Niger

Niger’s economic freedom score is 57.3, making its economy the 117th freest in the 2021 Index. Its overall score has increased by 2.6 points, primarily because of an improvement in fiscal health. Niger is ranked 19th among 47 countries in the Sub-Saharan Africa region, and its overall score is above the regional average but below the world average.

The Nigerien economy has been mostly unfree for well over a decade. To increase the country’s future economic freedom, the government would have to implement deep, broad, and well-institutionalized reforms to improve scores for property rights, judicial effectiveness, and government integrity. It would also need to improve the business climate and relax labor regulations to expand the size of the formal economy.

**IMPACT OF COVID-19:** As of December 1, 2020, 75 deaths had been attributed to the pandemic in Niger, and economic growth was forecast to decline to 0.5 percent for the year.

**BACKGROUND:** After independence from France in 1960, Niger was ruled by a single-party military regime until elections led to democratic government in 1993. The military overthrew President Mamadou Tandja in 2010 after he tried to extend his rule beyond the constitutionally prescribed two terms. Mahamadou Issoufou of the Nigerien Party for Democracy and Socialism was elected in 2011 and reelected to a second five-year term in 2016 after his chief rival was imprisoned. Legislative and presidential elections were scheduled for December 2020. Ongoing challenges include a restive Tuareg population in the North, spillover violence from conflicts in Libya and Mali, and terrorist groups linked to al-Qaeda and the Islamic State. Niger has some of the world’s largest uranium deposits, but its economy is centered on subsistence crops and livestock.
Property rights can be enforced, but disputes are common, particularly when community-owned land or customary land titles are involved. The judicial framework is ineffective, and the court system is weak and vulnerable to political pressure. High rates of illiteracy among the semi-nomadic Nigeriens contribute to a political culture that is overly tolerant of widespread corruption.

Niger has made starting a business and dealing with construction permits more complicated. Dealing with construction permits now costs more, but it costs less to obtain electricity. Between 80 percent and 90 percent of nonagricultural workers are employed informally. The government subsidizes food, fuel, and other basic goods.

Niger has two preferential trade agreements in force. The trade-weighted average tariff rate is 12.0 percent. The inefficient regulatory and legal environment constrains trade and investment. The underdeveloped, weak, and fragmented financial system reflects the small size of the formal economy. Participation in the financial system is low, and less than 19 percent of adult Nigeriens have a formal bank account.