



Remarks

By:

Mr. Johannes !Gawaxab, Governor (Bank of Namibia)

On the occasion of the multi-stakeholder workshop "Setting the stage for a national diagnostic of informality in Namibia"

Windhoek, 13-14 September 2023

Director of Ceremonies,

Honourable Lucia Ipumbu, Minister of Industrialisation and Trade

Honourable Utoni Nujoma, Minister of Labour, Industrial Relation, and Employment Creation

Esteemed colleagues from the United Nations

Esteemed members of the private sector, and civil society organizations

Members of the media

Distinguished guests

Good morning

1. **Allow me to express my utmost delight in joining you today to address a topic of immense significance – the diagnosing of informality within the Namibian economy.** As we steadfastly navigate the path of economic recovery, it becomes increasingly evident that confronting the issue of informality is paramount to achieving sustainable economic growth. The emergence of the COVID-19 pandemic has not only heightened the prevalence of informal economic activities but also underscored the imperative to draw more attention to this sector. I am therefore encouraged that we are acting in this regard. Your presence here today, reaffirms the importance that you have attached to this sector as an integral part of the solution to the structural economic challenges facing our nation.
2. **To delve into this matter further, it's crucial to recognize that over half of the Namibian workforce operates within this sector, with many being women and individuals from our rural communities.** As President Franklin D. Roosevelt once said, "The test of our progress is not whether we add more to the abundance of those who have much; it is whether we provide enough for those who have too little." Hence, it becomes paramount for us to comprehensively understand and support this segment of our economy and find ways to integrate and mainstream it into the formal economy. Understanding the characteristics, drivers, and other dynamics of the informal sector in Namibia will allow us to devise a transitional path for the formalisation of informal enterprises. This workshop is a precursor to enhancing that understanding by establishing the baseline.
3. **The transition to formality will hinge on effective social dialogue and collaboration.** Indeed, the prevalence of informal economic activities and employment

tells us there's more work to be done. It is crucial for us to grasp the intricacies of this and strategize accordingly. Collaboration will help us surmount the challenges in gathering accurate data on the extent and nature of informal activities, as well as in revising policies and regulations affecting informality. Understanding our legal and institutional framework will offer invaluable insights and contribute towards how we can address informality.

4. **The Bank of Namibia stands ready and committed to play its role in this vital journey.** With collaboration from the respective ministries and agencies (OMAs), the United Nations agencies, and the Bank of Namibia, along with other stakeholders, today marks our joint endeavour to form a clearer, evidence-based perspective on informality. But beyond gathering data, the diagnosis of informality will also complement our financial inclusion efforts and aspirations. By integrating the informal sector, we will empower Namibians, foster entrepreneurship, and lay the groundwork for a more stable economic and financial future.
5. **The untapped potential within the informal sector extends beyond mere integration; it signifies economic fortification and the unleashing of dormant potential.** Integrating the informal sector will propel the reach of our financial system, allowing many Namibians access to formal financial services and securing their financial futures. Such inclusion not only benefits individuals but holds the potential to boost our national economy and foster resilient economic growth particularly amidst all too frequent shocks.
6. **The challenges of the pandemic, particularly its toll on those in the informal sector, are not lost on us.** However, challenges also present opportunities – opportunities to innovate, recalibrate and advance. COVID-19 lockdowns amplified the precariousness of informal workers as most participants reported a decline in socio-economic status marked by increased unemployment, poverty and vulnerability. These challenges underscore the need for proactive, targeted interventions to cushion those in the informal economy against COVID-induced socio-economic shocks.
7. **As we delve into today's discussions, let us remain anchored to our overarching mission.** We are not merely brainstorming; we are forging a comprehensive, inclusive, and precise roadmap.

8. **The gravity of today's gathering resonates deeply.** So, I urge all of us to contribute actively, share our unique insights, and work collaboratively. Together, we are poised to redefine the contours of Namibia's economic tapestry.

I thank you.