DETERMINANTS OF ECONOMIC RESILIENCE IN DEVELOPING ECONOMIES: A MANAGEMENT PERSPECTIVE FROM BENIN

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Abstract.
This study investigates the determinants of economic resilience in developing economies through a management perspective, focusing on Benin as a representative case within the West African Economic and Monetary Union (WAEMU). Employing a mixed-methods approach that integrates institutional analysis with macroeconomic assessment, the research identifies five key dimensions of resilience: macroeconomic stability, governance and institutional quality, economic diversification, human capital development, and strategic management capacity. An integrated management framework is proposed, organizing determinants into three layers – foundational capacity, adaptive mechanisms, and transformative drivers – that collectively shape resilience outcomes. The findings demonstrate that Benin's deliberate policy reforms, including fiscal consolidation, strategic planning frameworks, and international cooperation, have significantly strengthened its resilience capacity. However, structural vulnerabilities related to limited diversification and commodity dependence persist. The study contributes to bridging the gap between resilience theory and management practice in developing economy contexts, offering actionable insights for policymakers.

Keywords: economic resilience, developing economies, management perspective, governance quality, economic diversification, Benin.

1. Introduction.

The growing frequency and intensity of exogenous shocks – from global financial crises and commodity price fluctuations to pandemics and climate-related disruptions – have placed the concept of economic resilience at the forefront of both academic inquiry and policy discourse [1, 7]. For developing economies, particularly those in Sub-Saharan Africa, the challenge of sustaining stable growth trajectories while absorbing and recovering from adverse disturbances remains a defining feature of their development experience [3, 11]. Benin, a West African nation and member of the West African Economic and Monetary Union (WAEMU), exemplifies this challenge. Despite achieving an average growth rate of 4.8 percent between 2010 and 2019, the country's economy remains structurally vulnerable due to its dependence on primary agricultural exports, limited industrial diversification, and exposure to regional geopolitical instabilities.

The theoretical underpinnings of economic resilience have been explored from multiple disciplinary perspectives. Martin [7] developed a comprehensive framework identifying four dimensions of resilience – resistance, recovery, reorientation, and renewal – arguing that the capacity of economic systems to respond to recessionary shocks is shaped by structural, institutional, and policy factors. Briguglio et al. [1] proposed an influential vulnerability-resilience framework, defining economic resilience as the policy-induced ability of an economy to withstand or recover from exogenous shocks, with four pillars: macroeconomic stability, microeconomic market efficiency, good governance, and social development. Their work demonstrated that even highly vulnerable economies can achieve favorable outcomes through deliberate resilience-building policies [2].

From a management perspective, the determinants of economic resilience extend beyond macroeconomic indicators to encompass institutional quality, strategic planning capacity, human capital management, and the efficiency of public administration [5, 8]. Eichengreen and Gupta [4] examined how trade openness, exchange rate flexibility, and fiscal buffers contribute to differential resilience across countries. Christopherson et al. [3] emphasized the role of adaptive capacity and institutional arrangements in enabling regional economies to navigate disruptions. In the African context, Fosu [5] highlighted the critical importance of governance quality and policy environment in determining growth outcomes, while Rodrik [10] demonstrated that successful economic management in developing countries requires context-specific strategies rather than one-size-fits-all prescriptions.

Despite the growing body of literature, significant gaps remain in understanding how management-level determinants – including strategic governance, institutional capacity, and public sector efficiency – interact to shape economic resilience in specific developing country contexts [6, 9]. This study addresses this gap by examining the determinants of economic resilience in developing economies through a management perspective, with particular focus on Benin. The research contributes to both the theoretical discourse on economic resilience and the practical understanding of policy levers available to managers and policymakers in similar developing economy contexts.

2. Materials and methods

2.1. Research design and analytical framework.

This study employs a mixed-methods research design that integrates qualitative institutional analysis with quantitative assessment of macroeconomic indicators to examine the determinants of economic resilience in developing economies, with a specific focus on Benin. The analytical framework draws upon the vulnerability-resilience model proposed by Briguglio et al. [1], which identifies four pillars of economic resilience: macroeconomic stability, microeconomic market efficiency, good governance, and social development. This framework is adapted and extended to incorporate management-oriented determinants that are particularly relevant to the context of developing economies in West Africa.

The research design follows a three-stage process. First, we conduct a systematic review of existing literature and institutional reports to identify the key determinants of economic resilience applicable to developing economies. Second, we analyze secondary macroeconomic data from Benin and comparable WAEMU countries to assess the empirical significance of these determinants. Third, we synthesize the findings into an integrated management framework for resilience building.

2.2. Data sources and collection.

The study utilizes secondary data from multiple authoritative sources. Macroeconomic indicators, including GDP growth rates, fiscal balances, trade openness, and inflation, were obtained from the World Bank's World Development Indicators (WDI) database and the International Monetary Fund (IMF) country reports for Benin [6, 12]. Governance quality indicators were sourced from the Worldwide Governance Indicators (WGI) compiled by the World Bank [12]. Data on human capital development, including education enrollment rates and health expenditures, were obtained from UNDP Human Development Reports. Regional integration data and WAEMU convergence criteria compliance were collected from the BCEAO (Central Bank of West African States) annual reports and IMF regional surveillance documents.

The time frame of the analysis covers the period 2015–2024, which encompasses both the pre-pandemic growth period, the COVID-19 crisis, and the post-pandemic recovery, thus providing a comprehensive view of resilience dynamics across different phases of economic performance.

2.3. Analytical methods.

Several complementary analytical methods were employed in this study. Comparative analysis was used to benchmark Benin's resilience performance against other WAEMU member states and selected developing economies. This approach allows for the identification of country-specific factors that distinguish more resilient economies from less resilient ones [7, 8].

Institutional analysis, drawing on the framework of North (1990), was applied to assess the quality of formal and informal institutions in Benin and their influence on economic resilience. This includes analysis of regulatory quality, rule of law, government effectiveness, and control of corruption as measured by the WGI.

The SWOT (Strengths, Weaknesses, Opportunities, Threats) analysis methodology was employed to evaluate Benin's resilience capacity from a strategic management perspective, integrating both internal capability assessments and external environment scanning.

2.4. Indicator framework for resilience assessment.

Building on the Briguglio et al. [1] resilience index methodology and adapting it to the context of developing economies, we constructed a composite assessment framework comprising five dimensions and their associated indicators, as presented in Table 1.

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Table 1. Framework of Economic Resilience Determinants for Developing Economies*

Dimension	Key Indicators	Measurement Approach
Macroeconomic Stability	Fiscal balance (% of GDP); Inflation rate; Public debt ratio; Foreign reserves adequacy	Quantitative analysis of IMF/WB data
Governance and Institutional Quality	Government effectiveness; Regulatory quality; Rule of law; Control of corruption	WGI composite scores (percentile rank)
Economic Diversification	Export concentration index; Sectoral composition of GDP; Herfindahl-Hirschman Index	UNCTAD and national statistics analysis
Human Capital and Social Development	Education enrollment; Health expenditure (% of GDP); Poverty headcount ratio	UNDP HDI components and WDI data
Management and Strategic Capacity	Public financial management quality; CPIA score; Strategic planning implementation	World Bank CPIA and IMF assessments

**Source: Compiled from [1, 7, 8]*

2.5. Limitations.

Several limitations of this study should be acknowledged. First, the reliance on secondary data constrains the depth of analysis at the micro-management level. Second, the composite nature of resilience makes it challenging to isolate the contribution of individual determinants. Third, the focus on a single country case, while providing depth, limits the generalizability of findings. However, these limitations are mitigated by the use of comparative benchmarking against WAEMU peers and the triangulation of multiple data sources and analytical methods.

3. Results and discussion.

3.1. Macroeconomic resilience performance of Benin.

The analysis of macroeconomic indicators reveals that Benin has demonstrated a notable, though uneven, trajectory of economic resilience over the study period. Between 2015 and 2019, the country's GDP growth averaged 5.7 percent, outperforming the WAEMU regional average of 5.2 percent. During the COVID-19 pandemic in 2020, Benin's economy contracted modestly to 3.8 percent growth, significantly less than the WAEMU average decline, indicating a relatively strong resistance capacity. By 2022, the economy had rebounded to approximately 6.0 percent, demonstrating robust recovery dynamics [6].

In our opinion, this resilience performance can be attributed to several interacting management-level factors. Firstly, the Government Action Program (PAG 2016–2021 and PAG 2021–2026) provided a coherent strategic framework that guided public investment and institutional reform. Secondly, the fiscal consolidation strategy, which reduced the fiscal deficit from over 6 percent of GDP in 2015 to within the WAEMU convergence criterion of 3 percent by 2024, created essential macroeconomic buffers. Thirdly, the proactive engagement with international financial institutions – including the blended EFF/ECF arrangement with the IMF and the Resilience and Sustainability Facility – signaled strong policy commitment and attracted development partner support.

3.2. Governance and institutional determinants.

We grouped the governance and institutional determinants of economic resilience into three categories based on our analysis: (a) regulatory governance, (b) fiscal governance, and (c) strategic governance. This classification, justified by us, reflects the management-oriented approach of this study and differs from conventional typologies that focus primarily on political governance indicators.

Regarding regulatory governance, Benin has made significant strides in improving its business environment. The establishment of the Special Economic Zone (SEZ) in 2020, the adoption of a new PPP framework, and the modernization of investment codes represent deliberate policy choices aimed at enhancing microeconomic market efficiency. The country's recent sovereign credit rating upgrades and successful re-access to international capital markets in 2023, following a two-year hiatus, further validate the effectiveness of these regulatory reforms.

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In the area of fiscal governance, the development of a Medium-Term Revenue Strategy and a Medium-Term Debt Strategy reflects a sophisticated approach to public financial management. The implementation of climate budget tagging under the 2025 budget demonstrates an innovative integration of climate resilience considerations into fiscal planning – a practice that, in our opinion, sets Benin apart from many of its peers in the region.

Strategic governance encompasses the capacity of public institutions to formulate, implement, and adapt long-term development strategies. Benin's Government Action Program represents an exemplary model of strategic planning in a developing economy context, with clearly defined objectives, performance indicators, and regular progress reviews. The integration of resilience considerations into strategic planning – including climate adaptation, social protection expansion, and economic diversification – reflects a management approach that goes beyond reactive crisis response to proactive resilience building.

3.3. The role of economic diversification and human capital.

Economic diversification and human capital development emerged from our analysis as critical, yet insufficiently developed, determinants of resilience in Benin. The sectoral composition of GDP has remained remarkably stable over time, with services accounting for approximately 50 percent, agriculture for 28 percent, and industry for less than 20 percent of economic output. This structural rigidity, in our opinion, represents the most significant constraint on Benin's long-term economic resilience.

The government's industrial policy, centered on the transformation of local commodities through the SEZ, represents an important strategic response to this challenge. However, as our analysis indicates, successful economic diversification requires complementary investments in human capital, infrastructure, and institutional capacity. The Integrated School Feeding Program, which now covers 95 percent of elementary schools in rural areas, and the tuition-free education initiative for girls across all 77 communes, represent significant investments in long-term human capital formation that, we argue, will strengthen resilience capacity over time.

The Insurance for Human Capital Enhancement (ARCH) program, which provides micro-credits, healthcare access, and pensions, represents an innovative approach to building social resilience at the household level. In our opinion, such programs are essential for creating the social buffers that enable economies to absorb shocks without catastrophic welfare losses.

3.4. Integrated management framework for economic resilience.

Based on our comprehensive analysis, we developed an integrated management framework that synthesizes the key determinants of economic resilience in developing economies. This framework, presented in Figure 1, organizes the determinants into three interconnected layers: foundational capacity, adaptive mechanisms, and transformative drivers.

ECONOMIC RESILIENCE Developing Economy Context		
Foundational Capacity	**Adaptive Mechanisms**	**Transformative Drivers**
Macroeconomic Stability Institutional Quality Fiscal Governance	Strategic Planning Policy Flexibility International Cooperation	Economic Diversification Human Capital Development Innovation & Digitalization
RESISTANCE Capacity	**RECOVERY Capacity**	**TRANSFORMATION Capacity**
SUSTAINABLE RESILIENT GROWTH		

Figure 1. Integrated Management Framework for Economic Resilience in Developing Economies*

**Source: Developed by the Author*

The foundational capacity layer includes macroeconomic stability, institutional quality, and fiscal governance. These elements provide the baseline conditions necessary for an economy to resist the immediate impact of shocks. Our analysis demonstrates that Benin's progress in fiscal consolidation and institutional reform has significantly strengthened this foundational layer over the study period.

The adaptive mechanisms layer encompasses strategic planning capacity, policy flexibility, and international cooperation. These determinants enable economies to adjust their responses in real time and mobilize resources efficiently during and after crises. Benin's engagement with the IMF's Resilience and Sustainability Facility and the World Bank's Development Policy Financing illustrates how effective international cooperation can augment domestic adaptive capacity.

The transformative drivers layer – comprising economic diversification, human capital development, and innovation – represents the long-term determinants that enable economies to fundamentally reorient their growth models in response to structural challenges. This is, in our opinion, the area where Benin and similar developing economies face their greatest challenges but also their most significant opportunities.

3.5. Comparative assessment and policy implications.

The comparative assessment of Benin against other WAEMU member states reveals significant heterogeneity in resilience performance across the region. Countries such as Côte d'Ivoire and Senegal, which have achieved greater economic diversification and stronger institutional frameworks, demonstrate higher levels of overall resilience. Conversely, countries affected by political instability and security challenges, such as Burkina Faso, Mali, and Niger, exhibit markedly lower resilience capacity.

What distinguishes Benin's experience, justified by us through this analysis, is the deliberate and systematic approach to resilience building through management-oriented reforms. The country's trajectory suggests that even within the constraints of a small, developing economy, strategic policy choices and institutional investments can meaningfully enhance economic resilience. The key insight from our study is that resilience is not merely an outcome of structural characteristics but is, to a significant degree, a product of management quality at both the institutional and policy levels.

The policy implications of our findings are threefold. First, developing economies should prioritize the creation of coherent strategic planning frameworks, similar to Benin's Government Action Program, that integrate resilience considerations across all policy domains. Second, fiscal governance reforms, including medium-term revenue strategies and climate-responsive budgeting, should be pursued as foundational investments in resilience capacity. Third, economic diversification strategies must be accompanied by parallel investments in human capital and institutional capacity to ensure that transformative resilience is achievable in the medium to long term.

4. Conclusion.

This study examined the determinants of economic resilience in developing economies from a management perspective, with a particular focus on Benin. The analysis demonstrates that economic resilience is a multidimensional construct shaped by the interplay of macroeconomic stability, governance quality, strategic planning capacity, economic diversification, and human capital development. The case of Benin illustrates that even structurally vulnerable developing economies can significantly enhance their resilience through deliberate, management-oriented policy interventions.

The integrated management framework developed in this study organizes resilience determinants into three layers: foundational capacity (macroeconomic stability, institutional quality, fiscal governance), adaptive mechanisms (strategic planning, policy flexibility, international cooperation), and transformative drivers (economic diversification, human capital, innovation). This layered approach provides a practical tool for policymakers and managers to diagnose resilience gaps and prioritize interventions.

Benin's experience over the period 2015–2024 demonstrates that coherent strategic governance, fiscal discipline, and proactive engagement with international partners can create meaningful resilience buffers. However, persistent structural challenges – including limited economic diversification, dependence on primary commodity exports, and vulnerability to regional geopolitical dynamics – underscore the need for sustained, long-term investments in transformative capacity.

The principal contribution of this study lies in bridging the gap between macroeconomic resilience theory and management practice in developing economy contexts. Future research should extend this analysis through primary data collection at the organizational and enterprise levels to examine how management decisions within firms and public institutions translate into economy-wide resilience outcomes. Cross-country comparative studies within the WAEMU region would further enrich the understanding of how institutional contexts mediate the relationship between management quality and economic resilience.

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