

Impact Assessment of the COVID-19 Pandemic on Micro-, Small and Medium-sized Enterprises in The Gambia



United Nations

Department of
Economic and
Social Affairs



Republic of The Gambia

COVID-19 in THE GAMBIA

Gambia Bureau of Statistics (GBoS) Assessment of the Impact of the COVID-19 Pandemic on the Livelihoods of Micro-, Small and Medium-sized Enterprises (MSMEs) Engaged in Poultry Farming, Selling of Second-hand Clothing, Fish Selling and Horticulture Farming in the Banjul, Brikama and Kanifing Local Government Areas (LGAs)



Contents

- Country context** 3
 - Background 3
- Introduction** 5
 - Questionnaire design 6
 - Training of field staff 6
 - Data collection 6
 - Data processing and analysis 6
 - Sampling methodology 6
- Main findings** 7
 - Sociodemographic 7
 - Economic..... 8
 - Impact, Mitigation and Support 10

Country context



Background

The Gambia is a small, narrow country with a land area of 10,689 square kilometres (km²) whose borders mirror the contours of the meandering Gambia River. Bordered by Senegal on the north, south and east and by the Atlantic Ocean on the west, the country lies between latitudes N 13° and N 14° and longitudes W 13° and W 17°. Less than 48.2 km (30 miles) in width at its widest point,¹ The Gambia, with a population density of 174 persons per km² (as of 2013), is one of the most densely populated countries in sub-Saharan Africa .²

The Gambia has one of the fastest population growth rates in sub-Saharan Africa, at 3.1 per cent per annum.³ The population in mid-2019 was estimated at 2.3 million; and projections indicate that the population will reach 3.5 million and 4.5 million, respectively, by mid-2035 and mid-2050.⁴ Owing to high levels of rural-urban migration, more than 50.0 per cent of the population live in the western part of the country, which encompasses the urban sprawl of Banjul, Kanifing municipality and Brikama town.⁵ Women account for over 51 per cent of the total population; adolescents aged 15-24 years and youth aged 15-35 years account, respectively, for 21.4 per cent and 38.5 per cent.

Poverty is widespread and on the rise in the country, particularly in the rural areas, where the poverty rate increased from 64.2 per cent in 2010 to 69.5 per cent in 2015-2016. The country's poverty rate remained flat between 2010 (48.1 per cent) and 2015-2016 (48.6 per cent). The number of people living below the poverty line

¹ Population Reference Bureau, "International data: Gambia", PRB database. Available at www.prb.org/international/geography/gambia.

² Gambia Bureau of Statistics (2017). *Integrated Household Survey 2015/16*, vol. II, *Socio-economic Characteristics*. Banjul. October. P. xv. Available at www.gbosdata.org/downloads/integrated-household-survey-ihs-24.

³ Ibid.

⁴ Population Reference Bureau, "International data: Gambia".

⁵ Gambia Bureau of Statistics (2017), *Integrated Household Survey 2015/16*, vol. II. P. 15.

(i.e., on less than \$1.25/day) increased from 0.79 million in 2010 to 0.94 million in 2015-2016.⁶ The population is vulnerable to food insecurity; overall, more than half of the population (55.1 per cent) and about 65.0 per cent of the rural population cannot earn the amount needed to meet their food expenditure requirements.⁷ In 2018, The Gambia had a gender inequality index (GII) of 0.620, with a rank of 150 among 162 countries (United Nations estimates for 2018). The human development index (HDI) of The Gambia for 2018 was 0.466, which puts the country in the low human development category, with a rank of 174 among 189 countries and territories.

Nationally, the unemployment rate in 2018 was 35.2 per cent for the population aged 15-64 years.⁸ The unemployment rate for youth aged 15-35 years was 41.5 per cent.⁹ In this age group, the unemployment rate for females, at 55.3 per cent, was higher than that for males (44.7 per cent).¹⁰ Overall, about 57.0 per cent of the youth were not in employment, education (school) or training (NEET);¹¹ the NEET levels for males and females were 44.7 per cent and 56.3 per cent, respectively.¹²

The economy grew at a (provisional) rate of 6.2 per cent in 2019, as compared with rates of 7.2 per cent in 2018, 4.8 per cent in 2017 and 1.9 per cent in 2016. The growth was a result of the increase in construction, electricity and water, public administration, accommodation and food services, information and communications, and financial and insurance services.

⁶ Gambia Bureau of Statistics (2017). *Integrated Household Survey 2015/16*, vol. III, *Prevalence and Depth of Poverty*. Banjul. October. P. x, figure 5.1 and table 5.1. Available at www.gbosdata.org/downloads/integrated-household-survey-ihs-24.

⁷ *Ibid.*, p. 43.

⁸ Gambia Bureau of Statistics (2018). *Gambia Labour Force Survey (GLFS 2018). Analytical Report*. Banjul. P. 47. Available at www.gbosdata.org/downloads/gambia-labour-force-survey-29.

⁹ *Ibid.*, table 9.7.

¹⁰ *Ibid.*, table 9.8.

¹¹ *Ibid.*, p. 70.

¹² *Ibid.*, figure 9.1.

Introduction



The Gambia confirmed the first case of COVID-19 on 17 March 2020. The 190th COVID-19 situation report of The Gambia (9 November 2020) indicated a total of 12 new confirmed cases out of 252 new tests, with 10 recoveries, one death and 31 active cases. The total number of confirmed COVID-19 cases as of 9 November 2020 was 3,696.

The COVID-19 pandemic has had a negative impact on economic, human and social development, either directly through the spread of the virus or indirectly through preventive social distancing measures and the global economic downturn. The pandemic has impacted households via multiple channels. First, households have incurred loss of labour-market income. Sectors such as tourism and hospitality have been affected as well as trade; and individuals face risks of unemployment or (partial) loss of income. Second, markets and small businesses have been affected owing to the restricted business hours associated with curfews and constraints on population movements. In addition to producing these economic effects, the COVID-19 pandemic has had negative social consequences, such as limitation of access to schools and health-care facilities.

The pandemic has already taken a heavy toll on the economy at both the macro and micro levels. With the closure of land border crossings and airspace, sectors such as tourism and commerce almost stopped their operations, which has had repercussions for the hotel and transportation industries, including job and income losses incurred by people employed by those industries. The persons engaged in the four types of micro-, small and medium-sized enterprises (MSMEs) that are the focus of the present assessment (second-hand clothing dealers, poultry farmers, fish sellers and horticulture farmers) are being affected owing to the restrictions (closure of some markets and non-essential businesses) that have been imposed by the Government to curb the spread of the coronavirus disease (COVID-19) pandemic.

Various assessments have been conducted in the country on the impact of the COVID-19 pandemic, notably (a) on the tourism industry and tourism-related activities, and (b) on the livelihoods of traders at the weekly markets (*lumos*) and the revenue of the Councils where the *lumos* are set up. There have been assessments as well of the effect of the pandemic on The Gambia within the socioeconomic sphere.

Questionnaire design

The instrument used in the conduct of the exercise was a questionnaire divided into three sections: (a) sociodemographic, (b) economic and (c) impact, mitigation and support. The questionnaire, which was designed on paper and then imported into the computer-assisted personal interviewing (CAPI) application, comprised a mix of close-ended and multiple-response questions.

Training of field staff

Twelve field staff were trained for a period of two days. The training included an overview of the exercise and the following topics: concepts and definitions of the terms used in the instrument, including their local equivalents; the role of supervisors and enumerators; interviewing techniques; and the survey's target population. On the first day of training, field staff were familiarized with the instrument in English. This was followed by mock interviews conducted in the local languages, mainly Mandinka and Wolof. The purpose of the mock interviews was to ensure that during the data-collection exercise, field staff had a common understanding of terminologies as translated into the local languages. As computer-assisted personal interviewing was to be used for data collection, the second day of training focused on the use of the CAPI application.

Data collection

Two teams were constituted for the data-collection exercise. Each team consisted of five enumerators and one supervisor. A total of 500 interviews were completed within six days. Interviews with second-hand clothing dealers entailed visits to the following markets: Bakau, Banjul, Brikama, Latrikunda Sabiji and Serrekunda. Interviews with fish sellers entailed visits to the following fish landing sites: Bakau, Banjul and Brufut. The following horticultural gardens were visited: Abuko, Bajonkoto, Bakau Mile 7, Bakau Old Cape Road, Bakoteh, Banjul, Ebo Town, Fajikunda, Kololi Santa Yalla 1, New Jeshwang and Saaro. The designated poultry farmers were interviewed by telephone.

Data processing and analysis

The preparation of an analysis plan was necessary prior to analysis of the data. The plan included "dummy tables" exhibiting layout and format which were shared with stakeholders for review purposes. This approach was to serve as a means of guiding the data analyst with respect to the types, the formats and the number of tables required for production. In addition, a report outline was generated to facilitate and guide the writing of the report. The analysis plan and the report outline were shared with the Gambia Ministry of Trade, Regional Integration and Employment (MoTIE) and the consultant for the Department of Economic and Social Affairs of the United Nations Secretariat (UN DESA) with a view to eliciting inputs and comments. The Census and Survey Processing System (CSPPro) version 7.4 was used for data collection. After being thoroughly cleaned, the data were exported to Stata version 14.2 for analysis.

Sampling methodology

A purposive quota sampling design was implemented for horticulture farmers owing to the lack of a complete list of all gardeners in the designated gardens. Gardens that had been listed as non-operational were excluded from the sample. The sample size of 144 was proportionally representative in terms of the numerical distribution of male and female gardeners in each garden. A total of 136 second-hand clothing dealers from the different markets in the Banjul, Brikama and Kanifing local government areas (LGAs) were interviewed. A list of fish sellers and poultry farmers including names and contact details was provided, with each enumerator being assigned to interview members of a specified group. A total of 156 fish sellers and 64 poultry farmers were covered successfully by mixed-mode interviews: some via telephone and others through in-person workplace visits.

Main findings

Sociodemographic

A total of 500 small-scale business owners were interviewed, encompassing second-hand clothing dealers, poultry farmers, horticulture farmers and fish sellers. The study found that more than half of the respondents (57.0 per cent) were aged 36-64 and only 3.2 per cent were aged 15-24 (table 1). Most of the traders (83.0 per cent) were Gambian. Analysis by level of educational attainment showed that more than half of the traders (52.0 per cent) had never attended school; 13.8 per cent had a lower secondary education; and 13.6 per cent had an upper secondary education. Most of the traders (78.6 per cent) reported that they were married and the majority (86.8 per cent) that they had at least one living child.

Table 1: Demographic profiles of business owners, by sex, age, nationality, level of education, marital status and number of children

Sex	Number	Percentage
Male	255	51.0
Female	245	49.0
Age group		
15-24	16	3.2
25-35	153	30.6
36-64	285	57.0
65+	46	9.2
Nationality		
Gambian	415	83.0
Non-Gambian	85	17.0
Level of education		
Early childhood (1-4)	12	2.4
Primary (grades 1-6)	47	9.4
Lower secondary (grades 7-9)	69	13.8
Upper secondary (grades 10-12)	68	13.6
Vocational (Technical)	5	1.0
Diploma	19	3.8
Higher (BSc, master's degree, PhD)	20	4.0
None	260	52.0
Current marital status		
Not married	107	21.4
Married (monogamous)	261	52.2
Married (polygamous)	132	26.4
Number of living children		
No living child	66	13.2
At least one living child	434	86.8

Information collected on the characteristics of the four types of business considered in the assessment is provided in the tables below. While an almost equal number of males and females were interviewed, as shown in table 1 above, table 2 illustrates the variations among the four types of business based on the sex of their owner. The data

reveal that second-hand clothing and poultry farming businesses were dominated by males, while horticulture farming and fish selling businesses were dominated by females.

Table 2: Types of business, by sex of owner (percentage)

<i>Type of business</i>	<i>Sex</i>		<i>Total</i>
	<i>Male</i>	<i>Female</i>	
Second-hand clothing	89.7	10.3	100.0
Horticulture farming	11.1	88.9	100.0
Poultry farming	84.4	15.6	100.0
Fish selling	40.4	59.6	100.0
All businesses	51.0	49.0	100.0

Economic

As part of the assessment, business owners were questioned regarding the number and sex of current paid and unpaid employees (table 3). The data collected show that 79.4 per cent of the business owners interviewed reported having no paid male employees and 91.0 per cent reported having no paid female employees, while 87.2 per cent reported having no unpaid male employees and 94.0 per cent reported having no unpaid female employees. Poultry farming businesses accounted for the highest proportion of paid male and paid female employees.

Table 3: Types of business, by the sex and number of paid and unpaid employees (percentage)

<i>Type of business</i>	<i>Number of employees</i>											
	<i>0</i>	<i>1-4</i>	<i>5+</i>	<i>0</i>	<i>1-4</i>	<i>5+</i>	<i>0</i>	<i>1-4</i>	<i>5+</i>	<i>0</i>	<i>1-4</i>	<i>5+</i>
	<i>Paid male</i>			<i>Paid female</i>			<i>Unpaid male</i>			<i>Unpaid female</i>		
Second-hand clothing	93.4	6.6	0.0	97.1	2.9	0.0	94.1	5.9	0.0	98.5	1.5	0.0
Horticulture farming	88.9	10.4	0.7	98.6	1.4	0.0	93.8	6.3	0.0	91.7	8.3	0.0
Poultry farming	39.1	46.9	14.1	75.0	17.2	7.8	48.4	40.6	10.9	82.8	15.6	1.6
Fish selling	75.0	12.8	12.2	85.3	13.5	1.3	91.0	6.4	2.6	96.8	3.2	0.0
All businesses	79.4	14.8	5.8	91.0	7.6	1.4	87.2	10.6	2.2	94.0	5.8	0.2

Table 4 shows that the highest proportion of traders (61.6 per cent) were in business for more than 10 years. The proportion of traders who were in business for 7-10 years and for 4-6 years were 15.4 per cent and 12.2 per cent, respectively. Only 2.6 per cent of the traders had been in business for less than one year.

Table 4: Period of time owners have been in business

<i>Years of operation</i>	<i>Number of businesses</i>	<i>Percentage</i>
Less than 1	13	2.6
1-3	41	8.2
4-6	61	12.2
7-10	77	15.4
More than 10	308	61.6
Total	500	100.0



During the assessment, respondents were asked for information on their average weekly income before the onset of the COVID-19 pandemic. The data, presented in table 5, show that pre-pandemic average weekly income varied by type of business. Poultry farmers had the highest average weekly income: 18,900 dalasis (D 18,900), followed by second-hand clothing dealers and fish sellers, who reported average weekly incomes of D 3,500. The lowest average weekly income (D 2,000) was reported by horticulture farmers.

Table 5: Pre-pandemic average weekly income revenue, by type of business

<i>Type of business</i>	<i>Average weekly income in dalasis (D)</i>
Second-hand clothing	3 500
Horticulture farming	2 000
Poultry farming	18 900
Fish selling	3 500

Traders were asked how the COVID-19 pandemic had affected their businesses. As can be seen from table 6 below, the pandemic had different impacts on the livelihoods of traders. Most of them (90.8 per cent) reported that the pandemic had led to a reduction in their earnings, with the proportion being highest for second-hand clothing dealers (94.9 per cent), followed by fish sellers (91.7 per cent). The category of poultry farming had the highest proportion of traders (1.6 per cent) reporting that the pandemic had led to an increase in their business activities, followed by horticulture farming (1.4 per cent). Horticulture farming had the highest proportion of traders reporting that their business activities had remained unchanged following the onset of the pandemic (8.3 per cent), followed by poultry farming, with 6.3 per cent of traders reporting no change in business activities.

Table 6: Business activities since the onset of the COVID-19 pandemic, by type of MSME (percentage)

<i>Type of business</i>	<i>Business activities</i>				<i>Total</i>
	<i>Increased</i>	<i>Remained the same</i>	<i>Reduced</i>	<i>Fluctuating</i>	
Second-hand clothing	0.0	4.4	94.9	0.7	100.0
Horticulture farming	1.4	8.3	86.8	3.5	100.0
Poultry farming	1.6	6.3	89.1	3.1	100.0
Fish selling	0.0	2.6	91.7	5.8	100.0
All businesses	0.6	5.2	90.8	3.4	100.0

Impact, Mitigation and Support

As seen in table 7, the pandemic had different impacts on the livelihoods of traders based on type of business. The highest proportion of them (62.0 per cent) reported that the coronavirus disease (COVID-19) pandemic had led to a reduction in their earnings. Horticulture farming had the highest proportion of traders reporting reduced earnings (67.8 per cent), followed by second-hand clothing (61.4 per cent). Poultry farming had the highest proportion of traders (21.3 per cent) who reported that the pandemic had led to a total loss of earnings.

Horticulture farming and fish selling had the highest proportions of traders - 7.6 per cent and 7.0 per cent, respectively - reporting loss of jobs. High indebtedness was reported by 11.6 per cent of respondents participating in the assessment; the proportions were highest in the categories of fish selling and second-hand clothing, at 16.5 per cent and 15.2 per cent, respectively.

Table 7: Nature of the impact of the COVID-19 pandemic on MSMEs, by type of business (percentage)

<i>Type of business</i>	<i>Job loss</i>	<i>Total loss of earnings</i>	<i>Reduced earnings</i>	<i>High indebtedness</i>	<i>Other</i>
Second-hand clothing	4.6	9.6	61.4	15.2	9.1
Horticulture farming	7.6	17.5	67.8	4.7	2.3
Poultry farming	0.0	21.3	55.0	2.5	21.3
Fish selling	7.0	11.6	60.7	16.5	4.1
All businesses	5.7	13.6	62.0	11.6	7.1

Given the impact of the pandemic on their livelihoods, traders were asked what steps they had taken to mitigate the situation (table 8). When all four categories of business were considered en masse, the largest proportion of traders (23.8 per cent) cited reliance on support from family and friends. The fish selling category had the highest proportions of traders who relied on such support (29.0 per cent) and poultry farming, the lowest (3.9 per cent). The next-largest proportion of traders (21.0 per cent) reported that they were engaged in other types of business; among the four categories of MSMEs, poultry farming accounted for the highest proportion of traders who had taken this step (37.7 per cent). Involvement in other activities was another mitigation measure adopted by traders (15.9 per cent), with the proportion being highest among fish sellers and second-hand clothing dealers (at 16.5 per cent and 16.4 per cent, respectively). Other strategies adopted by traders were to secure paid employment and to seek handouts, with variations in the proportions of traders by type of business. Among horticulture farmers and fish sellers, none reported having sought paid employment as a mitigation measure.

Table 8: Kinds of COVID-19 impact mitigation strategies adopted by MSMEs, by type of business (percentage)

<i>Type of business</i>	<i>Securing paid employment</i>	<i>Engagement in other types of business</i>	<i>Involvement in other activities</i>	<i>Handouts</i>	<i>Reliance on support from family/friends</i>	<i>No strategy</i>	<i>Other</i>
Second-hand clothing	2.3	18.1	16.4	7.0	21.6	20.5	14.0
Horticulture farming	0.0	24.7	15.4	8.8	28.6	19.8	2.8
Poultry farming	9.1	37.7	14.3	1.3	3.9	19.5	14.3
Fish selling	0.0	13.5	16.5	4.0	29.0	21.0	16.0
All businesses	1.8	21.0	15.9	5.9	23.8	20.3	11.4

The pandemic has affected the lives and livelihoods of persons from all walks of life. In this context, traders were asked to indicate what their preferred type of support would be if they were to receive needed support. The traders expressed a variety of views on the topic.

The assessment found that cash donations were the preferred form of support chosen by the highest proportion of traders (51.2 per cent) followed by food items for families (23.9 per cent) (table 9). Second-hand clothing had the highest proportion of traders (60 per cent) reporting cash donations as their preferred form of needed support, followed by fish selling and poultry farming, with proportions of 52.7 per cent and 52.6 per cent, respectively. All type of traders except poultry farmers cited food items for families as one form of needed support. Access to paid employment, access to finance and bank loans, and other modalities were also reported by the traders as constituting channels to needed forms of support. A higher proportion of traders (4.7 per cent) chose access to finance and bank loans over access to employment (1.5 per cent). Among the four types of business, second-hand clothing and fish selling had the highest proportions of traders citing finance and bank loans (7.0 per cent and 6.9 per cent, respectively) as their preferred form of support.

Table 9: Preferred form of needed support selected by MSME traders, by type of business (percentage)

<i>Type of business</i>	<i>Provision of employment</i>	<i>Bank loan or financing for business</i>	<i>Cash donation</i>	<i>Food items for families</i>	<i>Other</i>
Second-hand clothing	1.9	7.0	60.0	23.3	7.9
Horticulture farming	1.3	3.0	43.0	30.8	22.0
Poultry farming	0.0	0.0	52.6	0.0	47.4
Fish selling	2.2	6.9	52.7	26.7	11.6
All businesses	1.5	4.7	51.2	23.9	18.7

Traders were asked whether they had benefited from any recently disbursed government support. Table 10 shows that less than one quarter of traders (23.0 per cent) reported that they had benefited from such support. The proportion of those who reported having received support was highest among horticulture farmers (36.8 per cent), followed by fish sellers (21.8 per cent) and second-hand clothing sellers (20.6 per cent). All of the poultry farmers interviewed indicated that they had not benefited from recently disbursed government support.

Table 10: Percentage of traders that had received recently disbursed government support, by type of business

<i>Type of business</i>	<i>Received disbursed government support</i>		<i>Total</i>
	<i>Yes</i>	<i>No</i>	
Second-hand clothing	20.6	79.4	100.0
Horticulture farming	36.8	63.2	100.0
Poultry farming	0.0	100.0	100.0
Fish selling	21.8	78.2	100.0
All businesses	23.0	77.0	100.0

When traders who had received disbursed government support were asked whether that support was helpful, 96.5 per cent of those traders reported that it was helpful (table 11). All of the fish sellers who had received support indicated that it was helpful. It may also be observed that very few of the traders who had received support indicated that it was not helpful; the proportion was highest among second-hand clothing traders (7.1 per cent) followed by horticulture farmers (3.8 per cent).

Table 11: Traders' perceptions of whether government support was helpful, by type of business (percentage)

<i>Type of business</i>	<i>Was the support helpful?</i>		<i>Total</i>
	<i>Yes</i>	<i>No</i>	
Second-hand clothing	92.9	7.1	100.0
Horticulture farming	96.2	3.8	100.0
Fish selling	100.0	0.0	100.0
All businesses	96.5	3.5	100.0



For the purpose of determining the extent to which traders had access to financial services, they were asked whether they had a bank account (table 12). The proportion of traders who reported having one was 44.8 per cent. Poultry farming had the highest proportion of traders who reported having a bank account (96.9 per cent), followed by second-hand clothing (58.8 per cent). Fish selling and horticulture farming had the highest proportions of traders who reported not having access to financial services (79.5 per cent and 65.3 per cent, respectively).

Table 12: Traders' access to financial services, by type of business (percentage)

<i>Type of business</i>	<i>Access to financial institutions</i>		<i>Total</i>
	<i>Yes</i>	<i>No</i>	
Second-hand clothing	58.8	41.2	100.0
Horticulture farming	34.7	65.3	100.0
Poultry farming	96.9	3.1	100.0
Fish selling	20.5	79.5	100.0
All businesses	44.8	55.2	100.0

Traders who reported having a bank account were asked about the existence of any outstanding bank loans (table 13). The proportion of traders who reported not having any outstanding bank loans was 91.5 per cent. The proportion was highest for poultry farmers (95.2 per cent), followed by second-hand clothing sellers (91.3 per cent) and fish sellers (90.6 per cent). The proportion of traders who had outstanding bank loans was highest for horticulture farmers (12.0 per cent), followed by fish sellers (9.4 per cent) and second-hand clothing dealers (8.8 per cent).



Table 13: Traders' outstanding bank loans, by type of business (percentage)

<i>Type of business</i>	<i>Outstanding bank loan payments</i>		<i>Total</i>
	<i>Yes</i>	<i>No</i>	
Second-hand clothing	8.8	91.3	100.0
Horticulture farming	12.0	88.0	100.0
Poultry farming	4.8	95.2	100.0
Fish selling	9.4	90.6	100.0
All businesses	8.5	91.5	100.0