



**INTERNATIONAL SEMINAR ON THE INFORMAL SECTOR IN AFRICA:
Measuring Instruments, Analyses and Integration of Economic and Social
Policies**

KEY POINTS AND RECOMMENDATIONS

Bamako, 22-24 October 2008

1. From 22 to 24 October 2008, an International Seminar on the Informal Sector in Africa (ISISA) was held in Bamako (Mali). The seminar was organized by AFRISTAT, with the support of the following technical and financial partners: the French Ministry of Foreign and European Affairs, the PARIS21 Consortium, the CESD-Statisticians Association for Development and DIAL.
2. The participants of the seminar came from thirty-one countries and twenty-five institutions and organizations of Africa, Europe, Asia and America. The list of States and organizations represented in the meeting is attached hereto in Annex.
3. The opening ceremony was presided over by Mr. Djigui CAMARA, Minister of the Plan and Cooperation of the Republic of Guinea and Chairman of the AFRISTAT Council of Ministers, in the presence of Mr. Abou-Bakar TRAORE, Minister of Finance of the Republic of Mali.
4. Following the welcome address by the Director-General of AFRISTAT, Mr. Martin BALEPA, and the statement by the representative of the Director of the ILO Sub-Regional Office for Africa in Dakar, Mr. Djigui CAMARA, in opening the seminar, commended AFRISTAT's initiative in organizing the seminar. He reiterated the mandate given to AFRISTAT by STATCom-Africa to coordinate the activities of the African Working Group on the Informal Sector. He lauded the efforts made in the quest for synergy to promote the production and use of informal sector statistics, and highlighted the progress made over the past ten years, as well as the major challenges that still have to be met. Mr. Djigui CAMARA called on the researcher community to continue supporting the process so as to ensure better use of informal sector statistics and their integration into national accounts and employment assessments, and thereby contribute to poverty reduction. Lastly, he underscored the need to establish an African action plan for measuring the informal sector.

5. There were presentations and constructive exchange of views based on the contributions of participants and centred on the following five themes:
 - Theme 1 : Analysis of answers to issues concerning the operationalization of concepts on employment and the informal sector;
 - Theme 2 : Relevance and complementarity of data collection mechanisms;
 - Theme 3 : Uses of informal sector statistics by national accounts;
 - Theme 4 : Other uses of informal sector statistics;
 - Theme 5: Institutional roles of NSIs, PRSP units, and employment structures.
6. Discussions were also held by a panel on the theme: “The need for an action plan for Africa in the measurement of the informal sector”.
7. These key points and recommendations give only an overview of the discussions which focuses on the main recommendations of the seminar.
8. As regards Theme 1, the participants lauded the efforts already made and the conceptual progress achieved since the first international seminar on the informal sector in Africa organized in 1997 in Bamako by AFRISTAT.
9. The work carried out by the countries, AFRISTAT, DIAL, the Delhi Group and ILO was discussed around the following points: scope and variables for the identification of informal activities, the need to prioritize the multiple criteria so as to better evaluate the informal economy, the development of indicators on decent work and informal employment, the need to prepare directories, difficulties in effectively applying the ILO definitions, issues relating to legislations (particularly tax laws) and their impact on updating the criteria.
10. As regards Theme 2, the participants carried out a technical assessment of data collection mechanisms for the informal sector, as well as the underlying measuring methods. They particularly reviewed the various existing mechanisms to ensure that they converge on a coherent information system for monitoring and evaluating economic and social policies.
11. In view of the complexity and importance of the theme, consensus was reached on the collection mechanism based on multi-phase surveys. The importance of more accurately measuring the contribution of micro-enterprises was raised, given that the agricultural sector is evaluated by tested methods. Among the existing methods, the 1-2-3 surveys still constitute an excellent tool, but they need to be improved to address the difficulties encountered by the countries.
12. As regards Theme 3, the participants laid emphasis on the use of informal sector data in the preparation of national accounts, which is the key concern in the improvement of macro-economic aggregates. To that end, the need to systematically involve national accountants in the process of putting methodological tools in place and implementing them was retained. This would entail:
 - incorporating national accounts concepts into the various questionnaires relating to informal economies;
 - integrating all informal production units beyond the margin of informality; and
 - promoting and preparing satellite accounts for the informal economy.
13. The participants discussed the nature of the difficulties (methods of estimating informal sector aggregates) and the incorporation of the results of informal sector surveys into national accounts. They emphasized the need to make exchanges between survey statisticians and national accountants systematic so as to disseminate good practices.
14. The participants underscored the importance of informal sector statistics in monitoring the impacts of crises, particularly food and financial crises.

15. Concerning Theme 4, the participants commended the fact that the deep analyses of employment surveys on the informal sector meet the needs of formulating social policies and poverty reduction strategies.
16. Drawing on the experiences presented, it was possible to determine the scope of potential uses of information from informal sector surveys:
 - vulnerability and employment;
 - financing of the informal sector;
 - estimation of regional or local GDP;
 - taxation and boosting of informal sector activities.
17. Theme 5 considered institutional problems concerning organization of informal sector monitoring and its effective management by national statistics systems. In the contributions and reflection, the participants suggested that the mechanisms in place should be improved by:
 - identifying the institutions and resource persons;
 - promoting the networking of NSIs, PRSP units, employment structures and other similar structures in the development of informal sector statistics production;
 - identifying a network focal point for the institutions;
 - promoting coordination of the various stakeholders (NSIs, PRSP units, employment observatories, etc.).
18. Discussions by the panel focused on:
 - the need to prepare a platform for coordinating the various interventions by technical and financial partners on problems of measuring the informal sector in the countries;
 - explicit consideration of a sustainable financing mechanism for the activities so as to ensure monitoring of the measurement of employment and the informal sector;
 - broadening of the survey scope to the national level, including the rural sector;
 - the need to disseminate survey data in time through appropriate media;
 - the preparation of an action plan containing capacity building issues;
 - the participation of national statistics systems in reflection on the area, with the involvement of regional and sub-regional institutions.
19. The participants unanimously recognized the relevance of the various methodological tools developed, and reaffirmed their commitment to supporting their improvement. To that end, they confirmed the coordination role of AFRISTAT in the informal sector in sub-Saharan Africa.
20. They agreed that the improvement of informal sector statistics production in Africa should be considered within the perspective of collaboration between governments, the scientific community, and technical and financial partners. They also agreed on the need to adopt a long-term perspective in monitoring and measuring the informal sector.

Recommendations

The participants of the International Seminar on the Informal Sector in Africa, organized from 22 to 24 October 2008 in Bamako,

Considering the general mandate of AFRISTAT in statistical capacity building for sub-Saharan African States,

Considering the mandate as lead of the Working Group on the informal sector in Africa given to AFRISTAT by StatCom-Africa,

Considering the efforts of the international community towards the strengthening, harmonization and dissemination of methodological tools for monitoring and integrating informal sector data into national accounts,

Considering the experience and work carried out by African countries with the support of technical and financial partners on the informal sector,

Considering the role of the informal sector as vital provider of jobs in African economies,

Considering the risks that could be faced by African economies as a result of the recent international food and financial crises, and the world recession that it could cause,

Recommend as follows:

1. For AFRISTAT:

- i. take appropriate measures to ensure pursuance of the mandate given to it by the African Statistics Commission to coordinate the activities of the working group on the informal sector in Africa;
- ii. take measures to propose an action plan for the informal sector as part of the activities of the Working Group, including regular scheduling and reinforcement of mixed surveys, along with the pilot phase;
- iii. strengthen collaboration with competent international organizations and working groups in the informal sector by being closely involved in their work, particularly with the Delhi Group;
- iv. organize or contribute to organizing African countries into informal economy study networks so that they can be more closely involved in the methodological work in the area;
- v. organize, after every five years, an international seminar on the informal sector in Africa;
- vi. disseminate a complete report in English and French on the proceedings of this seminar.

2. For the States:

- i. integrate into their national statistics development strategy aspects relating to the production of statistics on employment and the informal sector, particularly the conduct of 1-2-3 multi-phase surveys;
- ii. ensure better coordination and mobilize adequate financial and human resources for the collection and optimal production of statistical information in the area.

3. For Technical and Financial Partners:

- i. coordinate, in line with the Paris Declaration, their support operations so as to make them more effective and give greater visibility to their impact on the development of statistics production for employment and the informal sector in the countries;
- ii. systematically involve AFRISTAT in the design of any statistical project in the informal sector prepared for any State involved in the activities of the African Working Group on the informal sector;
- iii. provide AFRISTAT with support required for accomplishing its mandate, and make adequate resources available to countries carrying out activities in the informal economy.

4. For all the stakeholders:

- i. put in place and/or finance a project, coordinated by AFRISTAT, on the employment monitoring mechanism, the labour market and the informal sector, comprising three components:
 - a) make a retrospective assessment of capitalizable outputs of multi-phase surveys on employment and the informal sector over the past fifteen years, and identify the methodological tools that still need to be developed;
 - b) conduct surveys in five pilot countries in which the feasibility of a multi-phase national survey system will be developed, comprising an annual employment survey coupled with an informal sector survey; and
 - c) extend the pilot phase to other countries.

Annex: List of Participating Countries, Organizations and Institutions

Participating Countries

1. Benin
2. Burkina Faso
3. Burundi
4. Cameroon
5. Central African Republic
6. Chad
7. Comoros
8. Congo
9. Cote Ivoire
10. Equatorial Guinea
11. France
12. Gabon
13. Guinea
14. Guinea Bissau
15. Liberia
16. Luxemburg
17. Madagsacar
18. Mali
19. Mauritania
20. Mauritius
21. Mozambique
22. Niger
23. Palestine
24. Rwanda
25. Sao Tome and Principe
26. Senegal
27. South Africa
28. Tanzania
29. Togo
30. Tunisia
31. Uganda

Participating Organizations and/or Institutions

1. African Development Bank
2. African Union Commission (Ethiopia)
3. Bank of Central African States (BEAC)
4. Central Bank of West African States (BCEAO)

5. Centre for Research, Studies and Economic Analysis Support of Madagascar (CREAM)
6. CESD-Statisticians Association for Development
7. Commission of the West African Economic and Monetary Union (WAEMU)
8. Economic and Statistical Observatory for Sub-Saharan Africa (AFRISTAT)
9. French Development Agency (AFD)
10. Head Start Consult (Ghana)
11. Institute for Demographic Training and Research (IFORD)
12. Institute for Development Research (IRD/DIAL)
13. Long-Term Development, Institutions and Analyses (DIAL)
14. National Higher School of Statistics and Applied Economics of Abidjan (ENSEA)
15. National Institute for Statistics and Economic Studies of Paris (INSEE)
16. National School of Statistics and Economic Administration of Dakar (ENSAE/ANSO)
17. PARTnership In Statistics for Development in the 21st Century (PARIS21)
18. Statistics Office of the European Communities (EUROSTAT)
19. Sub-region Office of the International Labour Organization for Africa in Dakar
20. Sub-regional Institute for Statistics and Applied Economics of Yaounde (ISSEA)
21. United Nations Development Programme (UNDP)
22. United Nations Economic Commission for Africa (ECA)
23. Universite d'Economie d'Orleans, France
24. Women in Informal Employment Globalising and Organising (WEGO/Delhi Group)
25. World Bank.