
Concept Note

Informal Economy in Africa: Which Way Forward? Making policy responsive, inclusive and sustainable

In-Person Venue : Victoria Falls, Zimbabwe

Virtual Venue: [Zoom](#)

Date: 10-11 May 2022 from 9am – 5pm CAT both days

THE BACKGROUND

In the evolving aftermath of the impacts of the COVID-19 pandemic, African governments are now cautiously but optimistically looking towards an era of recovery and building back better. Indeed, the tremendous challenges, underlying vulnerabilities and inequities exposed by the pandemic have firmly brought about this **defining moment and opportunity for African governments to make bold decisions towards a recovery that is more inclusive, resilient, sustainable and prosperous**. One of the most prominent policy decisions confronting African governments today, which has been brought to center stage, is the role of the informal economy in this recovery and the beyond.

Nearly 83% of employment in Africa and 85% in Sub-Saharan Africa is informal, absorbing many of the continent's young employment seekers. However, in the past, policy narratives in Africa tended to either neglect informal economies or even viewed them as potentially threatening to formal economies – therefore needing elimination and control rather than support and investment for inclusive structural economic transformation. Over time, an alternative policy narrative began to emerge. While this narrative still viewed the informal economy as outside formal arrangements, and often found on the edge of high vulnerability to poverty, low earnings, irregular incomes, and bad working conditions, it brought significant attention to welfarist policies to ensure safety nets, minimum floors, and access to basic social protection.

More recently, with increased visibility of the informal economy in the evolving COVID-19 era, greater recognition of both the vulnerability of workers and enterprises in the informal economy and the significant contribution the informal economy makes to GDP, income, and employment in Africa, and how inextricably it is linked to impacts on the formal economy has been made. This counter policy narrative – spearheaded in academia, development agencies and select governments circles – while recognizing the precarious nature of the informal economy, has also brought marked attention to the resilience of the informal economy and its creative energies to not only cope with and adapt to change, but also as its potential as an untapped engine of innovation and growth that is worthy of policy attention, investment and support towards inclusive structural transformations and pathways to formality. It is indeed strategic to consider policy options that not only address the issues affecting the informal economy, but also tackle structural obstacles to formalization and harness its potential for addressing multiple risks African economies and communities face, including climate change risks, and build broad-based resilience.

The time, therefore, is ripe to fundamentally transform policy narratives on the informal economy by collectively learning and building intelligence on how to sustainably support the informal economy – including through an enabling environment for transition to formality and decent work – so it can play a formidable role in Africa's

inclusive, sustainable, resilient and prosperous future with a special focus on people-centered recovery from the COVID-19 crisis.

For this purpose, the task team on the informal economy (under the Global and Regional ILO-UNDP Partnerships Framework) is organizing a policy dialogue entitled “Informal Economy in Africa - Which way forward” with the theme of “making policy responsive, inclusive and sustainable” with respect to the needs of the informal economy. This multi-stakeholder policy dialogue will provide **a safe space for collective learning, build mutual respect and solidarity and harness the collective intelligence on a new policy action agenda**. This policy dialogue is a part of a series of such dialogues that bring together a broad array of stakeholders, with a key focus on informal actors, to harness collective learning, intelligence and advice on needed policy action.

THE OBJECTIVES

This policy dialogue will bring together informal economy actors, representatives from governments, employers’ and workers’ organizations as well as development partners to identify challenges, share good practices and learn from each other’s perspectives, including on fostering effective pathways to formality in Africa.

It will provide an inclusive dialogue space to discuss the increasing importance of the informal economy in Africa, understand the gaps between current programmatic approaches and needs on the ground, and build collective intelligence on more effective policy responses and solutions to trigger inclusive, resilient, sustainable and prosperous recovery.

This dialogue, which is organized by the UNDP/ILO task team on the informal economy, intends to play a connecting and enabling role by assembling analysis and findings, and bridging current gaps, including through direct interaction with informal economy actors, on the impacts, their agility, needs, solutions and innovations.

This policy dialogue is not seen as a one-off. Rather it is expected to generate a knowledge-exchange network and lead to a series of solution-driven policy dialogues that culminates in a detailed strategic action plan, which will enlist concrete policy interventions and resultant new partnerships to realize the full potential of the informal economy.

Specific objectives include:

1. To further a counter policy narrative of the informal economy as one of potential engine of innovation and growth in the region requiring a more inclusive transformation and fostering pathways to formality.
2. To advance the recognition and voice of workers and enterprises of the informal economy in policymaking as key to a more inclusive policymaking processes, and to harness collective learning and intelligence of all stakeholders.
3. To identify gaps in current programs that target the informal economy in Africa’s inclusive, resilient, sustainable, and prosperous future associated with fostering transition to formality and decent work.
4. To identify sectors and entry points for policy actions to support a more inclusive structural transformation of the informal economy, with a special focus on: i) the extension of social protection coverage to workers in the informal economy, ii) the role of social and solidarity economy organizations in promoting collective action and overcoming gaps, and iii) the importance of an enabling productivity ecosystems to support more inclusive structural transformation and towards the formalization of micro and small enterprises; and
5. To develop an evolving strategic action plan with policy interventions and facilitate building a learning network and partnerships platform among stakeholders for continued advocacy and action – both

nationally and regionally – to realize the potential transformative role the informal economy can play in Africa.

THE EVENT

The event will follow an innovative two-day hybrid in-person and online model. The in-person aspect will gather select government officials, representative from employers' and workers' organizations, development partners, academics, and especially representatives of informal economy actors in-person in Victoria Falls, Zimbabwe, for an interactive dialogue and exchange on the policy actions and novel partnerships needed for the informal economy to play a formidable role in Africa's recovery from COVID-19. The event will also virtually cater to a wide variety of participants throughout Africa, while promoting online interaction and dialogue through a dedicated digital platform and a variety of social media channels. To meet the objectives of the event, the following overview of the two-day deliberations is envisaged as follows:

Day 1: Interactive, multi-stakeholder mapping and learning about challenges and opportunities

The first day of the event focuses on an interactive, multi-stakeholder mapping process that generates visual analysis in real time of the challenges confronting the informal economy. Through a set of guiding questions, the speakers and participants will be asked to share their respective perspectives on the challenges they identify as constraining the informal economy to play a more wide-ranging role in Africa's inclusive, resilient, sustainable and prosperous future. Particular attention will be given to the identification of gaps between current programmatic approaches and the needs of informal economy actors on the ground.

To capture and visualize the challenges and gaps, a group of rapporteurs will simultaneously generate a real-time map that will enlist and project (on screens in the conference room) the findings as they emerge by each set of stakeholders. The output at the end of the first day is expected to be a holistic mapping and collective understanding of the challenges and gaps in policy confronting the informal economy, organized around different stakeholders' perceptions. This mapping will set the stage for the second day's harnessing of collective intelligence on policy solutions that can help.

Day 2: Interactive, multi-stakeholder collective intelligence on solutions

Day 2 will specifically focus on solutions to the emerging challenges generated on Day 1. To do this, the moderator will lead the first session that will present the final mapping of challenges and gaps organized by stakeholders and will again seek to interactively analyze and aggregate challenges into 4 to 6 thematic areas (e.g. recognition, access to finance, skills, access to space, technologies, social protection, social and solidarity economy, security; and with a gender focus). The assessed and identified 4 to 6 thematic areas will set the basis for the breakout groups session. The breakout session will be organized around each thematic area and will seek to ensure representation of each stakeholder group in each of the breakout groups. Each breakout group will be provided a trained facilitator that will promote an interactive dialogue while rapporteurs will capture the solutions identified in each group. In the final session, a real-time mapping of the good practices implemented in Africa and other solutions identified and organized around the key thematic challenges will be presented.

THE EXPECTED OUTPUTS AND RESULTS

- I. A short event brief, which will include infographics of the analysis and findings generated over the 2 days.

- II. An overall background report, being developed jointly by UNDP-ILO, will be finalized following this consultative policy dialogue pointing towards more holistic and integrated policy solutions to addressing the challenges and opportunities in the informal economy for a more inclusive, resilient, sustainable and prosperous in Africa. The report will also point to new and innovative approaches to policy dialogues moving forward and how more effective partnerships can be formed to deliver on advocacy, policies and programming.
- III. An Action Agenda for continued UNDP/ILO collaboration following the Event. it will contribute to the coming *ILO-UNDP global initiative on promoting pathways to formality* .

THE PARTICIPANTS

The in-person participants will include government officials, representatives of the African Union Commission, representatives of employers' and workers' organizations, development agencies, representative informal economy actors, academics and CSOs. Participants in the virtual of the event are expected to also include those mentioned above with a significant focus on assembling informal economy actors that would particularly be included in the Q and A parts as well as the virtual breakout session.

FACILITATION AND COMMUNICATIONS

Seasoned policy dialogue moderators will be selected to facilitate all the session and encourage effective interaction. A set of session moderators will be available to manage the agenda and guide the session discussions. Rapporteurs will be arranged to help with the documentation of all sessions and will particularly be assigned to the breakout session to capture collective intelligence and policy actions.

Communications and media:

UNDP RSCA's and ILO communication teams will be consulted on a communications strategy linked to this policy dialogue. Outputs envisioned include video interviews, social media platform alerts, key messages and a synthesis of results. We will launch an e-discussion in the run up to the event on the role of informal economy in the recovery process in Africa.

Language

The event will be conducted in English with simultaneous translation in French.