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Enterprise Geography and Spatial Inequalities in The Gambia: Urban Bias, Informality, and Inclusive Development in a West African Microstate

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Abstract

Enterprise geography offers a critical lens for understanding how the spatial distribution of businesses shapes socio-economic inequalities. Drawing on the 2024 Economic Census of The Gambia, this study provides the first systematic national analysis of enterprise geography in a West African microstate. Results reveal pronounced urban–rural disparities: enterprise density, diversity, and foreign ownership are concentrated in Kanifing and Banjul, while rural Local Government Areas remain sparse, small-scale, and narrowly specialized. The predominance of sole proprietorships (91.8 percent) underscores limited employment creation and scaling potential, exemplifying the “missing middle” problem characteristic of African enterprise structures. Sectoral analysis highlights retail trade dominance alongside emerging diversification in finance, ICT, education, health, and construction, particularly in urban hubs. Employment data show 138,614 persons engaged, with sharp gender disparities (73.7 percent male, 26.3 percent female) reflecting exclusionary dynamics. Closure rates—2.3 percent permanently closed and 1.6 percent temporarily inactive—illustrate enterprise fragility and vulnerability to shocks. These findings contribute to debates on urban bias, informality, and institutional weakness, positioning enterprise geography as both a diagnostic tool for inequality and a guide for inclusive development. Policy recommendations emphasize strengthening rural enterprise ecosystems, supporting SME scaling, advancing gender-inclusive strategies, and balancing foreign and local ownership in alignment with Sustainable Development Goals 8, 9, and 11. The Gambian case demonstrates how enterprise geography can illuminate pathways toward resilience, inclusivity, and balanced urban–rural development in African microstates.

Introduction

Enterprise geography has emerged as a critical framework for analyzing the spatial organization of economic activity and its developmental consequences. It interrogates how enterprises are distributed across regions, the structures of ownership and legal status, and the sectoral specialization that shapes local economies. In Sub-Saharan Africa, this lens is particularly salient given the predominance of micro and small enterprises, the persistence of informality, and the uneven distribution of infrastructure and investment (Acs, Desai, & Hessels, 2008; Chen, 2012; Liedholm & Mead, 1999). These dynamics not only condition employment creation and innovation but also reinforce spatial inequalities between urban and rural areas, raising questions about inclusivity and resilience in development trajectories.

The Gambia provides a compelling case study of enterprise geography within a microstate context. As a small, open economy, it exhibits sharp contrasts between urban concentration and rural underdevelopment. Urban Local Government Areas (LGAs) such as Banjul and Kanifing dominate enterprise density, diversity, and foreign ownership, benefiting from infrastructure, market access, and integration into global value chains. Brikama further reinforces the Greater Banjul Area’s dominance. By contrast, rural LGAs remain characterized by sparse enterprise activity, limited diversification, and overwhelming reliance on sole proprietorships. These patterns resonate with broader Sub-Saharan African debates on urban bias (Lipton, 1977; Potts, 2012), informality (Chen, 2012; Meagher, 2010), and the “missing middle” (Liedholm & Mead, 1999), while also highlighting the distinctive challenges of microstates where scale, openness, and vulnerability intersect.

The 2024 Economic Census provides new empirical evidence that sharpens these debates. More than 70 percent of Gambian enterprises were established after 2017, underscoring dynamism but limited maturity. Sole proprietorships account for 91.8 percent of enterprises, constraining employment creation and scaling potential. Employment data reveal 138,614 persons engaged, with stark gender disparities: males (73.7 percent) far outnumber females (26.3 percent), and female participation is concentrated in urban hubs. Closure data (2.3 percent permanently closed, 1.6 percent temporarily closed) underscores fragility, particularly in rural LGAs where institutional scaffolding is weakest. Sectoral analysis highlights retail dominance nationwide, alongside emerging diversification in finance, education, health, ICT, and construction. Enterprise size data further show that small enterprises dominate across all LGAs, with medium and large firms concentrated in Banjul and Kanifing. These findings illustrate the paradox of dynamism without maturity, where entrepreneurial energy is abundant but sustainability and inclusivity remain elusive.

This study contributes to the literature by systematically analyzing enterprise geography in The Gambia through the dimensions of spatial distribution, ownership nationality, legal status, enterprise size, and sectoral specialization. By mapping enterprise density and diversity across LGAs, the research highlights the structural inequalities embedded in the Gambian economy. The

analysis is framed within the United Nations' Sustainable Development Goals, particularly SDG 8 on decent work and economic growth, SDG 9 on industry, innovation, and infrastructure, and SDG 11 on sustainable cities and communities. By diagnosing spatial inequalities in enterprise geography, the study provides evidence to inform policies that foster balanced development, strengthen rural enterprise ecosystems, and advance inclusive growth in microstate economies. In doing so, it contributes to both African development studies and global discussions on sustainable urbanization, positioning enterprise geography as both a diagnostic tool for inequality and a framework for inclusive development.

Literature Review

Entrepreneurship is deeply embedded within institutional frameworks that shape its developmental contribution. Acs, Desai, and Hessels (2008) argue that institutional quality determines whether entrepreneurship fosters innovation and growth or remains constrained. In contexts where institutions are weak, enterprises often fail to scale, remaining small and informal. This is highly relevant to The Gambia, where sole proprietorships dominate—accounting for 91.8 percent of enterprises—and institutional support for scaling is limited. Weak institutional scaffolding also contributes to fragility, with census data showing 2.3 percent of enterprises permanently closed and 1.6 percent temporarily inactive, underscoring vulnerability in business survival.

The informal economy plays a central role in African enterprise landscapes. Chen (2012) highlights the persistence of informality, noting its complexity and resistance to formalization. Meagher (2010) extends this perspective by examining how social networks and identity shape informal enterprise dynamics in Nigeria, showing that informality is not merely an economic condition but also a social one. Liedholm and Mead (1999) emphasize the importance of micro and small enterprises for livelihoods, while acknowledging their limited capacity for scaling and employment creation. These insights resonate strongly with The Gambia's enterprise structure, where apprenticeships, unpaid work, and family labor dominate rural LGAs, reinforcing informality and exclusion.

Enterprise geography is also shaped by global restructuring and foreign direct investment. Dicken (2015) emphasizes the role of global value chains in reshaping local economies, while Hymer (1976) highlights how multinational firms influence ownership patterns and spatial concentration. Scott (2000) situates economic geography as central to development, emphasizing spatial organization as a determinant of economic outcomes. In The Gambia, foreign ownership clusters in urban service sectors such as finance, ICT, and tourism, reflecting selective integration into global networks. This concentration reinforces urban bias, leaving rural LGAs dependent on locally owned, small-scale enterprises with limited exposure to global capital flows.

Urbanization debates further contextualize enterprise geography in Africa. Potts (2012) critiques assumptions of rapid urbanization, noting uneven patterns and persistent rural underdevelopment. Tacoli (2003) stresses the importance of rural–urban linkages, arguing that balanced development requires strengthening flows of goods, services, and people across regions. These perspectives are crucial for understanding The Gambia's enterprise geography, where Greater Banjul Area dominates density and diversity, while rural LGAs remain underdeveloped and poorly connected. The census data confirms this imbalance, with Kanifing alone employing 40.8 percent of the national workforce compared to Kuntaur's 2.1 percent.

Youth employment challenges further highlight the need for diversified enterprise sectors. Gough, Langevang, and Owusu (2019) emphasize that Sub-Saharan Africa must move beyond retail and agriculture to create sustainable employment opportunities. Their findings align with The Gambia's emerging diversification in finance, education, health, ICT, and construction, particularly in urban LGAs. However, employment data also reveal stark gender disparities: males account for 73.7 percent of persons engaged, while females represent only 26.3 percent. Women's participation is concentrated in urban hubs, with limited presence in rural LGAs where unpaid and family labor dominate. This reflects structural barriers to gender-inclusive enterprise development, including restricted access to finance, training, and ownership rights.

Global policy frameworks reinforce the agenda of inclusive enterprise development. UNCTAD (2021) calls for sustainable investment strategies in the post-pandemic recovery, while the World Bank (2020) emphasizes integration into global value chains as a pathway to development. These frameworks underscore the importance of balancing foreign and local ownership, supporting SME scaling, fostering sectoral diversification, and addressing gender and youth employment gaps—all critical for reducing spatial inequalities in The Gambia.

Taken together, the literature underscores that enterprise geography is shaped by institutional quality, informality, global restructuring, and spatial inequalities. For The Gambia, the dominance of sole proprietorships, urban concentration of enterprises, and limited diversification reflect broader African trends but also highlight unique national challenges. Despite extensive work on African informality and urbanization, few studies systematically map enterprise geography at the national scale in microstates. The Gambia provides a unique case where microstate dynamics—small scale, openness, and vulnerability—intersect with broader African challenges. This study addresses that gap by integrating census microdata with spatial analysis, advancing enterprise geography as both a diagnostic tool for inequality and a framework for inclusive development in alignment with the Sustainable Development Goals.

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Methodology

This study draws on the 2024 Economic Census of The Gambia, the most comprehensive dataset to date on enterprise activity across all Local Government Areas (LGAs). The census provides disaggregated microdata on ownership nationality, legal status, year of establishment, entity size, sectoral specialization, employment, and closure status, enabling a multidimensional analysis of enterprise geography in a microstate context. By integrating these variables, the study captures both the structural characteristics of enterprises and the spatial inequalities that shape their distribution.

The primary dataset consists of census microdata disaggregated by LGA. Variables analyzed include enterprise density per 1,000 population and per square kilometer, ownership nationality (Gambian, foreign, and joint ownership), legal status (sole proprietorship, partnership, limited liability company, NGO, cooperative, and other forms), entity size (micro, small, medium, and large enterprises), sectoral specialization following ISIC standards, year of establishment grouped into seven periods from pre-1997 to 2022–2024, employment disaggregated by sex and type of worker, and closure status distinguishing between operational, temporarily closed, and permanently closed enterprises.

The analytical approach combines descriptive statistics with spatial and temporal comparisons. Percentages and frequency distributions were calculated to capture the relative weight of ownership forms, legal status, employment composition, and sectoral specialization across LGAs. Enterprise density was mapped to identify urban–rural contrasts, with choropleth maps and comparative tables used to visualize disparities in density, ownership, employment, and enterprise size. Establishment year data were grouped into periods to assess enterprise dynamism and maturity, highlighting the surge in post-2017 establishments and the fragility of young firms. Employment data were disaggregated by sex and LGA to reveal gender disparities in participation, sectoral concentration, and urban–rural divides. Closure data were examined to assess enterprise resilience, distinguishing between temporary closures linked to seasonality or shocks and permanent closures resulting from bankruptcy or unsustainable operations. Cross-dimensional analysis further enriched the findings by linking ownership nationality, legal status, enterprise size, employment, and closure status, revealing how structural characteristics vary spatially and sectorally.

The interpretation of results was guided by the conceptual lens of enterprise geography, situating business activity within broader debates in economic geography and development studies. Specifically, the study draws on urban bias theory (Lipton, 1977; Potts, 2012) to explain the dominance of Banjul and Kanifing, growth pole dynamics (Perroux, 1950) to highlight how urban LGAs attract capital and diversified sectors, and the “missing middle” problem (Liedholm & Mead, 1999) to underscore the overwhelming reliance on sole proprietorships. Informality is analyzed through apprenticeships, unpaid labor, and family work, while rural–urban linkage theory (Tacoli, 2003) emphasizes the need to strengthen flows of goods, services, and people to rebalance spatial inequalities. Gender and youth employment debates provide a lens for understanding exclusionary dynamics and the fragility of youth-led enterprises.

By combining census microdata with spatial-statistical analysis, the methodology advances enterprise geography as a diagnostic tool for inequality. It also aligns with the Sustainable Development Goals, particularly SDG 8 on decent work and economic growth, SDG 9 on industry, innovation, and infrastructure, and SDG 11 on sustainable cities and communities. This methodological framework ensures that empirical findings are not only descriptive but also contribute to understanding how

spatial inequalities are produced and reproduced in microstate economies, while offering evidence-based pathways toward resilience and inclusivity.

Results

1. Enterprise Density and Spatial Distribution

Enterprise density varies dramatically across LGAs. Kanifing's density (244.7 enterprises per km²) is over 200 times that of Kuntaur (1.2 per km²) (See Table 1 & Fig. 1), illustrating the scale of urban bias. Banjul, despite its small size, hosts 73.9 enterprises per 1,000 residents — more than three times the national average (25.4). Brikama, with 24,848 enterprises, has the largest absolute count but a modest density due to its expansive territory. These contrasts highlight the *growth pole effect* of the Greater Banjul Area.

Table 1
Entity Density by Local Government Area & Per 1000 Population

LGA	Entity Count	Entity density by Area (per km²)	Entity density per 1000 population
Banjul	1,955	160.2	73.9
Kanifing	18,496	244.7	48.8
Brikama	24,848	14.1	21.6
Mansakonko	1,971	1.2	21.7
Kerewan	4,594	2.0	18.5
Kuntaur	1,784	1.2	15.1
Janjanbureh	2,677	1.9	18.2
Basse	5,163	2.5	19.8
Total	61,488	5.8	25.4

2. Ownership Nationality

Foreign ownership is heavily urbanized. In Banjul, more than one in three enterprises (36.5%) are foreign-owned, compared to just 4.6% in Kuntaur (See Table 2 & Figs. 2&3). Nationally, Gambian ownership dominates (76.5%), but rural LGAs remain almost exclusively local, reinforcing *dependency structures* where foreign capital clusters in urban service hubs.

Table 2
Ownership nationality by LGA (% Gambian, foreign, joint)

LGA	Gambian	Foreign	Joint	Total
Banjul	63.3	36.5	0.2	100.0
Kanifing	70.7	28.6	0.6	100.0
Brikama	77.0	22.7	0.3	100.0
Mansakonko	83.4	16.5	0.1	100.0
Kerewan	83.5	16.3	0.1	100.0
Kuntaur	95.2	4.6	0.2	100.0
Janjanbureh	88.0	11.8	0.1	100.0
Basse	77.8	21.9	0.3	100.0
Total	76.5	23.2	0.4	100.0

3. Legal Status of Enterprises

Sole proprietorships account for over nine in ten enterprises (91.8%) (See Table 3), a uniform pattern across LGAs. Partnerships (6.4%) and limited liability companies (0.3%) are concentrated in Banjul and Kanifing, while rural LGAs show slightly higher shares of associations and community-owned businesses. This overwhelming reliance on sole proprietorships exemplifies the *"missing middle" problem*, constraining employment creation and institutional maturity

Table 3
Legal status distribution by LGA (% sole proprietorship, partnership, LLC, etc.).

Legal Status	Banjul	Kanifing	Brikama	Mansakonko	Kerewan	Kuntaur	Janjanbureh	Basse	Total
Sole Proprietorship	92.1	89.4	93.5	92.8	94.0	90.9	91.8	90.6	**91.8**
Partnership	6.9	9.2	5.6	3.0	2.7	3.7	5.2	6.2	**6.4**
Limited Liability Company	0.9	0.8	0.1	0.0	0.0	0.1	0.0	0.0	**0.3**
Non-Governmental Organization (NGO)	0.0	0.1	0.0	0.0	0.1	0.0	0.0	0.0	**0.0**
Association	0.1	0.2	0.2	2.6	1.0	2.6	0.4	2.0	**0.6**
Foundation	0.0	0.0	0.1	0.1	0.0	0.1	0.0	0.0	**0.1**
Cooperative	0.0	0.0	0.0	0.3	0.0	0.0	0.0	0.0	**0.0**
Organization	0.1	0.2	0.1	0.2	0.1	0.0	0.0	0.0	**0.1**
Association/Community Owned Business	0.0	0.1	0.2	1.1	2.2	2.5	2.4	0.9	**0.6**
Other	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.2	**0.1**
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	**100.0**

4. Enterprise Size

Small enterprises dominate nationally (91.8%) (See Table 4 & Fig. 4). Medium and large firms are concentrated in Banjul (12.6%) and Kanifing (9.8%), while rural LGAs remain overwhelmingly small-scale. Micro enterprises are relatively more common in Kuntaur (3.0%) and Mansakonko (1.6%), underscoring *limited scaling potential* outside urban centers.

Table 4
Enterprise size distribution by LGA (% micro, small, medium, large).

LGA	Micro	Small	Medium	Large	Total
Banjul	0.1	87.3	9.5	3.1	100.0
Kanifing	0.8	89.3	6.9	2.9	100.0
Brikama	0.5	92.5	5.4	1.5	100.0
Mansakonko	1.6	91.4	5.9	1.1	100.0
Kerewan	0.7	94.7	4.0	0.6	100.0
Kuntaur	3.0	94.4	2.4	0.3	100.0
Janjanbureh	0.7	96.6	2.4	0.3	100.0
Basse	0.6	94.0	4.6	0.8	100.0
Total	0.7	91.8	5.7	1.8	100.0

5. Sectoral Specialization

Retail trade accounts for two-thirds of enterprises nationwide (65%) (See Table 5), reflecting the dominance of survivalist commerce. Urban LGAs show diversification into finance, ICT, education, health, and construction, while rural LGAs remain concentrated in agriculture and retail. Informality is pervasive: nearly four in five enterprises (80%) operate outside formal structures, especially in manufacturing and retail (See Fig. 5). By contrast, capital-intensive sectors such as finance and transport are predominantly formal, reflecting *regulatory requirements and foreign investment*.

Table 5
Sectoral Specialization

Industry	Total Entities	Share (%)
Agriculture, forestry and fishing	306	0.5
Mining and quarrying	4	0.0
Manufacturing	13,865	22.5
Electricity, gas, steam & air conditioning supply	26	0.0
Water supply; sewerage, waste management	13	0.0
Construction	92	0.1
Wholesale & retail trade; repair of motor vehicles	39,593	64.7
Transportation and storage	81	0.1
Accommodation and food services	2,195	3.6
Information and communication	111	0.2
Finance and insurance	237	0.4
Real estate	91	0.1
Professional, scientific & technical activities	142	0.2
Administrative and support services	269	0.4
Education	986	1.6
Human health and social work	211	0.3
Arts, entertainment and recreation	292	0.5
Other services	2,974	4.8
Total	**61,488**	**100**

6. Employment and Gender Distribution

The Census recorded **138,614 persons engaged in enterprises**, with men comprising 73.7% (102,173) and women 26.3% (36,441) (See Table 6). Female employment is concentrated in **Kanifing (41.6%)**, the corporate and service hub, and **Brikama (33.9%)**. Rural LGAs contribute smaller shares, notably **Kuntaur (2.2%)**, and **Janjanbureh (3.2%)**. Gender disparities are pronounced: women's participation is largely within retail and informal services, with limited presence in capital-intensive sectors such as finance, ICT, and construction. These patterns reflect **structural barriers to gender-inclusive enterprise development**, including restricted access to finance, training, and ownership rights.

Table 6
Employment Distribution by Sex and LGA

LGA	Total Persons	Female Count	Female %	Male Count	Male %
Banjul	8,791	2,002	6.3	6,789	9.0
Kanifing	56,486	15,148	41.6	41,338	50.0
Brikama	45,334	12,357	32.7	32,977	29.8
Mansakonko	4,401	1,613	3.2	2,788	1.6
Kerewan	7,396	1,794	5.3	5,602	3.1
Kuntaur	2,850	806	2.2	2,044	0.7
Janjanbureh	4,379	1,157	3.2	3,222	1.4
Basse	8,977	1,564	6.5	7,413	4.3
Total	**138,614**	**36,441**	**100.0**	**102,173**	**100.0**

7. Temporal Trends

Enterprise creation has accelerated sharply: more than 70% of enterprises were established after 2017, with 44% founded between 2022 and 2024 alone (See Table 7 & Fig. 6). Brikama and Kanifing account for the bulk of these new firms, driven by youth entrepreneurship and expanding urban markets. Yet this dynamism raises concerns about sustainability, as many enterprises remain young and institutionally fragile — a paradox of *dynamism without maturity*.

Table 7
Percentage Distribution of Entities by LGA & Year of Establishment

LGA	Before 1997	1997–2001	2002–2006	2007–2011	2012–2016	2017–2021	2022–2024	Total
Banjul	10.3	8.2	4.4	8.2	16.7	29.2	23.0	100.0
Kanifing	4.4	3.4	4.5	7.2	14.9	29.0	36.7	100.0
Brikama	1.7	1.7	2.4	3.8	9.7	26.1	54.6	100.0
Mansakonko	5.4	4.6	5.7	7.5	13.7	28.0	35.1	100.0
Kerewan	4.3	4.0	4.7	5.3	13.8	29.8	38.0	100.0
Kuntaur	5.0	4.7	4.6	5.3	12.8	30.7	37.0	100.0
Janjanbureh	3.6	3.0	3.4	5.6	13.7	31.8	38.8	100.0
Basse	4.9	2.9	4.3	6.4	12.4	29.8	39.2	100.0
Total	3.5	3.0	3.6	5.5	12.4	28.1	43.9	100.0

8. Operational Status and Closures

The census reveals the fragility of Gambian enterprises, with 96.1% of entities (≈ 61,488) operational, 1.6% (≈ 1,023) temporarily closed due to seasonality, maintenance, or external shocks, and 2.3% (≈ 1,466) permanently closed, often citing bankruptcy, disaster, or unsustainable operations. These closures are disproportionately concentrated in rural LGAs, where enterprises lack resilience mechanisms such as insurance, access to credit, or institutional support, underscoring the vulnerability of peripheral economies and the urgent need for stronger institutional scaffolding to sustain enterprise activity.

Table 8
Operational Status of Enterprises

Industry	Total	Share (%)
Agriculture, forestry and fishing	306	0.5
Mining and quarrying	4	0.0
Manufacturing	13,865	22.5
Electricity, gas, steam & air conditioning supply	26	0.0
Water supply; sewerage, waste management	13	0.0
Construction	92	0.1
Wholesale & retail trade; repair of motor vehicles	39,593	64.4
Transportation and storage	81	0.1
Accommodation and food services	2,195	3.6
Information and communication	111	0.2
Finance and insurance	237	0.4
Real estate	91	0.1
Professional, scientific & technical activities	142	0.2
Administrative and support services	269	0.4
Education	986	1.6
Human health and social work	211	0.3
Arts, entertainment and recreation	292	0.5
Other services	2,974	4.8
Total	**61,488**	**100**

Table 9
Comparative Distribution of Entity Closures

Reason for Closure	Permanent (%)	Temporary (%)
Covid-19	0.5	0.2
Closed by local/central govt	0.5	0.2
2023/24 operation clear roads	0.3	0.2
Closed by GRA	0.1	0.1
Rehabilitation/Refurbishment	4.6	10.6
Work seasonally	0.4	10.9
Bankrupt	21.4	24.2
Disaster	5.5	11.1
Economic hardship	21.4	28.7
Insufficient revenue/profit	19.2	13.8
Personal/health-related reasons	14.4	6.4
Machine breakdown	2.9	6.1
No operator/worker	1.0	5.1
Unknown	23.7	2.3
Other	3.6	1.6

Synthesis of Results

Urban vs. Rural LGAs (Enterprise Characteristics)

Dimension	Urban LGAs (Banjul, Kanifing, Brikama)	Rural LGAs (Mansakonko, Kerewan, Kuntaur, Janjanbureh, Basse)	Key Contrast
Ownership	Gambian-owned 63–77%	Gambian-owned 83–95%	Rural areas more nationally owned, less foreign presence
Legal Status	Sole proprietorship ~ 90%	Sole proprietorship ~ 92–95%	Both dominated by sole proprietorships, but rural slightly higher
Enterprise Size	Small 87–92%	Small 91–96%	Rural LGAs skew even more toward micro/small
Industry	Wholesale & retail ~ 65%	Wholesale & retail ~ 57–65%	Urban more diversified (finance, ICT, education stronger)
Gender Participation	Female share 32–41%	Female share 2–6%	Sharp urban–rural gender gap
Employment Type	Employees, apprentices, employers concentrated	Contributing family, own-account workers dominant	Urban formal vs. rural subsistence

The Gambian enterprise landscape reveals a striking interplay of ownership, size, industry, gender, employment, temporal dynamics, and closure reasons. Gambian-owned enterprises dominate across all LGAs (63–95%), yet legal form remains overwhelmingly informal, with sole proprietorships exceeding 90% and limited liability companies barely present—even in urban hubs like Banjul and Kanifing. The economy is small-business heavy, with over 90% of enterprises classified as small, and wholesale and retail trade forming the backbone (≈ 60–67%), while service sectors such as education, accommodation/food, health, and arts remain marginal, underscoring limited diversification. Gender participation shows sharp urban–rural contrasts: Kanifing (41.6%) and Brikama (33.4%) lead in female involvement, while rural LGAs lag at 2–6%, highlighting both opportunity and exclusion with direct implications for SDG 5. Employment structures further illustrate a dual economy—urban centers absorb most employees, apprentices, and employers, while rural areas rely on contributing family workers and own-account workers.

Temporally, enterprise establishment surged post-2012, peaking between 2017–2024 (≈ 40–55%), with agriculture, manufacturing, and accommodation/food services expanding, while education's share declined, signaling a shift toward market-driven sectors. Finally, closure reasons emphasize systemic vulnerabilities: bankruptcy (21–24%) and economic hardship (21–29%) dominate permanent closures, while seasonal work and refurbishment explain temporary ones. Yet the high proportion of "unknown" reasons (23.7%) exposes critical data gaps that weaken policy responses and hinder effective intervention.

The results reveal entrenched spatial inequalities. Urban LGAs concentrate density, foreign ownership, medium and large enterprises, and sectoral diversification, while rural LGAs remain locally owned, small-scale, and narrowly specialized. The dominance of sole proprietorships across all LGAs constrains employment creation and institutional development. These imbalances reflect *urban bias, growth pole dynamics, informality, and the missing middle*, underscoring the need for policies that foster rural enterprise ecosystems, support SME scaling, and balance foreign and local ownership in pursuit of inclusive and sustainable development.

Discussion

Discussion: Enterprise Landscape, Spatial Inequalities, and Policy Pathways

The Gambian enterprise landscape vividly illustrates how spatial inequalities are embedded within broader debates in economic geography and development studies. The concentration of enterprises in Banjul, Kanifing, and Brikama reflects the urban bias thesis (Lipton, 1977; Potts, 2012), where state policies and investment disproportionately favor urban centers. These LGAs function as growth poles in the Perrouxian sense, attracting foreign capital, infrastructure, and diversified sectors such as finance, ICT, and construction, thereby integrating into global value chains. This aligns with Dicken's (2015) account of global restructuring, where urban nodes serve as gateways for multinational investment and innovation. By contrast, rural LGAs remain locked into low-value activities such as retail and agriculture, with limited diversification and scaling potential. This resonates with structuralist perspectives on peripheral economies (Frank, 1967), where dependency and marginalization are reproduced through uneven development.

Institutionally, the overwhelming reliance on sole proprietorships (91.8%) reflects the "missing middle" problem (Liedholm & Mead, 1999), in which micro and small enterprises dominate but fail to transition into medium and large firms capable of generating employment and institutional maturity. This weakness echoes Acs, Desai, and Hessels' (2008) argument that entrepreneurship in fragile institutional contexts often remains informal and constrained, limiting developmental impact. The surge in enterprise creation after 2017 highlights entrepreneurial dynamism, particularly among youth, but also illustrates fragility: young firms thrive in retail and informal services yet struggle to generate long-term employment, echoing Gough, Langevang, and Owusu's (2019) concerns about African youth entrepreneurship.

Urban LGAs, particularly Kanifing and Brikama, dominate employment, accounting for nearly three-quarters of all persons engaged, while rural LGAs rely more on unpaid family labor and subsistence-oriented enterprise. Gender disparities are stark: males account for 73.7% of employment, while females represent only 26.3%, with women concentrated in retail and informal services but underrepresented in capital-intensive sectors. This urban–rural gender gap underscores both opportunity and exclusion, with direct implications for SDG 5 (Gender Equality).

Enterprise closures further reinforce fragility. Bankruptcy (21–24%) and economic hardship (21–29%) dominate permanent closures, while seasonal work and refurbishment explain temporary ones. Yet the high proportion of "unknown" reasons (23.7%) exposes critical data gaps that weaken policy responses and hinder effective intervention. This fragility underscores the limits of entrepreneurial dynamism when institutional scaffolding—insurance, credit access, continuity planning—is absent.

Taken together, The Gambia's enterprise geography exemplifies the paradox of dynamism without maturity. The findings contribute to theoretical debates on informality, urban bias, and global integration by showing how microstate contexts magnify these dynamics. Enterprise geography thus emerges not only as a descriptive tool but also as a conceptual framework for diagnosing inequality and guiding inclusive development.

Comparative Microstate Perspectives on Enterprise Geography

Situating The Gambian enterprise landscape within the broader experiences of other microstates provides sharper analytical depth and highlights both constraints and opportunities. **Cape Verde** illustrates how diaspora linkages can offset institutional fragility. Remittances and transnational networks have fueled enterprise creation in tourism, services, and light manufacturing, enabling modest diversification (World Bank, 2019; UNCTAD, 2016). Unlike The Gambia, where sole proprietorships dominate, Cape Verde has witnessed the emergence of cooperative ventures and small-to-medium enterprises, supported by targeted government programs. This demonstrates how diaspora capital can serve as a developmental lever, partially mitigating the "missing middle" problem.

Mauritius offers a contrasting trajectory, underscoring the transformative potential of strong institutions and deliberate diversification. Through strategic policy interventions, Mauritius successfully expanded beyond its agricultural base into textiles, finance, ICT, and tourism (Baldacchino, 2006; UNDP, 2020). Enterprise geography here reflects a more balanced distribution of opportunities, with SMEs integrated into global value chains across the island rather than concentrated solely in urban nodes. This institutional scaffolding has reduced spatial inequality and fostered resilience, highlighting the importance of governance capacity in shaping enterprise outcomes.

By contrast, **Seychelles** reveals the vulnerabilities of sectoral dependence. Enterprise geography is heavily skewed toward tourism and related services, leaving the economy exposed to external shocks (IMF, 2021). While institutions are relatively robust, the lack of diversification mirrors the structural limitations observed in The Gambia's rural LGAs, which remain locked into low-value activities such as retail and agriculture. This case underscores the risks of over-reliance on a single sector and the need for balanced diversification strategies.

Taken together, these microstate comparisons highlight several lessons for The Gambia. First, **institutional strength is critical**: Mauritius demonstrates how robust frameworks enable enterprises to scale and integrate globally, while The Gambia's fragile institutions perpetuate informality (Odusola, 2014; Briguglio, 1995). Second, **diaspora engagement can be harnessed more effectively**, as Cape Verde shows, to inject capital and innovation into enterprise ecosystems. Third, **diversification is essential for resilience**, with Seychelles serving as a cautionary tale against sectoral dependency. Finally, **spatial equity must be prioritized**, as even successful microstates grapple with uneven development between urban and rural regions (Bertram & Poirine, 2007; Kadhim, 2023).

Conceptual Implications

Comparing The Gambia with other microstates reinforces the argument that enterprise geography is not merely descriptive but diagnostic. It reveals how institutional scaffolding, diaspora linkages, and diversification strategies shape enterprise trajectories in small-state contexts. Microstates magnify global debates on informality, urban bias, and integration, offering fertile ground for theorizing the paradox of **dynamism without maturity**. By situating The Gambia within this comparative frame, the analysis underscores both the specificity of its challenges and the broader relevance of enterprise geography as a conceptual tool for guiding inclusive development.

Policy Pathways and SDG Alignment

The Gambian enterprise geography, when viewed through both national dynamics and comparative microstate experiences, underscores the urgency of reconfiguring spatial economies toward resilience, inclusivity, and balanced rural–urban development. The paradox of dynamism without maturity highlights that entrepreneurial energy alone is insufficient without institutional scaffolding, diversification strategies, and spatial equity. To translate dynamism into sustainable development, several policy pathways emerge:

- **Strengthening Institutional Frameworks**: Robust governance structures are essential to enable enterprises to scale beyond sole proprietorships. Streamlined regulatory processes, transparent taxation, and targeted SME support programs can reduce informality and foster enterprise growth. Mauritius demonstrates how institutional scaffolding can transform enterprise trajectories.
- **Harnessing Diaspora Capital**: Cape Verde's experience shows that diaspora linkages can inject capital, innovation, and market access into fragile economies. The Gambia could leverage its diaspora networks more strategically, channeling remittances into productive investment rather than consumption, and fostering transnational entrepreneurial ecosystems.
- **Diversification for Resilience**: Seychelles warns against the risks of sectoral dependency. For The Gambia, diversification beyond retail and agriculture is critical. Expanding into ICT, agro-processing, and renewable energy could create new value chains, reduce vulnerability, and generate employment opportunities.
- **Rural–Urban Integration**: Tacoli's (2003) call for stronger rural–urban linkages remains pressing. Investments in transport, digital infrastructure, and market connectivity can rebalance flows of goods, services, and people, reducing spatial inequalities. Policies that incentivize rural enterprise diversification and improve access to finance are vital for inclusive growth.
- **Youth Entrepreneurship Beyond Informality**: The surge in youth-led enterprises reflects dynamism but also fragility. Targeted mentorship, incubation programs, and sectoral diversification can help youth enterprises move beyond retail and informal services, contributing to long-term employment generation.

Conclusion

This study provides the first systematic national analysis of enterprise geography in The Gambia, drawing on the 2024 Economic Census to map spatial distribution, ownership nationality, legal status, enterprise size, sectoral specialization, and employment dynamics. The findings reveal entrenched spatial inequalities: urban LGAs such as Banjul and Kanifing dominate enterprise density, foreign ownership, and diversification, while rural LGAs remain locally owned, small-scale, and narrowly specialized. The overwhelming reliance on sole proprietorships (91.8%) constrains employment creation and institutional maturity, reinforcing the "missing middle" problem. These structural imbalances highlight the paradox of dynamism without maturity, where entrepreneurial energy is abundant but sustainability and inclusivity remain elusive.

The analysis situates The Gambia within broader theoretical debates on urban bias, informality, global restructuring, and rural–urban linkages. It demonstrates how microstate contexts magnify these dynamics, with fragile institutions, limited diversification, and uneven integration into global value chains shaping enterprise outcomes. Comparative perspectives from other microstates —Cape Verde, Mauritius, and Seychelles—underscore the importance of institutional scaffolding, diaspora engagement, and diversification strategies in shaping enterprise resilience. These cases highlight both the risks of dependency and the opportunities for inclusive growth when governance frameworks and transnational linkages are effectively mobilized.

Policy pathways emerging from this study emphasize strengthening institutional frameworks to support SME scaling, harnessing diaspora capital for productive investment, diversifying beyond retail and agriculture into ICT, agro-processing, and renewable energy, and fostering stronger rural–urban integration through infrastructure and market connectivity. Addressing gender disparities is equally critical, as women remain disproportionately concentrated in informal and low-value sectors. Targeted interventions in finance, training, and ownership rights can expand women's participation and contribute to more inclusive enterprise ecosystems. Youth entrepreneurship, while dynamic, requires structured support through incubation, mentorship, and sectoral diversification to ensure sustainability and long-term employment creation.

By aligning these policy recommendations with the United Nations' Sustainable Development Goals—particularly SDG 8 on decent work and economic growth, SDG 9 on industry, innovation, and infrastructure, and SDG 11 on sustainable cities and communities—the study underscores the relevance of enterprise geography as both a diagnostic tool and a framework for inclusive development. In diagnosing spatial inequalities and institutional fragility, the Gambian case contributes to African development studies and global debates on sustainable urbanization, offering evidence-based pathways toward resilience, equity, and balanced growth in microstate economies.

Limitations and Future Research

While this study provides a comprehensive analysis of enterprise geography in The Gambia using the 2024 Economic Census, several limitations must be acknowledged.

Limitations

1. **Data Scope** - The census data captures formal enterprises but may underrepresent informal activities, which are significant in Sub-Saharan Africa. This limits the ability to fully assess the role of informal enterprises in shaping spatial inequalities.
2. **Cross-sectional Design** - The analysis is based on a single census year (2024), which constrains the ability to track long-term trends, survival rates, and enterprise trajectories over time.
3. **Granularity of Variables** - While the datasets provide information on ownership nationality, legal status, size, and sector, they lack detailed financial performance indicators, employment figures, and productivity measures that could deepen the analysis of enterprise impact.
4. **Spatial Resolution** - The study focuses on Local Government Areas (LGAs), which may mask intra-LGA variations. Urban neighborhoods and rural villages likely exhibit diverse enterprise dynamics that remain unexplored.
5. **Causal Inference** - The descriptive and comparative approach highlights patterns but does not establish causal relationships between infrastructure, policy environments, and enterprise outcomes.

Future Research Directions

1. **Longitudinal Studies** - Future research should track enterprises over time to assess survival, growth, and scaling trajectories, particularly in relation to youth-led and post-2017 establishments.
2. **Informal Sector Integration** - Incorporating informal enterprises into enterprise geography analysis would provide a fuller picture of economic activity and spatial inequality.
3. **Micro-spatial Analysis** - Studies at the neighborhood or village level could uncover finer-grained dynamics of enterprise clustering, diversification, and resilience.
4. **Enterprise Performance Metrics** - Linking census data with financial, employment, and productivity indicators would allow for deeper insights into the economic contributions of enterprises across LGAs.
5. **Comparative Regional Studies** - Extending the analysis to other West African countries could situate The Gambia's enterprise geography within broader regional patterns of urbanization, informality, and development.
6. **Policy Impact Evaluation** - Future work should assess the effectiveness of interventions aimed at fostering rural enterprise density, SME scaling, and sectoral diversification, providing evidence for adaptive policymaking.

Declarations

Author Contribution

S.D. did all the work

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Figures

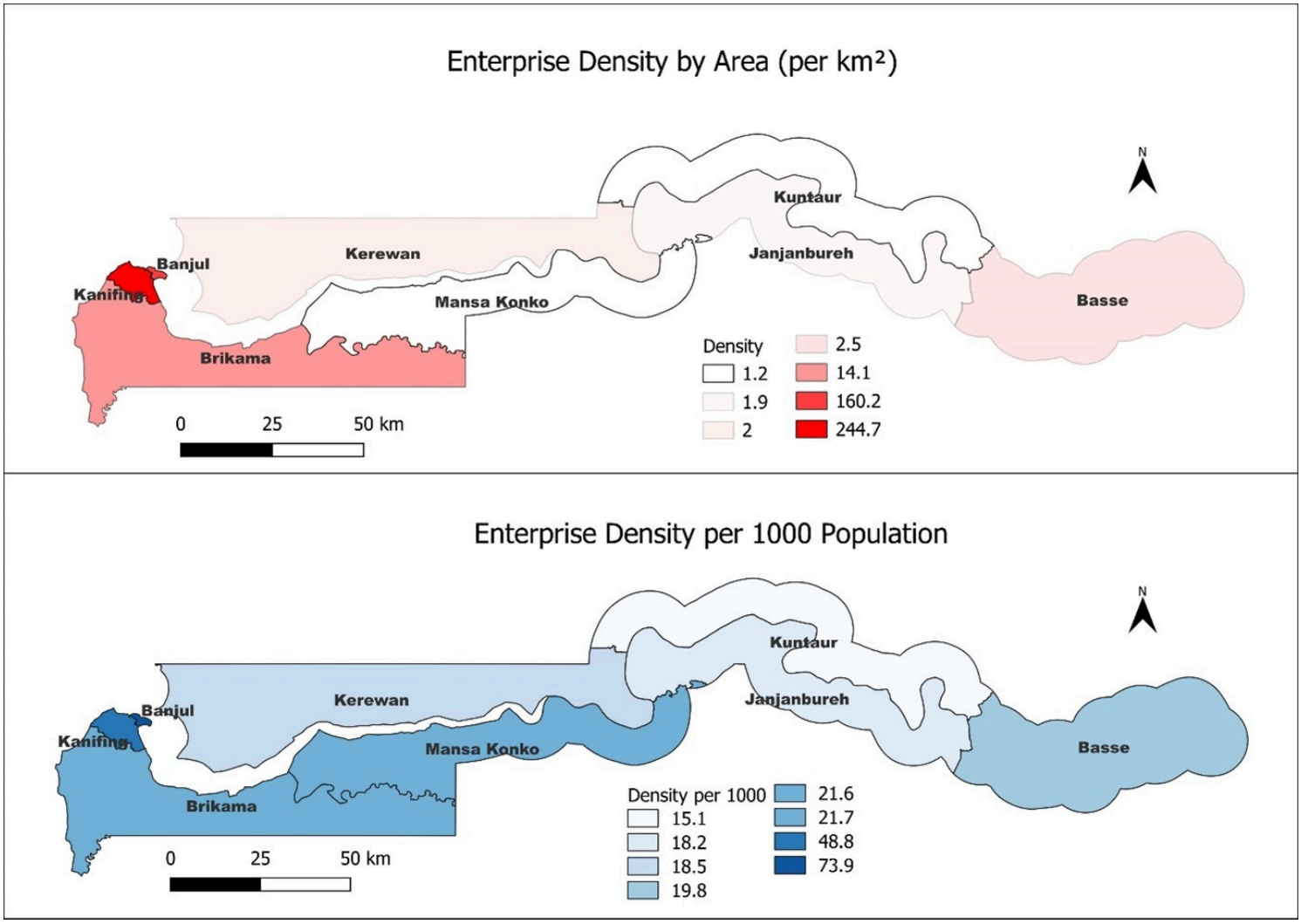


Figure 1

Choropleth Map of Enterprise Density by Local Government Area & Per 1000 Population

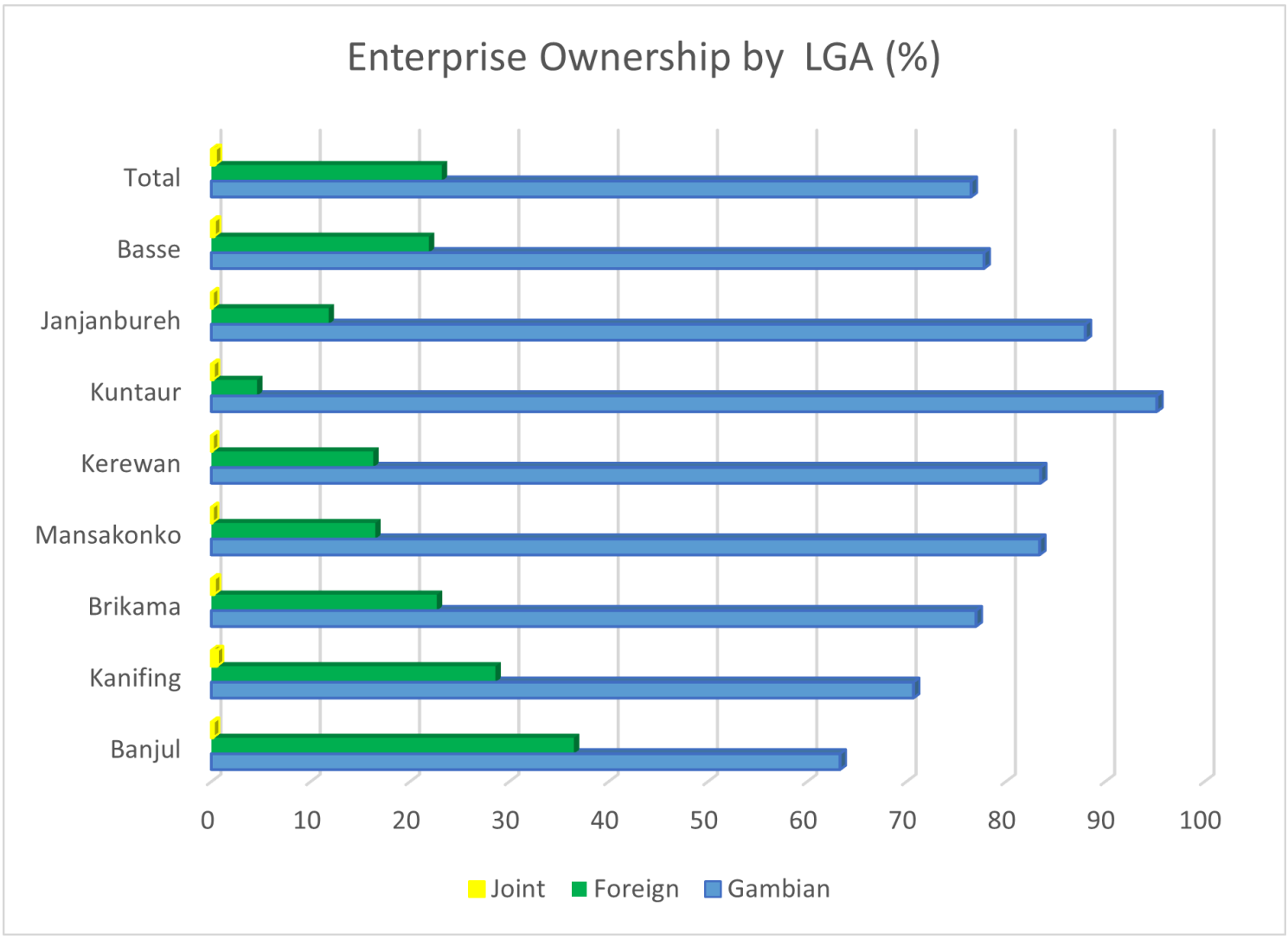


Figure 2

Ownership Nationality by LGA

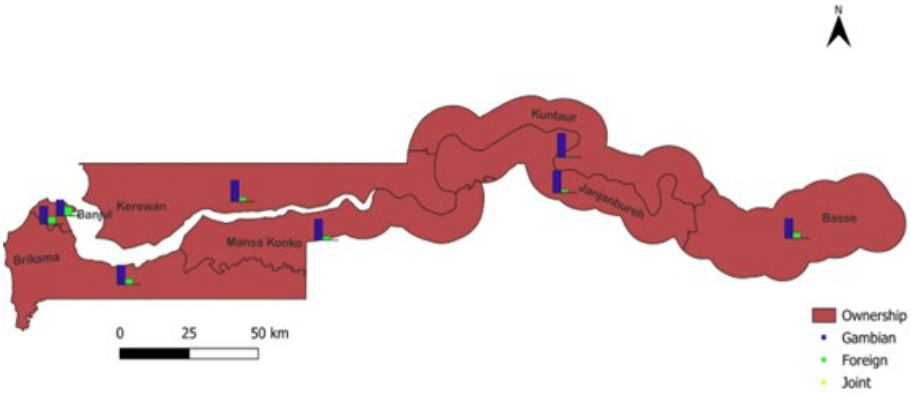


Figure 3

LGA Enterprises Ownership

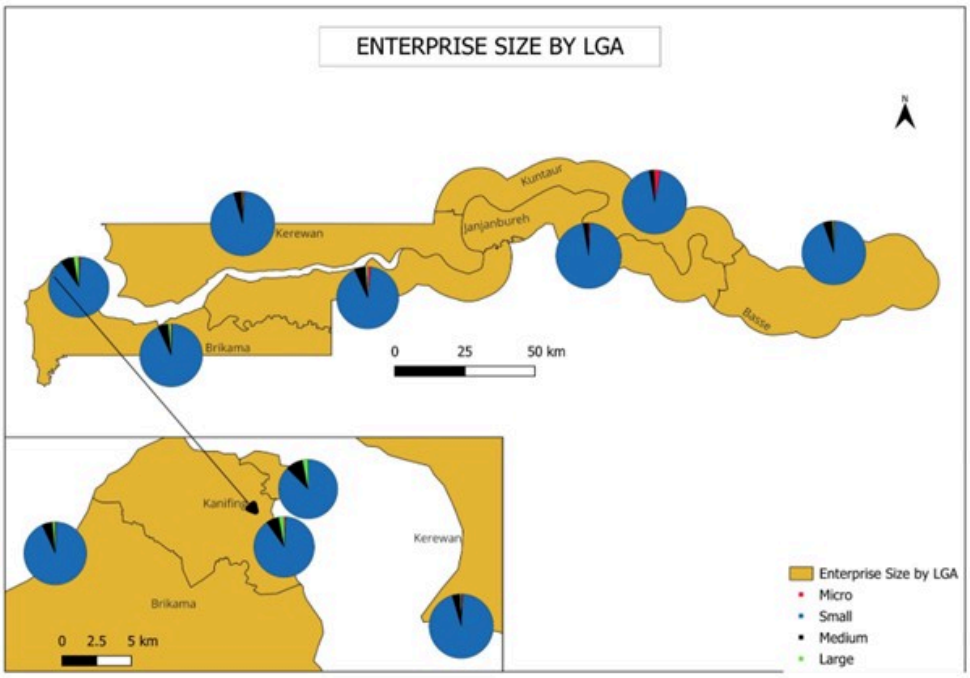


Figure 4

Enterprise Size Distribution by Local Government Area (%)

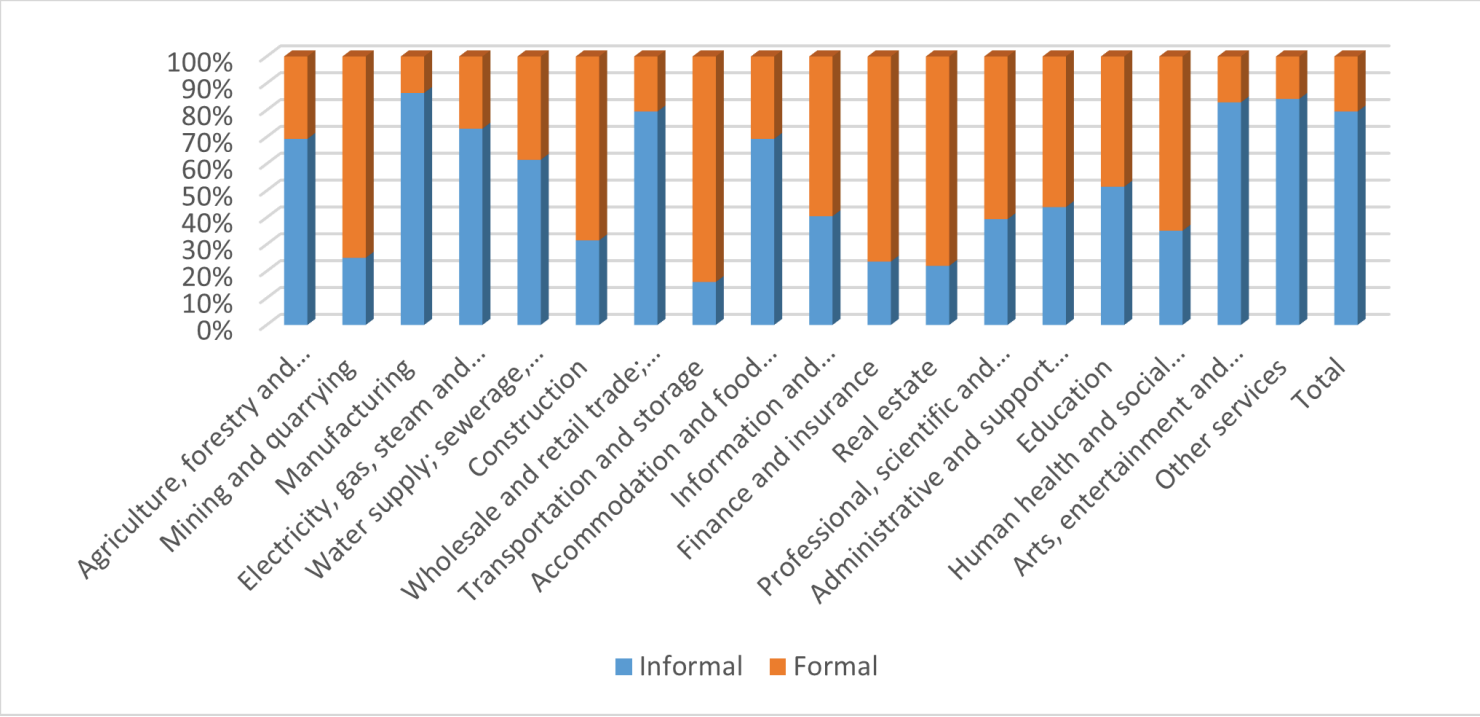


Figure 5

Percentage Distribution of Enterprises by Formality Status and Industry

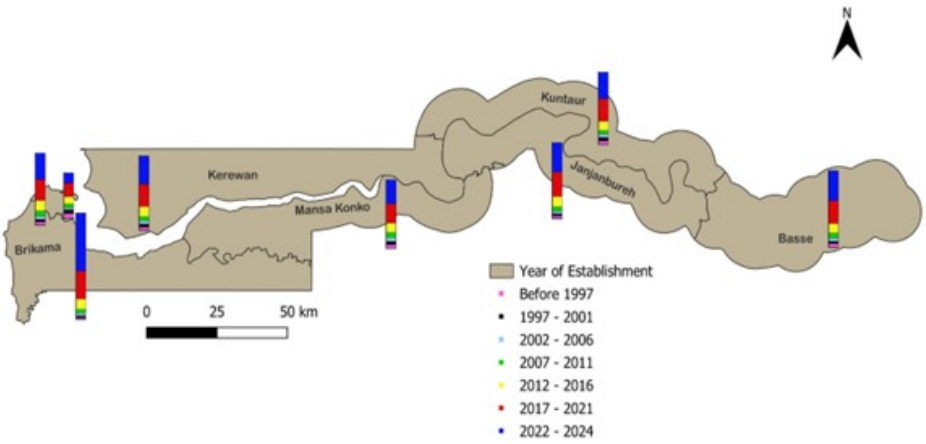


Figure 6

Percentage Distribution of Entities by Year of Establishment