BURKINA FASO

Burkina Faso’s economic freedom score is 56.5, making its economy the 124th freest in the 2021 Index. Its overall score has decreased by 0.2 point, primarily because of a decline in monetary freedom. Burkina Faso is ranked 21st among 47 countries in the Sub-Saharan Africa region, and its overall score is above the regional average but below the world average.

Burkina Faso remained among the ranks of the mostly unfree in 2021, three years after the economy had briefly touched the moderately free category in 2018. For the country to reverse course and head toward greater economic freedom, the government will have to implement deep, broad, and well-institutionalized reforms to improve scores for property rights, judicial effectiveness, and government integrity.

**IMPACT OF COVID-19:** As of December 1, 2020, 68 deaths had been attributed to the pandemic in Burkina Faso, and the economy was forecast to contract by 2.0 percent for the year.

**ECONOMIC FREEDOM SCORE**

<table>
<thead>
<tr>
<th>0</th>
<th>50</th>
<th>60</th>
<th>70</th>
<th>80</th>
<th>100</th>
</tr>
</thead>
</table>

RECENT FREEDOM TREND

![Graph showing economic freedom scores over time]

**HISTORICAL INDEX SCORE CHANGE (SINCE 1996): +7.1**

**REGIONAL AVERAGE**

(Sub-Saharan Africa Region)

55.7

**WORLD AVERAGE**

61.6

**POPULATION:**
20.3 million

**GDP (PPP):**
$47.3 billion

5.7% growth in 2019

5-year compound annual growth 5.7%

$2,280 per capita

**UNEMPLOYMENT:**
6.3%

**INFLATION (CPI):**
-3.2%

**FDI INFLOW:**
$208.0 million

**PUBLIC DEBT:**
40.0% of GDP

**BACKGROUND:** The former French colony of Burkina Faso is one of the world’s poorest countries. After popular protests forced President Blaise Compaoré from office in 2014, Roch Marc Christian Kaboré of the People’s Movement for Progress was elected to a five-year term as president in 2015. He won reelection in 2020, but his party failed to gain a parliamentary majority. The country has been experiencing a surge in terrorist attacks that have spawned ethnic and sectarian strife. About 90 percent of the population is engaged in subsistence farming, and cotton is the principal cash crop. Literacy rates are well below the regional average. Other challenges include political insecurity in neighboring Mali, unreliable energy supplies, and poor transportation links.
Protection of private property is weak. Struggling with contradictions between statutory land tenure systems and local informal land control, the government has been trying to issue titles recognizing land ownership rights. The inefficient judiciary is formally independent but historically has been subject to executive influence and corruption. Corruption is widespread and particularly affects the police force. Anti-corruption laws and bodies are generally ineffective.

The top individual income tax rate is 27.5 percent, and the top corporate tax rate is 28 percent. The overall tax burden equals 19.3 percent of total domestic income. Government spending has amounted to 24.6 percent of total output (GDP) over the past three years, and budget deficits have averaged 4.7 percent of GDP. Public debt is equivalent to 40.0 percent of GDP.

Business start-up costs have risen slightly, and the cost of dealing with construction permits is also higher. The recovery rate when resolving insolvency has dropped. The labor code makes reducing the size of a workforce an onerous process. Child labor remains a problem. The government has increased expensive state subsidies to support cotton production.

Burkina Faso has two preferential trade agreements in force, and its trade-weighted average tariff rate is 9.5 percent. Nontariff barriers are considerable, and foreign investment remains hindered by bureaucracy. The government has pursued banking liberalization and restructuring, limiting its direct participation, but financial firms still lack the capacity to provide a full range of modern services.