

**TALKING POINTS FOR THE HONORABLE MINISTER OF TRADE, INDUSTRY,  
REGIONAL INTEGRATION AND EMPLOYMENT OF THE GAMBIA IN THE ILO  
AFRICA REGIONAL MEETING (2<sup>ND</sup> JULY 2020)**

Corona Virus (COVID-19) has devastating effects on the world economy. Since it has been declared by the World Health Organization as a pandemic in March 2020, it has threatened our existence and thus called for restrictive measures to contain its spread. These measures are in the form of lockdowns in which non-essential businesses were shutdown.

In The Gambia, the first COVID-19 case was confirmed on the 17<sup>th</sup> March 2020. This has seen numerous declarations of State of Public Emergencies by H.E. President Adama Barrow to enable the Government to put in place the right preventive measures to contain the spread of the Virus. This led to the closure of many enterprises which in turn resulted in job and income losses especially in the tourism and the informal sectors. Job loss is estimated at 52,752 for informally employed people in both the formal and informal sectors as per the desk review my Ministry has conducted since the first State of Public Emergency was declared in The Gambia. This will worsen the already high unemployment rate of 35.2% as reported in 2018 Gambia Labour Force Survey.

Therefore, this Summit is very timely as it avails us with the opportunities to share and learn from other countries' experiences in respect to the measures put in place to reduce the severity of the lockdowns, how to extend support to those workers who experienced job losses and how to leverage on technology to ensure that work continues. In terms of policy responses, The Gambia takes cue from the UN Framework for immediate socio-economic response to COVID-19 and the ILO Policy Framework to fight COVID-19 crisis. On the socio-economic response, my Ministry together with the Ministry of Finance and Economic Affairs spearheaded the formation of the response team in which different stakeholders such as the UN Agencies and Government institutions implement activities geared towards reducing the socio-economic impacts of COVID-19. This we believe will go a long way in building resilience against the adverse effects caused by the pandemic especially on the informal economy.

However, the challenges faced by the informal economy to transition to a formal one are enormous. For the sake of this discussion, I would like to highlight the following taking cue from The Gambia's experience.

- There are less or no clear-cut laws that are developed to regulate the informal economy. As a result, informal workers tend to face challenges such as low pay and productivity, long working hours, no social protection, no representation in unions and absence of collective bargaining etc;
- Access to finance for the informal enterprises makes the journey to formalization impossible as the financial institutions require collaterals for lending to businesses and

most enterprises in the informal economy do not have the financial muscle to meet this requirement.

- Business registration constitutes another major challenge hindering the formalization of informal enterprises. The cost, time and bureaucracy involved in registering businesses becomes a discouraging factor as many of the requirements are not within the reach of most informal enterprises.

To support their journey to formalization, a database needs to be in place regarding the number of informal enterprises, their nature and how vulnerable they are during pandemics, and knowing what support they need. For instance, my Ministry conducted an MSME Mapping that sought to ascertain the number of MSMEs including informal enterprises that are operating within the country and what support they need. This enabled us to develop the MSME Policy 2018-2022 as a way of responding to their needs.

In conclusion, to address these challenges effectively, a whole-of government, private sector, civil society, academia, other non-state actors' involvement is necessary. This will enable us to work in a coordinated approach to develop laws and policies that are coherent and takes on board the plight of the informal economy. Also, deliberate actions are needed. These actions should be in the form of providing incentives for the informal economy by extending tax breaks, business mentorship and coaching programmes, a separate social protection system, minimizing the cost, time and bureaucracy involved in business registration etc. In The Gambia, we are working hard to have an e-business registry that will take care of this need.

With these contributions, I look forward to a fruitful discussion on the ways forward and I thank you all for your kind attention.