the agricultural sector (cotton in particular) and the boom of investment expenditure in infrastructure appear to have allowed the country to surmount it. That said, tax revenue has significantly contracted following the shock (IMF, 2021). Moreover, if massive investments have been undertaken to improve the country's infrastructure (especially roads and electricity), lack of transparency regarding the management of the contracts involved seems to be a persistent problem. On the other hand, the closure of the Nigerian border has not signalled a significant decline in informality, and formal firms continue to cite unfair competition from the informal sector as one of the most important constraints they face. Moreover, firms continue to be severely constrained by limited access to external financing.

#### V POLITICAL GOVERNANCE

Benin's score for the Global Freedom index deteriorated dramatically from 82/100 in 2017 to 59/100 in 2022. The score for political rights has undergone the most severe decrease, from 33/40 to 17/40.<sup>3</sup>

As a matter of fact, no opposition party has sat in the parliament since the last parliamentary election of 2019 (see Chapter 4 for details). Early in his second mandate, however, President Talon has initiated a number of consultations with former presidents Nicephore Soglo and Boni Yayi and past/present presidents of the parliament, with a view to achieving reconciliation with political opponents. The last parliamentary elections, in January 2023, saw the participation of the main opposition party, Les Démocrates, which won 28 out of the 109 seats. These changes confirmed the intent of President Talon to re-establish more political competition in the country.

There is one governance aspect on which Talon has scored some success: namely, the control of corruption. This is a critical area, since many people were constantly complaining about the pervasive incidence of bribe-taking by officials. While a range of political freedoms were restricted, the Transparency International score for control over corruption perception increased from 36/100 to 42/100 between 2016 and 2021.<sup>4</sup>

<sup>3</sup> See <https://freedomhouse.org/country/benin/freedom-world/2022>.

<sup>4</sup> See [www.transparency.org/en/cpi/2016/index/ben](http://www.transparency.org/en/cpi/2016/index/ben).

The new regime has attacked the corruption problem upfront, at least where it hits ordinary people and small-scale entrepreneurs or traders the most, such as in bribes extracted by police officers and by officials who manage roadblocks. Low-level officials accused of bribes are severely sanctioned. As for higher-level officials, they can be sentenced to jail if proven guilty of malfeasance. It is encouraging to notice that, unlike what is observed in so many countries formally dedicated to anti-corruption struggles, the President of Benin did not try to block jail sentences for some of his political supporters.<sup>5</sup>

## VI PUBLIC ADMINISTRATION

Since 2016 the tax administration has implemented several reforms that household and firms seem to appreciate: digitisation of several public services and VAT invoicing, the possibility of online tax payments, various tax reductions for business, simplification of procedures, and so on. It is noteworthy that most of the reforms are being enforced through direct control exercised by the President's cabinet, which is composed of high-level technicians. This evokes the Rwandan and East Asian models of top-down governance and, so far, the results are encouraging. Whether this top-down enforcement will survive a regime change is a tricky question that remains unsolved in the minds of close observers of the Beninese scene.

## REFERENCE

IMF (2021), 'Benin', IMF Country Report No. 21/14, Washington, DC: International Monetary Fund.

<sup>5</sup> For instance, in a land scandal in Abomey-Calavi involving expropriation of thirty-nine hectares of a public domain, Georges Bada, a former mayor of the city of Abomey-Calavi and a supporter of President Talon, as well as several other members of his entourage have been put in jail (see <https://mediapartbenin.com/article/1394/benin-affaire-39-hectares-abomey-calavi-georges-bada-plusieurs-coaccuses-condamnes-peines-2-10-ans-emprisonnement>). Unfortunately, Georges Bada succeeded in escaping while he was receiving health care at the main hospital in Cotonou. The two police officers who were on duty guarding Bada in the hospital were condemned (see [www.banouto.bj/article/securite-humaine/20220630-evasion-de-georges-bada-les-02-policiers-charges-de-sa-garde-condamnes-a-24-mois-dont-6-fermes](http://www.banouto.bj/article/securite-humaine/20220630-evasion-de-georges-bada-les-02-policiers-charges-de-sa-garde-condamnes-a-24-mois-dont-6-fermes)).

