

# INFORMAL LABOR

## MAURITANIA

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From the perspective of the civil society, the phenomenon of informal labor in the Islamic Republic of Mauritania is considered its Achilles' heel, its root of despair, and perhaps the reason behind all the evils and upheavals impacting the country's social conditions. In fact, the informal economy represents the economic pillar of the Mauritanian economy, with a percentage of %64, for a population of 368 537 3 Mauritians.

The importance of the informal economy lies in its role as a fundamental and indispensable pillar, reflected in the complete duality of the national economy. This has allowed it to play a pivotal role in creating jobs and employment opportunities for around %46.8 of the active labor force. It contributes to %30 of the Gross Domestic Product (GDP) and %8.42 in employment opportunities and the alleviation of poverty. Nonetheless, tackling the issue of the informal economy in Mauritania is a double-edged sword. This is the first initiative launched by civil society and requires remarkable carefulness, firmness and honesty. This is the first work of its kind in Mauritania that addresses a thorny issue and a vast array of challenges in data gathering and analysis. In addition, it is imperative to focus on a methodology that encompasses workers' rights in this economic sphere and addresses the gender dimension, by monitoring the conditions of women's participation and youth inclusion. This approach is both rights-based and market-based, and takes into consideration the workers' social dimensions much more than the economic dimensions. This methodology baselines the current situation, sheds light on alternatives and benefits from cumulative experiences of non-government organizations and trade unions, and accounts for the role of experts. Informal labor represents one of the new facades of the totalitarian capitalist liberal globalized open economy; an economy trapped in its own bubble through the concepts of profitable labor and personal production seeking profit at any cost. It is an immoral, illegal and inhumane economy.

We have accepted to meet these challenges in the hopes of reaching one of two outcomes. Either we tackle this issue despite imminent dangers, or we refrain from facing these challenges and lose our bet as a civil society. In this summary, we tried as much as possible, and to the same extent, to end this negative attitude towards civil society, by presenting a vision to solve this thorny and timely issue.

This summary presented to the reader is a report that aims at linking informal labor in the Mauritanian economy with its social and environmental space, be it formal or semi-formal, in light of recent changes in Mauritania and the Arab African world. It is also based on the legal and economic transformations that were, and continue to be, imposed on workers' freedom to protest and freedom of expression, or claiming their economic and social rights protected by national and international conventions, and following the UN ratification of the post17 2015- Sustainable Development Goals, 2030 Agenda and the ensuing legal and institutional changes. These rights are also guaranteed in the Euro-Mediterranean partnership agreements signed with the European Union, stipulating the necessity to consult civil society in all matters and the obligation to effectively include civil society in drafting, following-up and implementing public policies. We remain hopeful that governments will enforce and respect this policy.

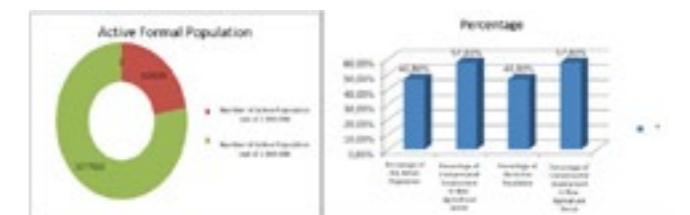
The informal sector in Mauritania has held a vital place in the local social development, and has become a refuge for the unemployed youth who refuse to succumb to laziness and dependence. The majority of workers in the informal employment market are young people with average skills, illiterate or slightly educated women, former slaves and the traditionally marginalized groups that never had or will have access to paid employment opportunities available to others. The informal sector has become a temporary solution for the unemployment problem despite the injustice, abuse, and rights violations to which workers are subject. Thus, due to the exacerbation and recurrence of this problem, the Arab NGO Network for Development (ANND), and under the Arab Watch Report on informal labor, decided to dedicate a section to Mauritania.

The employed population represents %63.40 of the working-age population, against %39 according to the National Baseline Survey on Employment and the Informal Sector in 2012. Unemployment is estimated at %12.85 at the national level, compared with %10.1 in 2012<sup>1</sup>.

The characteristics of informal labor in Mauritania presented in this report were based on 10 adopted categories, most importantly measuring work vulnerability, absence of social protection, deteriorating salaries, discontinued employment contracts, if signed, and dependence on family relations, in addition to the absence and violation of rights such as vacations, decent work and working hours. We concluded that informal labor in Mauritania is characterized by the following:

- Spread of child labor in the informal sector in large cities
- Minor girls labor in the informal sector in large cities
- Spread of a foreign labor force monopolizing certain jobs in the informal sector such as construction and hunting
- Limited demand and small market
- Problems associated with marketing products and accessing soft loans
- Increased interest rates on loans, if available, and lack of equipment, tools and material and limited support to pursue studies and schooling

Sources agree that over %90 of the national economy is informal, even though officials deem it better, given sector problems, which include the absence of social protection and workers' unwillingness to join social security funds or register at chambers of commerce given the time it requires. This is further compounded by the last recommendation of the International Labor Office no 209 of 2015, which endorses the need to organize and diagnoses all aspects of the informal labor, in order to introduce radical solutions to the overall problems. The state launched several initiatives and is now seeking legal and institutional structuring, in addition to the organization and formalization of the informal sector. With the support of the International Labor Office, the state aims at initiating a comprehensive diagnosis of the sector's situation and introducing amendments to the pension law, such as reducing the percentage of contribution to %8 as opposed to <sup>2</sup> .%18



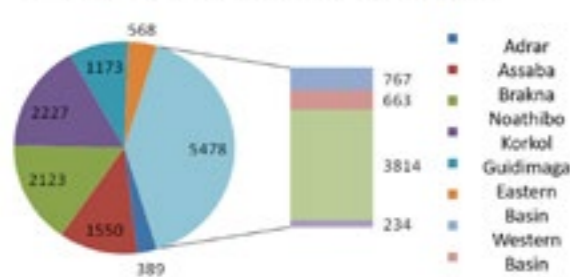
1. Poverty Features in Mauritania 2014, Page 6

2. Interview with Dr Hmoud Itfil, Director General of Employment at the Ministry of Civil Service, dated the 25th of April 2016

Stakeholders are numerous. The state took note of the informal sector's importance, and attempted to frame, support and follow-up on it through many initiatives, institutions, national and international partners such as the International Labor Office, the World Bank, the Islamic Development Bank (IDB), and the National Youth Employment Promotion Agency (ANAPEJ). In this summary, we will present one example on the role of the Deposit and Development Fund (CDD) in improving informal labor, and its role as the development pillar and arm of the Mauritanian government.

The Deposit and Development Fund (CDD), through the establishment of the Employment Promotion Fund, managed to create a competitive environment that could lead to an economic movement and force commercial banks to open their doors to the population, reduce their profit margins and interest rates, and extend beyond traditional bank offers. The country now disposes of an important financial institution that tried to fund, implement and establish social programs targeting vulnerable categories, especially in informal sector activities. Higher authorities are keen to follow up and improve the informal sector. To conclude, the fund succeeded in creating around 500 13 revenue-generating activities and job opportunities in different states.

The number of projects and job opportunities in the framework of the Deposit and Development Bank (CDD)



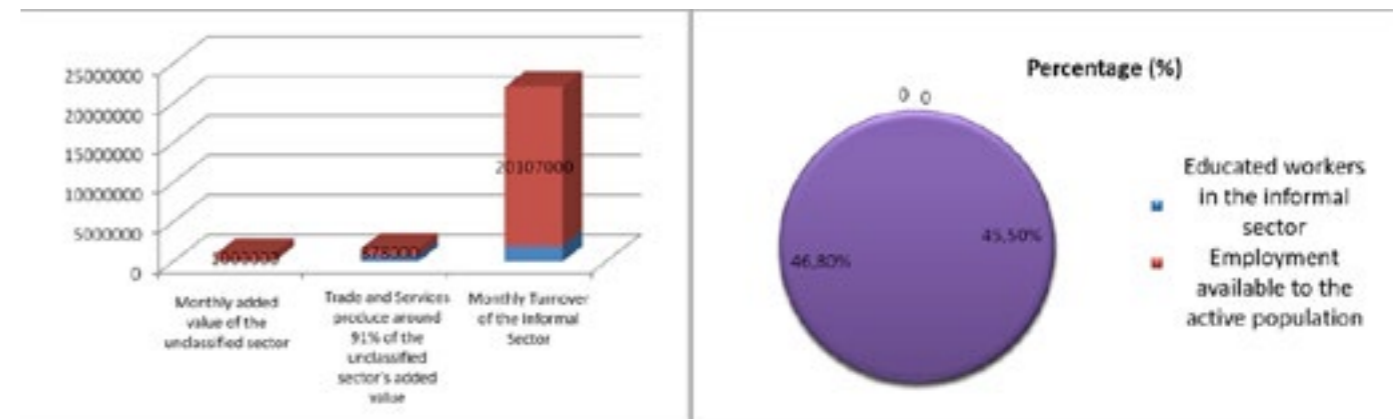
The problem of informal labor is a social dilemma that affects vulnerable categories more than others. The report tackled an axis we deemed fundamental, crucial and well-defined. It is perhaps the cornerstone of all development schemes, designed to trigger a three dimensional profitable and useful development (law, society and usefulness) from a rights, legal and social-based approach. Thus, civil society focused on analyzing the phenomenon by further examining the conditions of immigrants, children and women, as the categories most prone to marginalization and exploitation. When it comes to migration, Mauritania has witnessed an important displacement, increasing the percentage of the urban population from %12 in 1966 to around %95 in 2005. This is a unilateral displacement from rural areas to the city, triggered by a search for a decent life and job opportunities. As for migration, the percentage of immigrants in the country reached around 000 360 immigrants, the majority of whom come from the Sahel and sub-Saharan countries. Mauritania was also affected by ongoing wars in the region, in addition to being a natural path for migrants heading towards Europe. As for Mauritaniens' immigration to Gulf countries, Europe, America and African countries, it dropped following the economic crisis in Western countries before reaching Gulf countries. The reasons and causes of immigration vary from one region to another. The majority of immigrants were incentivized by the urge to find a job. It is noteworthy that, in recent years, we have witnessed waves of workers migrating

to Gulf countries, a labor force mainly formed of minor girls and domestic workers that suffered violations of applicable human rights laws and human values. However, trade unions and civil society organizations faced this increasing trend, and raised their concerns and complaints internationally regarding the exploitation of this workforce in the Gulf, until it was reduced and stopped, with few exceptions.

Women and the female economy: the presence of Mauritanian women in the informal economy seems more interesting, since it is correlated with a social, societal and structural issue. Hence research must be comprehensive and continuous on all levels, and should focus on the legal and procedural dimensions, among others. The Mauritanian constitution guarantees all rights for women, and assumes the legal and moral responsibility to increase women's presence and empowerment; it also aims at ensuring women's economic and legal rights in addition to development empowering by eliminating all forms of discrimination, enhancing women's health and educational levels, and allowing them to play a prominent role in society.

We tried, to the extent possible, to measure the scope of women's presence in the informal economy, knowing for certain that it does not reflect the reality, nor reveal the unspoken. The majority of developed, drafted and even implemented government policies regionally or nationally did little to change the condition of women, especially in the informal sector and employment. Women's situation, status and social perception remained unchanged. This patriarchal society perceives women with much apparent courtesy and appreciation, when, in fact, said perception consecrates poverty and economic dependence, followed by legal and social dependence. Despite an apparent growth in numbers, Mauritanian women's path towards economic empowerment, especially in the informal sector, is in fact minimal and specific to urban, educated women originating from an aristocratic social background in most cases. It is necessary to empower women and highlight their role in the national economic cycle in a country where women represent %51 of the population, and dominate the overall informal labor force such as services, food industry, trade and feminist activities.

The informal economy's added value to the national economy: According to available data, the monthly added value of the informal economy varies between 33600 million to one million ouguiya, with large discrepancies among different productive sectors and the size of production units. Services and trade sectors produce around %91 of the added value of the informal sector. These commercial activities include car sales, wholesale, retail, food products manufacturing such as (slaughterhouses, carpentry, bakeries, Couscous manufacturing, bread, biscuits, juices and ice). As for the added value of informal sector production units in places of residence, it reaches around %92 of the overall added value of the informal sector. Most of the urban sector's added value results from commercial activities, with %6.59 of the overall value, while services represent %7.33 of it. In rural areas, trade represents %7.65 and manufacturing %15 of the added value of the informal sector.



Following consultations with the CSOs, trade unions and rights groups, we can present the following recommendations:

- The need to organize, raise awareness and educate workers in the informal sector according to their specialization, and in order to defend their interests.
  - Provide protection, health and social insurance for informal workers.
  - Create specialized funds for soft financing and small loans.
  - Public authorities, especially municipalities, should be an element of stability and growth for this sector through the formation of follow-up, mobilization and awareness instruments and organisms. Municipalities ought to be at the service of this sector to increase its profitability, ensure its development and empowerment to defend its interests.
  - Develop production methods and tools in production units such as dyeing, fabric, mechanics, knitting, carpets, tonnage and textile...
  - Launch an initiative to change the mentality of workers and employers.
  - Prepare and ratify laws organizing the sector, filling the current legal void regarding the informal sector.
  - Defend the legal rights of workers.
  - Combat night work, especially for women.
- Review the status of migrant workers and their working conditions.

The civil society concludes that the labor of women, minors and especially domestic workers, as well as the spread of indecent and unremunerated work, are major challenges impeding development in this sector. Not to mention that workers inability to access education and vocational training remains an issue that threatens social peace and stability, resulting in rampant crime, societal differences and narrow interests, despite the various positive aspects of the strategies adopted in the informal sector, in official institutions or in the national economy.