

## Impact Analysis of the COVID-19 Pandemic on the Informal Sector Business Tourism Economy in Zimbabwe

Logistic Makoni\*

*School of Tourism and Hospitality, College of Business and Economics, University of  
Johannesburg, Johannesburg, South Africa, Email, [logisticm@uj.ac.za](mailto:logisticm@uj.ac.za)*

Tembi M. Tichaawa

*School of Tourism and Hospitality, College of Business and Economics, University of  
Johannesburg, Johannesburg, South Africa, Email, [tembit@uj.ac.za](mailto:tembit@uj.ac.za)*

*\*Corresponding Author*

**How to cite this article:** Makoni, L & Tichaawa, T. M. (2021). Impact Analysis of the COVID-19 Pandemic on the Informal Sector Business Tourism Economy in Zimbabwe. African Journal of Hospitality, Tourism and Leisure, 10(1):165-178. DOI: <https://doi.org/10.46222/ajhtl.19770720-93>

### Abstract

This study sought to conduct a socio-economic impact assessment of the COVID-19 pandemic on informal business tourism in Zimbabwe. The specific objective of this study was to identify the extent to which the informal business tourism economy in Zimbabwe has been affected by the COVID-19 pandemic and to prescribe guidelines and frameworks of workable actions to address the problems. As such, the study adopted a desktop research approach in which a thematic analysis of existing tourism development literature on business tourism in developing economies served as the basis for the arguments presented. Key issues highlighted in the paper include impacts on the supply of basic commodities and household income of the traders and business operations of the related businesses in the formal sector, traders' survival strategies during the course of the national lockdown, and implications on the way forward. Furthermore, the study offers conclusions and implications drawn from the themes formulated from these key issues. The study also provides insights on the vulnerability of the informal business tourism sector to unforeseen occurrences, and how the affected stakeholder can recover from such a blow.

**Keywords:** Socio-economic impact, COVID-19, Coronavirus, Informal Business Tourism, Zimbabwe

### Introduction

The informal business economic sector in developing countries represents a strong economic multiplier effect (Tichaawa, 2017). Through its content and its role, the sector represents, in the context of contemporary civilization, a distinct area of economic activity and a segment of essential importance in the economic and social life of the majority of countries, especially in sub-Saharan Africa (Benjamin & Mbaye, 2014; Grant, 2015; Rogerson, 2005, 2018). Benjamin and Mbaye (2014) advance that informal business tourism is a vital aspect of the informal economy across the region. Since the majority of people residing in urban areas work in the informal sector, and the sector constitutes over 80% of employment (Grant, 2015), Rogerson (2018) contests that informality holds a great place of importance as a dimension of all economic sectors of the sub-Saharan African region, including the region's expanding tourism sector.

Many studies (see Bandyopadhyay, 2020; Bhattacharjee & Sarkar, 2020; Dey, 2020; Dobler, 2016; Eldrede & Kadirov, 2020; Ghosh & Chaudbury, 2020; Jha & Pankay, 2020; Nshimbi, 2020; Palat, 2020; Peberdy, 2017; Peberdy, Crush, Tevera, Campbell, Zindela,

Raimundo, Green, Chikanda & Tawodzera, 2015; Rogerson, 2018; Samaddar, 2020; Tiwari, 2020) suggest that informality constitutes a major portion of the developing countries' socio-economy. A number of scholars contributing to such knowledge (Dobler, 2016; Masango & Haraldson, 2010; Peberdy, 2017; Peberdy et al., 2015; Tichaawa, 2017; United Nations Conference on Trade and Development [UNCTAD], 2019) argue that over 50% of the informality in developing countries can be seen through informal business tourism which, according to Rogerson (2018), largely manifests in both domestic and international (cross-border) travel.

Unlike any other country in the African region, Zimbabwe boasts over 70% of informal business tourism (International Monetary Fund, 2018) and this trend has continued to spiral since the beginning of the country's economic and political dilemmas in the early 2000s. Given the circumstance around the travelling nature of informal business tourism (Eldrede & Kadirov, 2020; Nshimbi, 2018, 2020; Rogerson, 2005, 2006; Rogerson & Saarinen, 2018), and the ultimate reliance of the majority of the Zimbabwean population on the sector (Masiyiwa, 2020; Nyathi, 2020; Southern Africa Migration Programme Report, 2017), the unforeseen circumstance of the COVID-19 pandemic, and the subsequent halt in any kind of tourism-related movement (United National World Tourism Organisation [UNWTO] 2020), becomes a key area for discussion. In light of the pandemic, this study sought to conduct an impact analysis of COVID-19 on the Informal Business Economy in sub-Saharan Africa (SSA), focusing on Zimbabwe as the case study area.

The focus of this study, therefore, is on the informal business tourism sector, with the main objective being to analyse the extent of the socioeconomic impacts of the COVID-19 pandemic on the sector. In addition, the study sought to prescribe policy guidelines and frameworks of workable actions to address the impact of the COVID-19 pandemic on the sector in Zimbabwe and the sub-Saharan African region as a whole. Zimbabwe is a perfect case study for the subject under investigation given its background and the socio-economic circumstances that the country has undergone for over two decades prior to the outbreak of the pandemic, coupled with the country's significant reliance on the informal business tourism economic sector for its survival (International Monetary Fund [IMF], 2018, 2020). Also, perhaps needless to say, given that the sector is largely characterised by travelling by both the traders and the buyers, the current global experience of the COVID-19 pandemic brings about a greater threat to the socio-economic wellbeing of many Zimbabweans, which renders a critical need for analysis and the prescribing of solutions in that regard.

## Literature review

### *Informal business tourism: a conceptual framework*

Informal business tourism is considered travel within and/or between neighbouring countries conducted by vulnerable, small, unregistered traders (UNCTAD, 2019). The trade involves the movement of products between cities, from rural areas into cities, and also between neighbouring countries, and the informality refers to the status of the traders (unregistered) not necessarily to the trade itself (UNCTAD, 2019). Informal business tourism represents a type of business tourism which is unique to, and typical of, developing communities (Masango & Haraldson, 2010; Nunez, 2009; Peberdy, 2017). Based on literature provided by many scholars on informal business tourism (see Eldrede & Kadirov, 2020; Muzvidziwa, 1998; Rogerson, 2016, 2018; Rogerson & Saarinen, 2018; Samaddar, 2020; Tichaawa, 2017), the concept is part of the business tourism concept, and it includes informal cross border tourism (ICBT) and informal domestic tourism. This is illustrated in table 1 below. As indicated by Table 1, the informal business tourism economy, which is the focus of this paper, constitutes ICBT on the

one hand (Eldrede & Kadirov, 2020) and informal domestic tourism on the other hand (Rogerson, 2016, 2018).

**Table 1: Clusters of Business Tourism**

Formal business tourism economy	Informal business tourism economy
Formal international business tourism	ICBT
Formal domestic business tourism	Informal domestic tourism

Source: Timothy and Teye (2005)

While ICBT is viewed as the informal commercial exchange of goods and services by informal traders operating between borders (Eldrede & Kadirov, 2020), informal domestic business tourism is the similar transactions conducted by informal traders within the borders of their countries through, mostly, street vending and informal retail outlets (Rogerson, 2016). As such, not only has informal business tourism become a motivation for the poor in the developing communities to become tourists, but it has also allowed them to supplement households' sources of income in the wake of economic hardships and high volumes of unemployment (Peberdy & Crush, 1998; Rogerson, 2018; UNCTAD, 2019). Other researchers (Manjokoto & Ranga, 2017; Muzvidziwa, 1998; Peberdy & Crush, 1998, 2001; Peberdy & Rogerson, 2003; Rogerson, 2016; Rogerson & Saarinen, 2018) lament that the majority of people in the sub-Saharan Africa region have resorted to informality for survival in the wake of industry shutdown and formal economic downswing and that little is being done by the affected governments towards recognising and advancing informality in economic plans and strategies (Rogerson, 2015). In the wake of the COVID-19 pandemic, it becomes critical to analyse how people in this sector have been affected, given that they were already vulnerable before the pandemic. Hence the need for this paper.

Although there are limited statistics which show the total contributions of informal sector business tourism in the overall sub-Saharan Africa economy, Fundira (2018) estimates that the sector contributes between 50% and 60% of intra-regional trade. In the Southern African Development Community (SADC), informal sector business tourism accounts for an estimated US\$17.6 billion annually, which is approximately 40% of intra-trade of the region. Based on the available literature on informal business tourism, it is clear that the sector serves many purposes: it represents a significant feature of regional trade flows (Afrika & Ajumbo, 2012; Ashley & Roe, 2002; Mitchell & Ashley, 2010; Peberdy, 2007; Rogerson, 2006, 2018; UNCTAD, 2019), it serves as a source of employment and supplements households' income (Ashley & Roe, 2002; Mitchell & Ashley, 2010; Rogerson, 2006, 2012, 2018), it assists in eliminating poverty and it also contributes massively towards food security (Fundira, 2018; Rogerson, 2018; UNCTAD, 2019).

Others (see Masango & Haraldson, 2010; Nunez, 2009; Peberdy, 2017) argue that ICBT also offers an income opportunity which could yield returns of more than four times the minimum salary in the formal sector. The sector constitutes a form of business travel that is crucial in the developing world and which requires a critical policy consideration in the overall tourism development of sub-Saharan African destinations (Dobler, 2016; Rogerson, 2018; Tichaawa, 2017; Timothy & Teye, 2005), especially in the wake of COVID-19 which poses to threaten the operations of such a sector. In addition, informal business tourism can also be characterised by its high integration within the local economic structures of sub-Saharan Africa that results in a low leakage and, therefore a higher multiplier effect on local economies (Manjokoto & Ranga, 2017; Rogerson, 2012, 2018). The COVID-19 pandemic has, however, created dire problems for the existence of the informal business tourism in sub-Saharan Africa. This is further discussed in the following section.

### ***COVID-19 pandemic and the informal economy in sub-Saharan Africa***

Sub-Saharan Africa (SSA) has been gaining economic growth over the past five years (International Labour Organisation [ILO], 2020a). The African Development Bank (2020) indicates that the region's economic growth rose to 3.4% in 2019 compared to the previous year, while it was projected to have a 3.9% and 4.1% growth in 2020 and 2021 respectively. The outbreak of the COVID-19 pandemic has, however, disturbed this economic growth trend and posed serious threats to the sustainability of the SSA countries (ILO, 2020a). The most hit economic sector in this regard is the informal sector since most of the SSA's growing economy is largely the informal sector (African Union [AU], 2020). ILO (2020a) defines an informal economy as all economic activities that are, in law and in practice, not supported or inadequately supported by formal provisions. According to ILO (2018) as well as AU (2020), the recent growth of the SSA region has been largely through the sales of goods and services from sectors that operate in the informal sector. This sector constitutes 89.2% of the region's economy (Naidoo, 2020; United Nations [UN], 2020; UNCTAD, 2020), and 85.5% of total employment in the region (ILO, 2017, 2018, 2020b). With high levels of poverty, affecting 35% of the African population (Food and Agriculture Organisation, 2017), coupled with severe inequalities and a lack of access to economic and social opportunities (IMF, 2020; Jesuits Africa, 2020), the informal sector has, since, become a space for the majority of the SSA populace to hustle and sustain themselves (ILO, 2020b; UNCTAD, 2020). With the outbreak of the COVID-19 pandemic, this sector, just like all other economic sectors, was put under threat as many countries put drastic measures to fight the pandemic (UNWTO, 2020).

The AU (2020), in its joint continental strategy to fight the COVID-19 pandemic, indicates that the immediate strategy in this regard is to limit transmission and minimise the harm of the pandemic. This strategy led to the closure of borders in over twenty SSA countries and the declaration of a national lockdown by April 2020 in Zimbabwe. ILO (2020a) contests that the ultimate reliance on the informal economy means that a majority of the SSA population will not be able to survive under closed borders and total lockdown. In as much as the measures implemented are crucial to slow down the spread of the coronavirus pandemic (AU, 2020), these measures are argued to have a direct cost on more than three-quarters of the SSA people whose livelihoods are fully dependent on the informal economy (UNCTAD, 2020). This is so because the people operating in the informal economy are vulnerable to poverty, diseases and hunger as they lack the necessary social and economic protection, coverage and support mechanisms (ILO, 2020a).

ILO (2020a) indicates that how the countries of the SSA region efficiently mitigate the spread of the COVID-19 pandemic will rely on the nature, scope and characteristics of the informal economy in the respective countries. Perhaps a more complex issue of concern would be the extent of the economic and institutional environment's regulatory framework's adequacy in complying with the COVID-19 regulations and the enforcement systems in place to manage the informal economy (AU, 2020). In this regard, ILO (2020a) argues that the regulatory frameworks are inadequate and that the enforcement system is weak. In addition to that, ILO (2020a) laments that the COVID-19 outbreak, and the measures in place to fight it, has greatly affected mostly the ICBT sector of the informal economy in SSA. According to Food and Agriculture Organisation [FAO] (2017), ICBT constitutes a major form of informal economy in SSA. In the SADC, for instance, the ICBT sector accounts for about 40% of the intra-SADC trade (UNCTAD, 2018, 2020) with an estimated value of about US\$ 18 billion (ILO, 2020a). The closing of national borders has greatly affected the individuals who often travel within the region, in which South Africa is the prime destination (Rogerson, 2018), and outside the continent, to countries such as China and United Arab Emirates (FAO, 2017) to buy electronic gadgets, cosmetics, hair styling and beauty products inter alia (ILO, 2020a) in order to resell

them in their respective countries. It, therefore, leaves no doubt that the suspension of international travel has dire impacts on these people (Taylor, 2020; UNCTAD, 2020; United Nations Development Programme [UNDP], 2020), as it has resulted in reduced income, or no income, for not only the ICBT operators but also for other informal sector stakeholders such as money changers, and transporters (ILO, 2020a). Such a catastrophic change of events requires a great deal of analysis in order to determine the extent of the COVID-19 pandemic's impact on the informal economic sector in the SSA region. Hence, this paper sought to provide an analysis of such, using Zimbabwe as the case study. The following section details the methodology of the paper in the pursuit to achieve the objective of the paper.

## Methodology

The researchers adopted a desktop research approach in carrying out this study. According to Clark, Riley, and Wood (1998), the desktop research method involves an activity wherein there is no need for primary (original) data to be collected; rather this paper draws upon existing secondary sources of data. This research method aims to review and analyse the existing literature on the phenomenon under investigation in order to illuminate specific themes. In this regard, the researchers have primarily used Google Scholar, as well as other research-related platforms such as Researchgate as well as Academia.Edu in order to sift through literature that covers informal business tourism economy and the COVID-19 pandemic generally, as well as the two concepts from a sub-Saharan Africa context specifically. Such bodies of literature consisted of journal articles, book chapters, conference papers, published reports and government reports and/or publications. In certain instances, backward snowballing was employed, wherein the researchers would review the reference lists of relevant specific research items in order to identify further sources that would be applicable to this study. This paper sought to analyse the socio-economic impact of the COVID-19 pandemic on the informal business tourism economy. The study considered the SSA countries in the context of the COVID-19 pandemic coverage, drawing a specific focus on Zimbabwe. The data generated during the desktop analysis was analysed through thematic analysis, in which the categorising and conceptualising of the theories explored in relation to the subject under investigation was done. The theories explored were grouped by four variables that formed the basis of the discussion in this paper: (1) impact on the informal business economy in Zimbabwe, (2) impact on the supply of commodities, (3) impact on the household income of affected stakeholders, and (4) informal business traders' survival strategies on the verge of the COVID-19 epidemic. These variables are presented in the following discussion section.

## Results and discussion

### *COVID-19 pandemic and the informal business economy in Zimbabwe*

There is no doubt that Zimbabwe was already in an economic decline before the outbreak of the COVID-19 pandemic (Nyoka, 2020; UNDP, 2020). Karombo and Mataranyika (2020) highlight that the country's economy has faced an abrupt fall so far during the course of the pandemic, and they fear that the situation will only worsen after the pandemic. Issues such as escalating inflation (IMF, 2020), an unstable currency policy (ILO, 2020; UNDP, 2020) and rampaging unemployment rates (Ntsaluba, 2020; Nyathi, 2020) continue to haunt the country's economy. According to the IMF (2020), the Zimbabwean economy is estimated to shrink by at least 7.5% this year due to the impact of the COVID-19 pandemic. Masiyiwa (2020) indicates that the unemployment rate in the country, though not known, is estimated at 90%, with most people, including those in the formal employment, resorting to the informal sector as either the main or additional source of income. The available literature on Zimbabwe's economy suggests that the unemployment rates have been mushrooming since the beginning of the new millennia

(Makoni & Tichaawa, 2018; Peberdy et al., 2015; Rogerson, 2018; Tichaawa & Makoni, 2018), resulting in many Zimbabweans turning to informal employment (ILO, 2020; UNDP, 2020). Rogerson (2016) advances that domestic street vending and cross-border trading have since become the core of employment for the greater Zimbabwean populace and that it forms the prime economic sector of the country. Constituting about 70% of the Zimbabwean economy, the informal business economy has been playing a vital role in sustaining the livelihoods of Zimbabweans (Nyoka, 2020; UNDP, 2020). With the emergence of the COVID-19 pandemic, the operations of the informal sector have been greatly affected (Karombo & Mataranyika, 2020), resulting in the need for more efficient external support for the nation estimated at USD 1 Billion (UNDP, 2020). In that respect, the World Bank has intervened by allocating USD 5 million to Zimbabwe (approximately ZAR 92 million) in order to help fight the COVID-19 pandemic (IMF, 2020). This support follows earlier support of USD 2 million which was supplied to support the 2019 Cyclone Idai recovery programmes (IMF, 2020). The head of the Operation Risk at Fitch Solutions, Chiedza Madzima, contests that even though these funds came in handy to Zimbabwe, they are still not enough to help support the majority of the population, especially ones who rely solely on the informal sector

After South Africa reported 709 COVID-19 cases and Zimbabwe had recorded five cases and one death, the decision to close the borders between the two countries was abruptly taken on the 26<sup>th</sup> of March 2020 (Masiyiwa, 2020; Rogan & Skinner, 2020). This decision immediately halted ICBT. Furthermore, the Zimbabwean government declared a national lockdown on the 30<sup>th</sup> of March 2020 (Nyoka, 2020) which quickly shattered the domestic informal business economy in the country. Masiyiwa (2020) indicates that while the border closures and the lockdown were implemented for public health and safety, they, however, devastated the livelihoods of Zimbabwean cross-border traders and domestic street traders. This is so because most Zimbabweans survive wholly from money earned through the informal domestic and cross-border trading and this has significantly impacted the supply of basic commodities in the country. This is further discussed in the following section.

### ***Impact on the supply of basic commodities***

The basic supply of immediate and household commodities in Zimbabwe largely relies on the ICBT due to the absence, or limit of, the formal industry in the country to make provisions of such (Rogerson, 2018). As such, Masiyiwa (2020) advances that the ICBT in Zimbabwe has long been the household survival strategy which began to experience rapid growth since 2001. In addition, as the Zimbabwean shops ran out of stock of basic commodities, and the Zimbabwean dollar's purchasing power decreasing during the 2008 political turmoil (Peberdy et al., 2015), the Zimbabwean migrant entrepreneurs played a significant role in ensuring that essential commodities, such as foodstuff, clothing and household materials, remained accessible to the Zimbabwean people (Rogerson, 2016, 2018). According to Nstaluba (2020), these essential commodities are said to be retailed mostly in streets of almost every town, rural area, and city in the country, making the ICBT and the informal domestic business in the country the core of the supply of basic commodities to Zimbabweans. Furthermore, with the weak local industry and with most big companies shutting down (Zhou, 2013; Zimbabwe Tourism Authority [ZTA], 2015), informal trading has continued as one of the main sources of income generation and provision of basic commodities for many Zimbabweans.

The outbreak of the COVID-19 pandemic meant that the provision of basic commodities in Zimbabwe were placed under a great threat. Additionally, Masiyiwa (2020) indicates that many Zimbabweans operating in the informal business economy have many dependents and that they strive to support their families and extended families. The closing of the informal business economy in the country also affected many more stakeholders relying on

informal business economic activities. These include, but are not limited to, cross-border bus drivers and the cross border goods transporters (referred to as the Malaichas), domestic informal traders, the general Zimbabwean populace and other formal and informal establishments both in Zimbabwe and in South Africa (Karombo & Mataranyika, 2020; Masiyiwa, 2020; Nyathi, 2020; Nyoka, 2020; UNDP, 2020). The halting in the supply of basic commodities bought from other countries has not only heavily impacted the limited provisions but has also affected the household income of the stakeholders who wholly rely on the informal business economy and this has led to the need for most people operating in the informal sector to find other survival strategies during the COVID-19 era. The following section expands upon this issue.

### ***Informal business traders' survival strategies on the verge of the COVID-19 pandemic***

According to the International Monetary Fund (IMF) (2018), Zimbabwe is only second to Bolivia as the largest informal economy in the world. The economy of the country is mostly shaped by the cross-border traders who bring goods from other countries to re-sell in the country. This process helps with employment and lowers the costs of basic household commodities. Since the emergence of the COVID-19 pandemic, the above has not been the case, and the Zimbabwean economy, together with the Zimbabweans, must reckon with the closed borders and economy. Nyathi (2020), however, indicates that the government of Zimbabwe has worsened the situation as it has not pulled its weight in supporting the citizens who survive through the informal sector. The president of the Zimbabwe Chamber of Informal Economy Associations, Lorraine Sibanda, laments that the government of Zimbabwe has failed to make funds available for the informal businesses in support for their survival during the course of the lockdown. Furthermore, on 1 May 2020, the government reopened the formal industry and commerce while the informal sector remained closed. This was a different case compared to South Africa's easing of lockdown to level three from the 31<sup>st</sup> of May, which saw most of the people in the informal economy resuming their operations (Rogan & Skinner, 2020). This situation has led to many Zimbabweans resorting to defy the lockdown regulations and to illegally engage in their normal informal business activities since they have no other means for survival (Nyathi, 2020). Nyathi (2020) further reports that some Zimbabweans have resorted to smuggling goods between Zimbabwe and South Africa during the time of the pandemic. The main commodities that are being smuggled are food and beverage, bales and cigarettes.

### ***Smuggling food, beverage and household commodities***

The desperate citizens of the country are reported to smuggle in food, beverage and other household commodities to re-sell in Zimbabwe. In a bid to redress this challenge, the government of South Africa erected a 40km fence along its border with Zimbabwe. This solution was ineffective as the fence was damaged by the suspected people operating along the borders and facilitated the movement of smuggled goods between Zimbabwe and South Africa (Ntsaluba, 2020). Nyathi (2020) highlights that a number of videos and pictures of smugglers swimming across the Limpopo River carrying smuggled food items into Zimbabwe were posted on various social media platforms. Bosch (2020) indicates that Zimbabwe has been significantly affected by a food crisis, and that has led to thousands of Zimbabweans illegally crossing into South Africa during the lockdown period in order to purchase foodstuffs. Such food commodities as corn meal, cooking oil and sugar are very scarce in the country (Ndebele, 2020). Over 500 people have been moving into South Africa daily since the beginning of the lockdown to purchase food items (Bosch, 2020).

### ***Smuggling of second-hand clothing bales***

According to Nyathi (2020), the sale of second-hand clothing has been one of the main sources of income for the informal traders in Zimbabwe. The Herald (2020) reports that the importation of second-hand clothing in Zimbabwe was banned in 2015 to protect the country's textile industry, but relaxed in 2017 as it was/is a major source of income for informal traders hit hard by the economic downfall. The closing of the informal economy in Zimbabwe, coupled with the national lockdown protocol has, however, shuttered employment and profits (Nyathi, 2020) that come with the sale of second-hand clothing (Moyo, 2020). Zimbabwean traders continue to smuggle in bales of second hand clothing from Mozambique (Nyathi, 2020) despite the national lockdown and the closure of borders.

### ***Smuggling of cigarettes***

Cigarette smuggling from Zimbabwe into South Africa has also been on the rise since the South African government took a policy decision to ban the sale of cigarettes in the country during the level five lockdown period (Chingono, 2020). Chingono (2020) explains that the South African government claimed that the smokers were more vulnerable to contracting the COVID-19 disease. According to Businessteach (2020), the cigarette sale ban in South Africa offered an opportunity for the most desperate Zimbabwean traders to exploit the cigarette market of South Africa by smuggling them into the neighbouring country. Jooste (2020) adds that smuggled cigarettes are distributed not only in the Limpopo province but also in other provinces such as Gauteng and Mpumalanga. Jooste (2020) indicates that cigarette smugglers are now collecting more profits than ever during the national cigarette ban under COVID-19 protocols. This has, however, led to South Africa losing about ZAR 35 million a day in tax revenue from the ban of cigarettes since March 2020 (Jooste, 2020).

### **Conclusion**

This paper sought to conduct a socio-economic impact assessment of the COVID-19 pandemic on informal business tourism in SSA, with a specific focus on Zimbabwe. The study departs from a viewpoint that the region's informal sector constitutes about 90% of its economy, and the suspension of international travel and strict national lockdown due to the outbreak of the COVID-19 pandemic has left over three-quarters of the region's population struggling to survive. This provokes the need for a study to assess the associated socio-economic impacts and propose guidelines for a remedy, especially for Zimbabwe whose informal sector is the top in the region with about 70%. Given that the COVID-19 pandemic presents dire socio-economic and political consequences, countries in the SSA region have been forced to adopt measures not only to save livelihoods but also to facilitate the continuation of businesses and to sustain the economies of the respective countries. While according to ILO (2020a, b), only the formal economy has been resumed with money invested in its survival (Official Aviation Guide [OAG], 2020), a few countries in the region have implemented major actions towards either resuming the informal sector or supporting livelihoods of people surviving off it (IMF, 2020).

Against this backdrop, this study suggests the following four policy implications for Zimbabwe and the SSA region as a whole. Firstly, governments should construct social dialogue mechanisms with both the stakeholders in the formal and informal economic sectors. According to ILO (2017), social dialogue is all types of negotiation, consultation or information sharing among representatives of the government, employers and employees or between employers and employees on issues of common interest. As the world continues to deal with the COVID-19 pandemic, it becomes more critical than ever for various governments to build upon social dialogue as a way to address the concerns of every affected stakeholder in order to



promote progress. To this end, social dialogue mechanisms would assist in facilitating the development of strategies to reduce the impact of the COVID-19. In the case of the informal business tourism economic sector, such measures as the sanitary infrastructure in market places, washing of hands regularly, the provision of health kits to fight the pandemic and increased awareness programmes can be well implemented through the building of social dialogues.

Secondly, this paper proposes that governments develop strategies to support the poor and most vulnerable people during the course of the COVID-19 pandemic. This paper found that the COVID-19 pandemic halted income and provisions of household commodities for many Zimbabweans who wholly depend on the informal business economy for their survival. Additionally, many have risked contracting the disease and their lives by smuggling goods into the country from other neighbouring countries. This is a sign that Zimbabweans are struggling to cope under the current circumstances. The government should make funds available in order to support families which rely on this sector. In the event that the funds may not be enough, it would be advisable to open up the informal sector under strict regulations like South Africa did (Rogan & Skinner, 2020), so that the people can earn an income to sustain themselves during this catastrophic time. Also, given that the informal sector is currently still non-operational, since 30 March 2020, it would be advisable that the government of Zimbabwe makes credit more affordable and supports entrepreneurship especially to the people operating in the informal sector. This would help in promoting their businesses and can also facilitate the steps towards formalising their informal operations.

Thirdly, it would be beneficial to carefully manage the COVID-19 pandemic within the context of a thriving informal economy. This could be done through identifying and reaching out to the vulnerable groups in the informal sector economy who are less-harshly impacted by the COVID-19 pandemic. The policy framework in this regard should be gender-sensitive and non-discriminatory. Also, the policy framework should emphasise, but not be limited to, safeguarding the health of the people operating in the informal business tourism sector, ensuring business continuity and stimulating demand under strict regulations as well as observation of the World Health Organisation [WHO] regulations in order to reduce the spread of the pandemic and to support income generation and employment. In addition, the government must invest in public health protection such as the provision of water and sanitation facilities in markets and public areas, and also ensure the adherence to the health regulations, such as wearing of masks in public and keeping social distance.

Lastly, the current adversity could be turned into an opportunity for many vulnerable Zimbabweans, especially those in the informal business tourism sector. Many Zimbabweans have already started to smuggle in alcohol and cigarettes into South Africa since the country has banned the sale of such products as part of its regulations to fight against the COVID-19 pandemic. Despite its dire consequences, the current pandemic presents an opportunity for the development of an investment model for the domestic productive capacity that would support the activities of people working in the informal business. Such activities would include the production and selling of face masks, sanitisers and personal protective equipment (PPE). This would also help in promoting intra-regional trade and the deepening of collaboration between Zimbabwe and its neighbours.

In conclusion, the study was limited to providing a socioeconomic impact assessment of the COVID-19 pandemic on the informal economy in SSA, with a specific focus on the informal business tourism economy in Zimbabwe. Research has shown that over 70% of the Zimbabwean economy has been informal since the beginning of the economic and political dilemmas which began in the early 2000s. The informal business tourism sector has since played a vital role in moving the country's economy through a provision of household income

and sustaining livelihoods in the absence of formal employment and a stable formal economic structure. Since the sector is largely characterised by travelling for both the traders and the buyers, the current global experience of the COVID-19 pandemic brings about a greater threat to the socio-economic wellbeing of many Zimbabweans. It will be, therefore, of great importance to ascertain, through further research, the economic recovery strategies post the COVID-19 pandemic in the SSA region, whose economies were on the rise when the COVID-19 disease was declared a pandemic.

**Acknowledgement** This article forms part of a doctoral study currently being undertaken at the University of Johannesburg. The Global Excellence and Stature funding received is acknowledged.

## References

- African Development Bank. (2020). *African Economic Outlook 2020*. Available at <https://www.afdb.org/en/documents/african-economic-outlook-2020> [Retrieved July 14 2020].
- African Union (AU). (2020). *Africa joint continental strategy Covid 19 Outbreak*. Available at <https://au.int/en/documents/20200320/africa-joint-continental-strategy-covid-19-outbreak> [Retrieved July 14 2020].
- Afrika J. G. K. & Ajumbo, G. (2012). *Informal cross border trade in Africa: implications and policy recommendations*. Tunis: African Development Bank.
- Ashley, C. & Roe, D. (2002). Making tourism work for the poor: Strategies and challenges in Southern Africa. *Development Southern Africa*, 19, 61-82.
- Bandyopadhyay, R. (2020). Migrant labour, informal economy, and logistics sector in a Covid-19 world. In R. Samaddar (Ed.), *Borders of an Epidemic* (pp. 31-42). Kolkata: Calcutta Research Group.
- Benjamin, N. & Mbaye, A. A. (2014). *Informality, growth and development in Africa*. United Nations University. WIDER Working Paper 2014/052: Helsinki.
- Bhattacharjee, S. & Sarkar, A. (2020). A Report: How One State can Learn from Another. In R. Samaddar (Ed.), *Borders of an Epidemic* (pp. 132-138). Kolkata: Calcutta Research Group.
- Bosch, E. (2020). *Continued Covid-19 lockdown sees rampant smuggling & desperation at border with Zimbabwe*. Available at <https://www.timeslive.co.za/news/south-africa/2020-06-22-watch-continued-covid-19-lockdown-sees-rampant-smuggling-desperation-at-border-with-zimbabwe/> [Retrieved July 29 2020].
- Chingono, N. (2020). *South Africa tobacco ban greeted with cigarette smuggling boom*. Available at: <https://www.theguardian.com/global-development/2020/jun/26/south-africa-tobacco-ban-greeted-with-cigarette-smuggling-boom> [Retrieved July 29 2020].
- Clark, M., Riley, M. & Wood, R. (1998). *Researching and Writing Dissertations in Hospitality in Hospitality and Tourism*. 1<sup>st</sup> ed. Cengage Learning: EMEA.
- Dey, I. (2020). *Social Distancing, “Touch-Me-Not” and the Migrant Worker*. In R. Samaddar (Ed.), *Borders of an Epidemic* (pp. 98-104) Kolkata: Calcutta Research Group.
- Dobler, G. (2016). The green, the grey and the blue: A typology of cross-border trade in Africa. *Journal of Modern African Studies*, 54 (1), 145-169.
- Eldrede, K. & Kadirov, D. (2020). Informal Cross Border Trade as a Substratum Marketing System: A Review and Conceptual Framework. *Journal of Macromarketing*, 40 (1), 88-109.

- Food and Agriculture organization (FAO). (2017). *The future of food and agriculture: Trends and Challenges*. Available at <http://www.fao.org/3/a-i7101e.pdf> [Retrieved July 14 2020].
- Fundira, T. (2018). *Informal Cross-border Trading: Review of the simplified trade regimes in East and Southern Africa*. Available at <https://www.tralac.org/publications/article/12825-informal-cross-border-trading-review-of-the-simplified-trade-regimes-in-east-and-southern-africa.html> [Retrieved February 23 2019].
- Ghosh, A. K. & Chaudbury, A. B. R. (2020). Migrant Workers and the Ethics of Care during a Pandemic. In R. Samaddar (Ed.), *Borders of an Epidemic* (pp. 91-98). Kolkata: Calcutta Research Group.
- Grant, R. (2015). *Africa: Geographies of change*. New York. Oxford University Press.
- International Labor Organisation (ILO). (2017). *Transition to Formality: The critical role of social dialogue*. Available at [https://www.ilo.org/wcmsp5/groups/public/---ed\\_dialogue/---dialogue/documents/publication/wcms\\_559300.pdf](https://www.ilo.org/wcmsp5/groups/public/---ed_dialogue/---dialogue/documents/publication/wcms_559300.pdf) [Retrieved July 14 2020].
- International Labour Organisation (ILO). (2018). *World Employment and Social Outlook*. Available at [https://www.ilo.org/wcmsp5/groups/public/---dgreports/---ddcomm/documents/publication/wcms\\_626831.pdf](https://www.ilo.org/wcmsp5/groups/public/---dgreports/---ddcomm/documents/publication/wcms_626831.pdf) [Retrieved July 14 2020].
- International Labor Organisation (ILO). (2020a). *The impact of the COVID-19 on the informal economy in Africa and the related policy responses*. Available at [https://www.ilo.org/wcmsp5/groups/public/---africa/---ro-abidjan/documents/briefingnote/wcms\\_741864.pdf](https://www.ilo.org/wcmsp5/groups/public/---africa/---ro-abidjan/documents/briefingnote/wcms_741864.pdf) [Retrieved July 14 2020].
- International Labor organisation (ILO). (2020b). *COVID-19 and the world of work: Impact and policy responses*, An ILO Note, 18 March 2020, Geneva, Switzerland.
- International Monetary Fund (IMF). (2018). *Shadow Economies Around the World: What Did We Learn Over the Last 20 Years?* Available at <https://www.imf.org/en/Publications/WP/Issues/2018/01/25/Shadow-Economies-Around-the-World-What-Did-We-Learn-Over-the-Last-20-Years-45583> [Retrieved July 14 2020].
- International Monetary Fund (IMF). (2020). *IMF and Covid 19: Responses to Covid 19*. Available at <https://www.imf.org/en/Topics/imf-and-covid19/Policy-Responses-to-COVID-19> [Retrieved July 14 2020].
- Jesuits Africa. (2020). *The African Economy is infected: The Economic Impact of Covid 19 is worsening poverty in Africa*. Available at <https://www.jesuits.africa/2019-01-10-07-39-58/news-and-events/1141-the-african-economy-is-infected-the-economic-impact-of-covid-19-is-worsening-poverty-in-africa> [Retrieved July 14 2020].
- Jha, M. K. & Pankay, A. K. (2020). Insecurity and Fear Travel as Labour Travels in the Time of Pandemic. In R. Samaddar (Ed.), *Borders of an Epidemic* (pp. 56-66). Kolkata: Calcutta Research Group.
- Jooste, R. (2020). *Dirty Tobacco: How the cigarette ban backfired*. Available at <https://www.dailymaverick.co.za/article/2020-07-30-dirty-tobacco-how-the-cigarette-ban-backfired/> [Retrieved July 30 2020].
- Karombo, T. & Mataranyika, M. (2020). *Zimbabwe counts economic impact of Covid 19*. Available at <https://www.news24.com/citypress/business/zimbabwe-counts-economic-impact-of-covid-19-20200508/> [Retrieved July 02 2020].
- Makoni, L. & Tichaawa, T. M. (2018). Stakeholders' assessments of tourism policy and product development in Zimbabwe. *African Journal of Hospitality, Tourism and Leisure*, 7 (4), 1-19.

- Manjokoto, C. & Ranga, D. (2017). Opportunities and challenges faced by women involved in informal cross-border trade in the city of Mutare during a prolonged economic crisis in Zimbabwe. *Journal of the Indian Ocean Region*, 13 (1), 25-39.
- Masango, R. & Haraldson, M. (2010). *Across Southern African borders with informal cross border traders*. Cape Town: Economic Justice Network of the Fellowship of Christian Councils in Southern Africa.
- Masiyiwa, G. (2020). *Cross border in Zimbabwe becomes casualty of coronavirus*. Available at <https://globalpressjournal.com/africa/Zimbabwe/cros-border-in-Zimbabwe-becomes-casualty-of-coronavirus/> [Retrieved July 08 2020].
- Mitchell, J. & Ashley, C. (2010). *Tourism and poverty reduction: Pathways to prosperity*. London. Earthscan.
- Moyo, J. (2020). *Second hand clothes hit big in Zimbabwe*. Available at <https://www.aa.com.tr/en/africa/second-hand-clothes-hit-big-in-zimbabwe/1712241> [Retrieved July 30 2020].
- Muzvidziwa, V.N. (1998). Cross-border trade: A strategy for climbing out of poverty in Masvingo, Zimbabwe. *Zambezia*, 25, 29-58.
- Naidoo, K. (2020). *The Labor Market Challenges of Covid-19 in sub-Saharan Africa*. Available at <https://www.africaportal.org/features/labour-market-challenges-covid-19-pandemic-sub-saharan-africa/> [Retrieved July 14 2020].
- Ndebele, L. (2020). *Lockdown: Smugglers changing the way they operate*. Available at <https://www.businesslive.co.za/fm/features/africa/2020-06-04-lockdown-smugglers-changing-the-way-they-operate/> [Retrieved July 29 2020].
- Nshimbi, C. C. (2018). Issues in African Informality: What is the Relevance for Regional or Continental Integration? *Africa Insight*, 48 (1), 41-61.
- Nshimbi, C. C. (2020). The Human Side of Regions: Informal Cross-border Traders in the Zambia–Malawi–Mozambique Growth Triangle and Prospects for Integrating Southern Africa. *Journal of Borderlands Studies*, 35 (1), 75-97.
- Ntsaluba, G. (2020). *Hungry Zimbabweans are risking elephant attacks and being robbed by armed gangs to get food from South Africa*. Available at <https://www.news24.com/citypress/news/hungry-zimbabweans-are-risking-elephant-attacks-and-being-robbed-by-armed-gangs-to-get-food-from-sa-20200708> [Retrieved July 08 2020].
- Nunez, R. J. (2009). *Circular Migration and Employment in Southern Africa*. TIPS Working Paper Series. Johannesburg.
- Nyathi, K. (2020). *Desperate traders risk virus spread to smuggle bales into Zimbabwe*. Available at <https://www.theeasetafrican.ke/business/traders-risk-virus-spread-to-smuggle-bales-into-Zimbabwe/2560-5547164-jqgps0/index.html> [Retrieved July 04 2020].
- Nyoka, S. (2020). *Zimbabwe eases tourism lockdown measures*. Available at <https://www.bbc.com/news/topics/crr7mlg0rpvt/zimbabwe> [Retrieved July 04 2020].
- Official Aviation Guide (OAG). (2020). *Coronavirus: Understanding the airline schedule changes and manage the impact*. Available at <https://www.oag.com/coronavirus-airline-schedules-data> [Retrieved July 14 2020].
- Palat, R. A. (2020). Corona Virus and the World-Economy: The Old is Dead, the New Can't be Born. In R. Samaddar (Ed.), *Borders of an Epidemic* (pp. 24-31). Kolkata: Calcutta Research Group.
- Peberdy, S. (2000). Mobile entrepreneurship: Informal cross-border trade and street trade in South Africa. *Development Southern Africa*, 17, 201-219.

- Peberdy, S. (2007). *Monitoring small scale cross border trade in Southern Africa*. A report for the Regional Trade Facilitation Programme. Johannesburg: Southern African Migration Project.
- Peberdy, S. (2017). *Competition or Co-operation? South African and Migrant Entrepreneurs in Johannesburg*. Southern African Migration Project: Migration Policy Series (75). Canada: Waterloo.
- Peberdy, S. & Crush, J. (1998). *Trading places: Cross-border traders and the South African informal sector*. Southern African Migration Project: Migration Policy Series (6), Canada: Kingston.
- Peberdy, S. & Crush, J. (2001). Invisible trade, invisible travellers: The Maputo Corridor Spatial Development Initiative and informal cross-border trading. *South African Geographical Journal*, 83, 115-123.
- Peberdy, S. & Rogerson, C. M. (2003). South Africa: creating new spaces? In R. Kloosterman & J. Rath, J. (Eds.), *Immigrant Entrepreneurs: Venturing Abroad in the Age of Globalization* (pp. 79-99). Oxford, UK: Berg.
- Peberdy, S., Crush, J., Tevera, D., Campbell, E., Zindela, N., Raimundo, I., Green, T., Chikanda, A. & Tawoodzera, G. (2015). Transnational entrepreneurship and informal cross-border trade with South Africa, In: Crush, J., Chikanda, A., Skinner, C. (eds.), *Mean Streets: Migration, Xenophobia and Informality in South Africa, Southern African Migration Programme*. Cape Town, 207-228.
- Rogan, M. & Skinner, C. (2020). *The Covid-19 crisis and the South African informal economy: 'Locked-out' of livelihoods and employment*. Cape Town: University of Cape Town, National Income Dynamics Study (NIDS) – Coronavirus Rapid Mobile Survey, Report 10.
- Rogerson, C. M. (2005). Conference and exhibition tourism in the developing world: The South African experience. *Urban Forum*, 16, 176-195.
- Rogerson, C.M. (2006). Pro-poor local economic development in South Africa: The role of pro-poor tourism. *Local Environment*, 11, 37-60.
- Rogerson, C. M. (2012). The tourism-development nexus in sub-Saharan Africa: progress and prospects. *Africa Insight*, 42 (2), 28-45.
- Rogerson, C. M. (2015). The uneven geography of business tourism in South Africa. *South African Geographical Journal*, 97(2), 183-202.
- Rogerson, C. M. (2016). Responding to informality in urban Africa: street trading in Harare, Zimbabwe. *Urban Forum*, 27, 229-251.
- Rogerson, C. M. (2018). Informal Sector City Tourism: Cross-Border Shoppers in Johannesburg. *GeoJournal of Tourism and Geosites*, 22 (2), 381-392.
- Rogerson, C. M. & Saarinen, J. (2018). *Tourism for poverty alleviation: Issues and debates in the global South*, In C. Cooper, S. Volo, B. Gartner & N. Scott (Eds.), *The SAGE Handbook of Tourism Management*.
- Samaddar, R. (2020). *Borders of an epidemic: Covid 19 and emigrant workers*. Kolkata: Calcutta Research Group.
- Southern Africa Migration Programme Report. (2017). *Migrants in countries in crisis*. Available at <https://www.samp.org/projects/> [Retrieved July 14 2020].
- Taylor, L. (2020). *Coronavirus shuts down Africa's tourist industry*. Available at <https://www.africanbusinessmagazine.com/sectors/tourism/coronavirus-shuts-down-africas-tourist/industry/> [Retrieved July 08 2020].
- The Herald. (2020). *Zimbabwe: Screws tightened on second hand clothes imports*. Available at <https://www.allafrica.com/stories/202005180583.html> [Retrieved July 08 2020].

- Tichaawa, T. (2017). Business Tourism in Africa: The Case of Cameroon. *Tourism Review International*, 21 (2), 181-192.
- Tichaawa, T. M. & Makoni, L. (2018). Insights into International Tourists' Experiences of, and Satisfaction with, Zimbabwe's Tourism Offerings. *Acta Universitatis Danubius*, 14 (1), 226-242.
- Timothy, D. & Teye, V. B. (2005). Informal Sector Business Travelers in the Developing World: A Borderlands Perspective. *The Journal of Tourism Studies*, 16, 82-92.
- Tiwari, B. N. (2020). The Body in Surveillance: What to DO with the Migrants in the Corona Lock Down. In R. Samaddar (Ed.), *Borders of an Epidemic* (pp. 42-48). Kolkata: Calcutta Research Group.
- United Nations (UN). (2020). *Shared Responsibility, Global Solidarity: Responding to the socio-economic impacts of COVID-19*. Available at <https://unsdg.un.org/sites/default/files/2020-03/SG-Report-Socio-Economic-Impact-of-Covid19.pdf> [Retrieved July 14 2020].
- United Nations Conference on Trade and Development (UNCTAD). (2019). *Informal Cross Border Trade for Empowerment of Women, Economic Development and Regional Integration in Eastern and Southern Africa*. Available at <https://unctad.org/en/Pages/DITC/Gender-and-Trade/Gender-Project-1617J.aspx> [Retrieved February 23 2019].
- United Nations Conference on Trade and Development (UNCTAD). (2020). *World Investment Report*. Available at <https://unctad.org/en/pages/PublicationWebflyer.aspx?publicationid=2769> [Retrieved July 15 2020].
- United Nations Development Programme (UNDP). (2020). A Preliminary Assessment of the Socio-economic Impact of Coronavirus (Covid-19) on Zimbabwe. *Policy Brief*, 001, 1-14.
- United Nations World Tourism Organisation (UNWTO). (2020). *World Tourism Barometer and Statistical Annex*. Available at <https://www.e-unwto.org/doi/pdf/10.18111/wtobarometereng.2020.18.1.3> [Retrieved July 14 2020].
- Businesstech (2020). *Why illegal traders keep getting away with selling illicit cigarettes in South Africa*. Available at <https://businesstech.co.za/news/trending/414201/why-illegal-traders-keep-getting-away-with-selling-illicit-cigarettes-in-south-africa/> [Retrieved July 29 2020].
- Zhou, Z. (2013). A perceived significance of hosting ATA's congress in Victoria Falls on Zimbabwe's tourism sector. *Asian Journal of Empirical Research*, 3 (6), 674-688.
- Zimbabwe Tourism Authority (ZTA). (2015). *Summary historical statistics*. Available at <http://www.zimbabwetourism.net> [Retrieved July 15 2020].