

# Poverty on the rise: The impact of the COVID-19 lockdown on the informal sector of Gweru, Zimbabwe

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## Abstract

The informal sector in Zimbabwe employs more than 80 per cent of the population, whose livelihood strategies are under severe threat because of the COVID-19 lockdown. This paper examines the effects of the lockdown on the informal sector in Gweru. Anchored within the legalist theory of informality, the paper analyses the response of government to the plight of the informal sector in Zimbabwe. A qualitative research design was applied and convenience sampling implemented to select 30 individuals whose livelihood depended on informal cross-border trade, informal transport, forex trading, hairdressing, and street vending. Results reveal that despite many involved in the informal sector having lost their means of survival during the COVID-19 lockdown, the government introduced additional restrictions on this sector, thus almost destroying it. In the absence of government assistance, many have adapted their operations, albeit through illegal activities. The study offers recommendations that may ensure the survival of the informal sector beyond the COVID-19 pandemic. This is important, given that the informal sector is the largest contributor to household income and food security in Zimbabwe.

## 1 | INTRODUCTION

The 2019 pandemic due to the coronavirus disease (COVID-19) and the subsequent ongoing lockdowns is on course to reverse years of gains in the alleviation and reduction of poverty, thereby undermining pre-existing global efforts to eradicate poverty through the achievement of specific Sustainable Development Goals (SDGs) by 2030. UNICEF and Save the Children have warned that the pandemic could push 86 million children into poverty, an increase of 15 per cent relative to the baseline (Nordic Africa Institute 2020). As the pandemic spreads across developing countries, the eradication of extreme poverty, currently affecting around 680 million people, seems almost unattainable (Olajide 2020; United Nations 2020; ILO 2020).

Although extreme poverty is driven by many factors, some stand out in the current crisis. Poverty has grown in response to plummeting economic growth, which has exacerbated existing inequalities. Global trade has fallen sharply, investments have been postponed, industries shuttered and domestic demand curtailed, and, in the process, innumerable jobs have been jeopardised (United Nations 2020; UN-Habitat 2020). At the household level, loss of jobs and income and high expenditure on healthcare are probably the most prominent reasons for people sliding into poverty. People living in countries with a large informal sector, such as in Africa, with poor or inaccessible healthcare and a weak social protection system are particularly at risk (Duerksen 2020; UN-Habitat 2020). The ILO estimated that relative poverty among informal workers increased in the first month of the crisis by 56 per cent (ILO 2020).

While people in high-skill employment in the formal sector are able to work online from home, and so enjoy significantly more economic and health protection, the most vulnerable participating in the informal sector of developing nations, particularly those in Africa, are experiencing severe economic challenges due to the lockdowns (Nordic Africa Institute 2020). This situation, if not corrected, could stunt social mobility and exacerbate inequality for those dependent on the informal sector to sustain their livelihoods for years to come. A sudden spike in poverty and inequality arising from the current crisis will thus have long-lasting social and economic effects. In sub-Saharan Africa, the vast majority of informal economy workers are faced with occupational health and safety risks even in normal times, and the COVID-19 pandemic has now worsened the situation (ILO 2020; Resnick, Spencer and Siwale 2020). Thus, informal workers in sub-Saharan Africa (close to 90 per cent of the sub-Saharan African labour force) are among the most vulnerable to the health and economic hardships brought about by COVID-19 (Resnick *et al.* 2020; ILO 2020; Rogan and Skinner 2020). Governments in Kenya, Uganda, South Africa, and Zimbabwe introduced measures that placed restrictions on informal workers during the earliest phases of lockdowns (Department for International Development 2020). These measures have had a severe impact on the informal workers, who historically have been more vulnerable to the actions of the state (Skinner and Balbuena 2019; WHO and the World Bank 2017).

The 2020 COVID-19 pandemic in Zimbabwe further aggravated the already negative impact of a difficult macro-economic environment and natural disasters such as Cyclone Idai and recurrent drought. On March 21, 2020, Zimbabwe began a national lockdown in a bid to combat the spread of COVID-19. This included a ban on all except essential activities and services such as health care and law enforcement (Government of Zimbabwe 2020). When the lockdown was eased in May and June of 2020, there was some relaxation in terms of activities within the informal sector; however, a large proportion of the informal sector was prohibited from functioning, and as of February 2021 was still not allowed to operate. It is estimated that the informal sector in Zimbabwe contributes to over 60 per cent of gross domestic product (GDP) and accounts for slightly over 80 per cent of the country's employment figure (Government of Zimbabwe 2011; ILO 2015; Kudejira 2020). Given the dependence of the population on the informal sector, it was to be expected that due to the pandemic and the resultant prohibiting of many informal activities during the state-imposed lockdown, a large proportion of the Zimbabwean population would be pushed into abject poverty and placed at a higher risk of exposure to COVID-19. Ndhlovu and Tembo (2020) pointed out that Zimbabwe certainly did not escape the socio-economic consequences of national lockdowns. COVID-19 increased the difficulties faced by the poor and the marginalised, who lack the resources to respond to the disruptions caused by the pandemic (Mhlanga and Ndhlovu 2020). When analysed according to the International Poverty Line (IPL) of US\$1.90 purchasing power parity (PPP), by 2018, about 74 per cent of the total population was classified as poor (World Bank 2019). Given the already fragile economic situation of the majority of the Zimbabwean population and the dependence of many in the country to generate their livelihoods within the informal sector, research on the impact of the COVID-19 lockdown on the livelihoods of informal workers is therefore merited and is thus the purpose of this paper.

The informal sector plays a dominant economic role in the city of Gweru (Dzawanda, Nicolau, Matsa and Kusena 2021), and thus the city provides the perfect case study for research that documents the economic impact of lockdowns associated with COVID-19. In Gweru, informal traders,

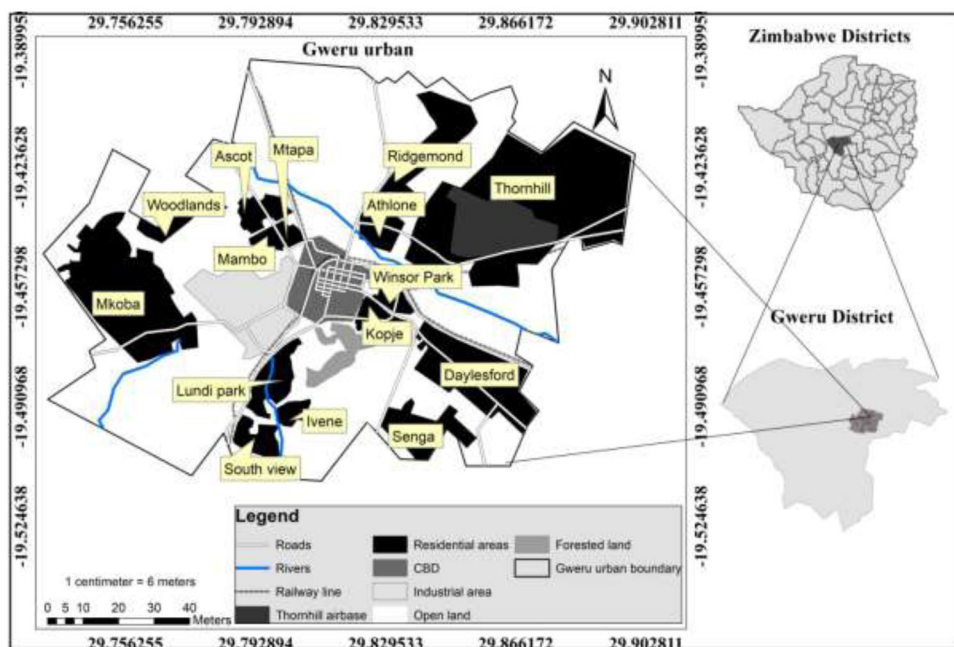


FIGURE 1 Map of Gweru, Zimbabwe [Colour figure can be viewed at [wileyonlinelibrary.com](https://onlinelibrary.wiley.com)]

cross-border traders, and street vendor markets play a vital role in providing clothing, fresh vegetables, and other food essentials to the population. However, during the lockdown these sources of essential everyday items were not available. The informal bus terminuses, known as *mushikashika*, which facilitated the transport of goods between rural and urban areas (and within urban areas) were also closed, which severely curtailed the employment, income, and livelihoods of rural (supplier) and urban (buyer) populations. The loss of income during the lockdown increased the vulnerability of people and pushed them deeper into poverty, especially those reliant on the informal sector for their survival. While considerable research attention has been paid to the public health and socio-economic aspects of the pandemic on a broader scale in Zimbabwe, the socio-economic implications of the pandemic in Gweru city has largely been ignored, despite the fact that the majority of its population is active in the informal sector. The research on which this paper is based therefore sought to establish the impact of the COVID-19 lockdown on the various businesses in the informal sector of Gweru and assess the survival strategies employed by traders during that period.

## 2 | STUDY AREA

Gweru, located in the centre of the country (Figure 1), is the administrative capital of the Midlands Province, which is among the five provinces where 81 per cent of COVID-19 cases have been recorded in Zimbabwe (OCHA 2020). According to Matsa, Mavugara, and Dzawanda (2019), the majority of people in Gweru live in high-density suburbs characterised by informal settlements and crowded conditions, making social distancing difficult.

Historically the formal sector has declined with the downsizing of a number of business enterprises, resulting in high employment losses within the formal sector of Gweru. In an effort to sustain their households, inhabitants of the city who were formerly employed, now turned to the informal sector; more specifically, street vending, informal cross-border trading, the running of flea markets and tuck shops, urban agriculture, and foreign currency exchange. The economic landscape of Gweru is thus

characterised by a high degree of participation in the informal sector. Dzawanda *et al.* (2021) state that over 70 per cent of the economically active population in Gweru works in the informal sector.

### 3 | THEORETICAL FRAMEWORK

Although the dualist, structuralist, legalist, and voluntarist theories are the four dominant schools of thought regarding the nature and composition of the informal economy (Chen 2012), this research focuses on the legalist theory. Legalists argue that a hostile legal system leads the self-employed to operate informally and to establish their own informal extra-legal norms (Chen 2012; Gano-An 2019; Matsongoni and Mutambara 2018; Sillah 2019). People choose to enter the informal sector to evade the burden of strict regulations and high taxes in the formal sector.

It can be argued that the large informal sector in Zimbabwe arose in response to government policies and regulations. More recently and during the lockdown period, the government of Zimbabwe, in a bid to curb the spread of the coronavirus, introduced policies that indirectly promoted informal activities that increased the risk of people in this sector being exposed to the virus, as they desperately tried to provide food for their families. The government also made use of the lockdown as an opportunity to push through policies aimed at eradicating the informal markets, which resulted in the demolition of numerous informal trader stalls without notice or consultation. Matamanda (2019) and Mbiba (2019) observed that decision-makers in Zimbabwe have long been grappling with urban informality. As noted by Matamanda, Chirisa, Dzvimbo, and Chinozvina (2019), a similar situation occurred in 2005, when the government destroyed illegal urban settlements during Operation Murambatsvina. This method of dealing with the informal sector raises alarm with regard to the way in which power can be used to control informal activities in urban Zimbabwe.

### 4 | METHODOLOGY

A qualitative design was employed, with in-depth interviews being held with people engaging in various businesses in the informal sector. The question guidelines were designed to achieve three overall purposes: first, to establish the changes brought about by the lockdown in the business of informal traders; second, to examine how the informal workers were affected by the lockdown; and third, to identify the survival strategies employed during the lockdown. This design allowed the researchers to explore and provide deep insights into the impact of the COVID-19 lockdown on the informal sector and how it increased the vulnerability of those operating in the informal sector to poverty. The design also helped to incorporate the human experience during the lockdown period into the study.

The informal sector was identified for research because it was one of the sectors prohibited from operating during the lockdown, since it was not deemed an essential service. Furthermore, the sector was not allowed to operate even after the relaxation of the restrictions. Convenience sampling was used to select participants who were available and reachable by the researchers, since data was collected during the lockdown period. Snowball sampling was then used, with members of the first sample referring the researchers to other participants in the informal sector.

The sample comprised 30 participants in the informal sector engaged in informal cross border trade, the informal transport sector, street vending, forex trading, and hairdressing. Data saturation was soon reached, with six representatives of each of these informal businesses making up the sample. This assisted the researchers in managing the complexity of the task of analysing the qualitative data (Vasileiou, Barnett and Thorpe 2018). As data was collected during the pandemic, the interviews were conducted telephonically in order to maintain social distance and thus reduce the mutual risk of exposure to COVID-19. The researchers first sought the consent of the first identified participants (one from each sector) to participate telephonically in the study. These participants then referred the researchers to other informal workers and provided their mobile numbers. Data analysis included using

thematic analysis based on the research objectives and questions asked in the interview. This allowed flexibility in interpreting the data and provided a purely qualitative and detailed account.

## 5 | RESULTS and DISCUSSION

### 5.1 | Changes brought about by the COVID-19 lockdown to the business of informal traders

#### 5.1.1 | Informal cross-border trade

Six respondents were involved in informal cross-border trading. Three had sold second-hand clothing (bales) and three had sold new goods (clothes and shoes) prior to the lockdown. Three of the traders sold their goods at flea markets owned by the Gweru City Council, and the remaining three traded at privately owned flea markets. The traders at the Gweru City Council-owned flea markets ceased their cross-border trading activities during the lockdown and only resumed activities in February 2021. They stated that city officials, in collaboration with the national government, exploited the lockdown by using it as an opportunity to demolish their market stalls while they were observing stay-at-home orders. This supports the findings of Kulkarni (2020) to the effect that authorities in Zimbabwe's major cities demolished thousands of vending stalls in a campaign to renovate and clean-up workplaces occupied by informal traders before the resumption of business post lockdown. However, these workplaces had not been renovated from the time of their demolition in April 2020 until February 2021. This supports the contention of Matamanda (2019) and Mbiba (2019) that decision-makers in Zimbabwe struggle with dealing with aspects of urban informality. On the other hand, traders who operated at privately owned flea markets and who ceased doing business during the full lockdown began operating again when the government eased restrictions in February 2021 and after the private market owners met the conditions set by the government.

#### 5.1.2 | Informal transport sector

Of the six respondents in this sector, two were drivers of commuter omnibuses, locally referred to as *kombis*, two were drivers of privately owned cars, and two were conductors on commuter omnibuses. All the participants in this sector were male and operated from an informal bus terminus in the CBD. The respondents indicated that informal transport was banned during the lockdown, in a bid to curb the spread of COVID-19. Despite some relaxation of the lockdown in September 2020, the informal transport sector was prevented from resuming operations, while the state-owned Zimbabwe United Passenger Company (ZUPCO) and operators franchised by ZUPCO were permitted to operate following lockdown relaxation. In terms of legalist theory, it is precisely this type of government regulation that gives rise to an increase in illegal informal activities, as those whose informal businesses were shuttered sought other informal avenues for survival. Informal transport operators were observed carrying passengers, bribing the police officers at roadblocks in exchange for permission to pass through, and exposing themselves and their passengers to the virus, since they were not observing COVID-19 regulations.

#### 5.1.3 | Street vendors

All six respondents interviewed were female, and operated in the CBD before the lockdown began, selling products such as fresh vegetables, peanut butter, and fruit. They stated that they had been unable to operate since the beginning of the lockdown. During the first phase, which amounted to a total

lockdown, they were unable to trade, as they had no freedom of movement to sell their products and most of their customers were not within reach. They reported that when the lockdown restrictions were eased they were still not allowed to operate. They tried to trade illegally, albeit with great difficulty.

#### 5.1.4 | Forex traders

Of the six forex traders interviewed, four were male and two were female. All operated in the CBD before the lockdown began, and all were university graduates. Most began trading in forex in 2018 when the Zimbabwean bond note (a surrogate currency) started losing value against the United States dollar, and it was a very profitable sector due to quick and high returns. When the lockdown began they were not allowed to operate in the CBD, and those who tried to operate in the residential areas struggled, since law enforcement officers were deployed everywhere to ensure adherence to the lockdown. Even after some relaxation of the lockdown restrictions, the forex traders were prohibited from operating. Although some tried to resume their trade, they reported that it was difficult, as they did not have letters of permission to enter the CBD. These traders received a further setback when the government introduced policies during the lockdown period that effectively ended the operation of forex traders in the parallel market.

#### 5.1.5 | Hairdressers

Of the hairdressers interviewed, four were female and two were male. The female participants were involved in styling and dressing hairpieces, extensions and wigs, hair colouring and texturing, while the males engaged mainly in cutting hair. Prior to lockdown, the hairdressers operated in the CBD; however, at the start of the complete lockdown they had to shut down their businesses completely, as they were not considered essential service workers. During the first phase of the lockdown some tried to continue their trade from their homes or to travel to clients' homes, but this was difficult. When the restrictions were relaxed, they struggled to enter the CBD as they had no letters of permission; moreover, business was very slow, since most of their clients were unable to travel to town.

## 6 | THE NEGATIVE IMPACT OF THE COVID-19 LOCKDOWN ON THOSE OPERATING IN THE INFORMAL SECTOR

### 6.1 | Informal cross-border traders

Informal cross-border traders reported that the virus and the resultant lockdown happened so fast that they did not have enough time to prepare for any economic repercussions. Those who were operating at city council-owned flea markets indicated that they had not paid the flea market rentals since the lockdown began, and their limited savings, earmarked for importing goods for further trading and profit, were spent on food and other household demands. Most of the traders had insufficient savings to sustain their households during the lockdown period that lasted much longer than originally anticipated. Their dire financial situation worsened with the escalation in the prices of basic commodities, leaving them hard pressed to meet their rental and service payment commitments. This aligned with the findings of FAO (2020), that found that the lockdown caused an income shock that will negatively affect the food security and nutrition of the poorest as incomes fall and food prices increase.

Respondent 1, a 50-year-old widowed mother of four whose stall had been demolished had given up hope of being able to afford the rental and pay back the loan she had taken to buy stock. She described her situation in the following words:

I was deprived of income and had to vacate my rental home since I could not afford the rentals fees. I had to live in one room at my in-laws with my four children (two girls and two boys aged 4, 8, 10 and 12 respectively) and my property. We had no money for food and no one helped us. If I don't settle the loan they will definitely come and confiscate my goods.

Respondent 1's description of her economic situation is mirrored by Mukeredzi (2020) who rightly asks how traders confined to their homes would be able to feed their families. Those who were operating at privately owned flea markets indicated that they were expected to pay rental even when they were not conducting business during the lockdown period. When traders failed to pay rent, the flea market owners would allocate their stalls to other traders. One of the respondents interviewed failed to pay rental during the period of the lockdown and was thus excluded from the flea market permanently. The traders explained that when the lockdown began they used all the money they had to purchase food and were unable to trade, as their stock was locked up at the flea markets in the CBD and was therefore inaccessible, as movement was restricted. They resumed limited business activities after the three months of the first initial lockdown. They found it very difficult to travel to the CBD, as the informal transport operators were not allowed to operate and those that were allowed to provide public transport were in short supply and could not accommodate all commuters. The traders explained that most of their customers found getting to the CBD difficult, and thus their sales were very low. Moreover, the national borders were closed, and this meant they could not replenish their stock once depleted.

The demolition of the Gweru market stalls used by informal traders is not aligned to the government's strategy to promote small businesses. With their market stalls destroyed, the traders were unable to trade, as they had nowhere to operate from, and they did not know when they would resume business and under what conditions. The demolition of their stalls exacerbates an already desperate situation, especially as memories of the impact of Operation Murambatsvina in 2005 was not conducive to generating confidence that the government will replace their informal workplaces with better alternatives.

The situation in Gweru is an example of the operationalisation of the legalist theory, which argues that government regulations and policies are responsible for the rise of the informal sector. By destroying informal market stalls and preventing informal traders from operating during the lockdown without providing them with any alternative solution, the government promoted an increase in illegal activities, as the traders were desperate to provide for their families within the context of a collapsing economy and a raging pandemic.

## 6.2 | Informal transport

Participants involved in the informal transport sector indicated that they were already struggling to provide for their families prior to the lockdown due to the economic hardship prevalent in the country. The lockdown resulted in worsening of their economic situation, with little promise of improvement. A commuter omnibus driver (Respondent 7) explained:

The announcement of the lockdown proved to be a final nail in the coffin to what we were already experiencing. Most of us were living hand to mouth. In this economy if you don't kill there is no food and we haven't been in the wilderness since the lockdown began and this has made hunger a more lethal threat than the COVID-19 virus itself.

The statement made by respondent 7 is further evidence that informal workers were finding it difficult to adhere to the COVID-19 containment measures. The implication of this statement from a legalist theory perspective is that the decisions made by the government to contain the virus were harsh on the

informal sector to the extent that it threatened their source of survival. To informal transport operators, for example, their operation was a matter of life or death, as staying indoors during the lockdown meant dying of hunger. Informal workers therefore got involved in illegal operations during the lockdown period in order to survive, since the fear of hunger and starvation was as threatening as the fear of the coronavirus itself. The legalist theory contends that the informal workers turn to illegal methods not to act against society or by choice but to survive (Chen 2012; Gano-An 2019; Matsongoni and Mutambara 2018; Sillah 2019). Fox and Signé (2020) state that with 68 per cent of informal sector workers in Africa living in countries that implemented full lockdowns as of April 2020, the imposition of a lockdown poses a tremendous dilemma requiring a choice between the lives and livelihoods of informal economy workers. Thus, many informal economy workers had to choose between the risk of infection and starvation resulting from disruption of their livelihood (ILO 2020).

The two omnibus conductors indicated that they had no option but to send their families to the rural areas when the lockdown began, as they did not know whether they would be able to resume operations. They did this mainly because they could not afford to rent more than one room in Gweru; without their families they could rent a single room in a low-income residential area where rentals were lower, and even share that room with friends to lessen the financial burden. Maru (2020) points out that the COVID-19 containment strategies in Africa are greatly hampered by the near impossibility of social distancing, as a large proportion of the urban population live in crowded conditions in informal settlements.

Informal transporters were also unsure of whether their families would be able to return to Gweru, as it was becoming difficult to survive financially in the city. They also suggested that when the schools re-opened, their children would have to transfer to rural schools. A private motorist who transported people to and from the CBD stated that he had had to sell the car during lockdown as it was clear that the government had no intention of allowing private operators after the first relaxation of lockdown restrictions in May 2020. He could no longer afford to maintain the car as fuel and licensing costs continued to escalate during the lockdown, and if operators were found by the police to be transporting people, they would be arrested and their vehicles impounded. All the informal transport operators lamented the extremely low probability of resuming business, since the government indicated that the ban on informal transport could extend past the lockdown. Given the reality that in Zimbabwe the employment rate is very low and the economy is not functioning well, this was going to be difficult on part of the informal transport operators. To be able to survive, they would end up getting engaged in other informal activities, pushed by the challenging policies as alluded to by the legalist theory. The legalists view the informal economy as a rational response by micro-entrepreneurs to over-regulation by government bureaucracies (Chen 2012; Gano-An 2019; Matsongoni and Mutambara 2018; Sillah 2019).

Removal of commuter omnibuses from the streets disrupted an entire network comprising the owners of the vehicles, drivers, conductors, touts, and mechanics whose livelihood depended on the informal transport sector. This situation also affected those dependent on the informal transport system to travel to work. Many in residential areas close to town had to resort to walking to town. While banning commuter omnibuses was meant to limit movement to and in the urban centres, buses were unable to provide an adequate or reliable service. Again, the government was responsible for destroying the informal sector without offering better living conditions for the people operating in it, as a consequence of which those affected would probably have to find other (including illegal) means of survival in the informal sector. This again aligns with legalist theory, which suggests that government is responsible for increased participation in the informal sector through directly and indirectly making it difficult to operate in that sector.

### 6.3 | Street vendors

The street vendors indicated that the demand for fresh produce had dropped since the lockdown began due to reduced travel and human movement. During the total lockdown phase, they did not conduct



any business, since they were not allowed to leave their homes. They therefore consumed the fresh vegetables originally intended for sale. They explained that their business was hand-to-mouth; without trade, there was no income, and so the lockdown affected them severely, as they were not allowed to sell their vegetables on the pavements in the CBD. After the partial relaxation of the COVID-19 lockdown, they struggled to resume business in the CBD, since they were either arrested or had their goods confiscated. A 38-year-old female (Respondent 13) described the impact of the food shortages and the financial crisis facing her family:

I have 3 children and we stay in the low-income residential area of Mtapa but could not afford the rental fees let alone feed my family. My husband is a drunkard and a lazy person which makes my situation very challenging since I have to take care of the family alone. Sometimes he would steal the little money I earned during the lockdown and spend it on beer. With this lockdown I don't know what is going to become of me and my children in the future.

Another female participant (Respondent 14) described how she was arrested for selling fresh vegetables on the street after relaxation of the lockdown in the CBD:

Police officers caught me selling Covo and tomatoes and confiscated all my fresh vegetables and fined me 500 Zimbabwean dollars which I did not have and had to sleep in the cells. I was only released the following morning after my brother came to my rescue. My two children had to sleep hungry since they were waiting for me to bring mealie meal which I thought could afford after selling some vegetables.

The statements of Respondents 13 and 14 are significant in terms of the legalist theory in the sense that the law enforcers had prescribed punishments for specific behaviours yet no solution for the survival of COVID-19 regulations victims during the lockdown period. The legalist theory contends that penalties are imposed for those who remain in the informal sector (Mukeredzi 2020). The government knew the majority of the people survive on the informal sector, which depends mainly on hand-to-mouth services. Therefore, for them to survive they had to work, but, unfortunately if they did, the law caught up with them. This generated more illegal activities as people tried various means for survival during the lockdown period.

## 6.4 | Forex traders

Illegal forex trading was significantly affected during the lockdown. Traders could not reach their customers and most of their customers could not reach them either, due to movement restrictions. After the lockdown restrictions were eased, traders found it difficult to enter the CBD, since police officers required a letter of permission, without which entry was denied. The only remaining option was to operate in their residential areas, and this meant a reduction in the number of customers. Since their business was affecting the stability of the national currency, the government introduced policies to reduce their operations. Policies included the blocking of the mobile wallet agent lines and reducing transaction limits on bank and mobile money transfers, which significantly reduced the profits earned by informal forex traders. Many traders lost their money when the mobile wallet agent lines, which they used for transaction purposes, were blocked, and without the mobile wallet agent lines it was no longer profitable to conduct this type of business. Respondent 19 explained how the situation affected his livelihood and the life of his mother:

I could manage to look after my sick mother who had suffered a stroke and pay all the medical expenses involved but when they blocked all my agent lines my income reduced

and could not afford paying the medical expenses anymore. We had to relocate from the low-density residential area in Athlone to a high density residential area in Mkoba 14 since we could no longer afford the high rental fees. I really don't know where to start and which job to venture into for survival right now since it is clear the government has no intention to loosen their policies on us, we can't continue depending on this business anymore.

The sentiments of Respondent 19 are aligned to the legalist theory in the sense that it is the government that introduced policies that destroyed the business of informal forex traders, and yet these forex traders need a source of income to depend on for survival. This resulted in forex traders looking for other informal jobs or illegal jobs to survive on since they cannot find jobs in the formal sector. In other words, the government is encouraging the illegal and informal sector to expand indirectly by introducing policies that are not conducive to the prevailing economic environment. Acting outside of the law will become the only option for the poor because it is more beneficial for them to break the law since the cost of abiding by it is greater than the benefits that could be accrued.

Relocation from low-density to high-density areas has made social distancing difficult for families. The majority of those interviewed in this sector were university and college graduates who had failed to secure jobs in the formal sector since graduating, and so considered venturing into other (probably illegal) avenues, since they had no other source of income. This situation too is aligned with the legalist theory, which argues that government policies have a direct impact on the expansion of the informal sector.

## 6.5 | Hairdressers

The hairdressers interviewed stated that the number of customers in need of their services had reduced significantly since the lockdown began. The female participants explained that it was difficult to conduct business at home, as some of their services required water, which was in short supply due to water rationing. During the total lockdown phase, owing to movement restrictions they conducted no business at all and therefore had no income whatsoever. When the lockdown restrictions were eased, the hairdressers did not resume work immediately, since their premises were required to meet COVID-19 safety regulations. Due to difficulties in meeting these regulations, the hairdressers started operating illegally. However, finding customers was difficult, since most could no longer afford to pay for hair-dressing services, as some had lost their jobs during the lockdown period and others were not able to enter the CBD without letters of permission. Two of the hairdressers indicated that they had to stop operating in the CBD since they could not afford to pay rental on both their homes and businesses.

One of the hairdressers (Respondent 21), a single mother of two, stated that she was forced to operate from home, as it was costing too much to travel to town and back every day without attracting a single customer. She explained that she had to take some of her furniture to her sister's house so that she could rent out a room to earn a little extra income. She and her children had to reduce their meals from three to two per day to stretch the little food they had.

## 7 | IMPACT CHAIN: CHANGES IN THE INFORMAL SECTOR DUE TO THE COVID-19 LOCKDOWN

COVID-19 has affected many Zimbabweans both directly and indirectly. Figure 2 illustrates how people in the informal sector have been affected by the lockdown. Not only were traders, their families, and their employees negatively affected by the pandemic, but so were their customers. The economy in Zimbabwe relies heavily on the informal sector for survival and as an avenue out of poverty, yet the pandemic has strained the already fragile circumstances that prevail in this economic sector. Zimbabwe

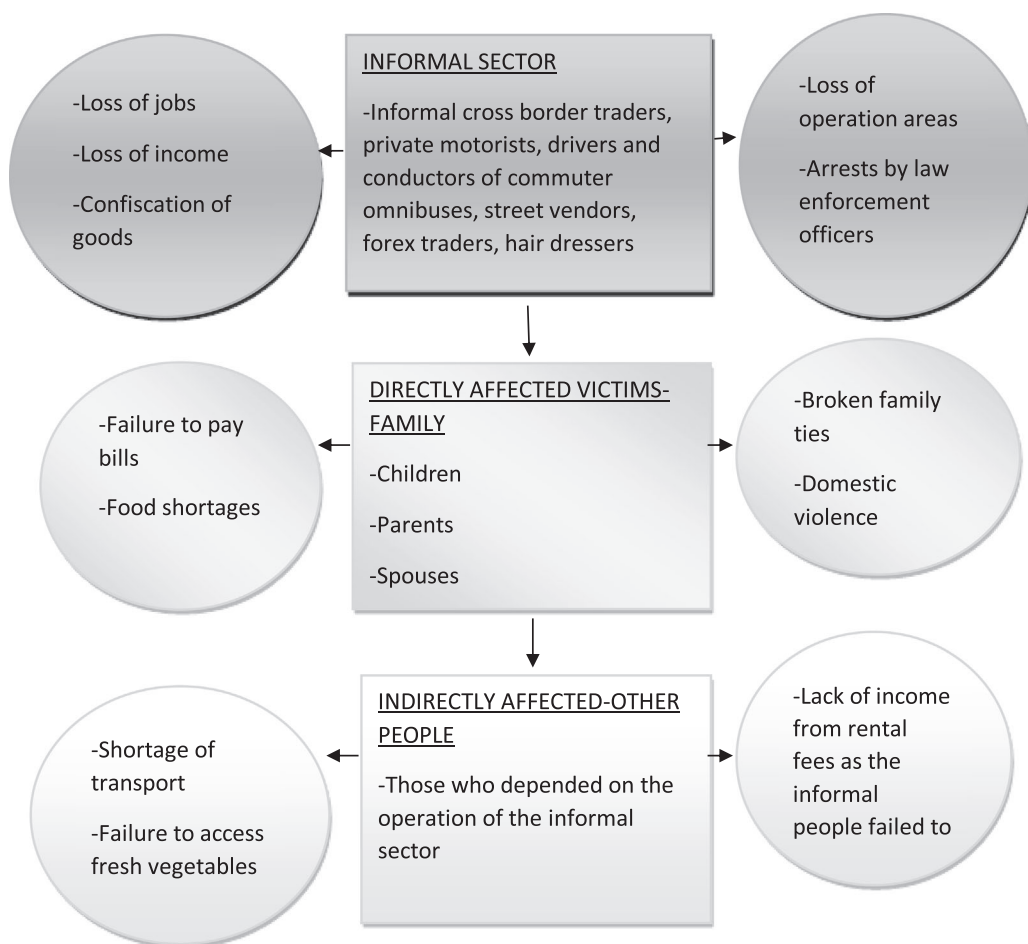


FIGURE 2 Impact chain as a result of changes in the informal sector due to Covid-19 lockdown

National Statistics Agency (2020) notes that the lockdown represents a financial crisis for over 75 per cent of the economically active population who earn their living in the informal sector.

## 8 | SURVIVAL STRATEGIES EMPLOYED DURING THE COVID-10 LOCKDOWN

### 8.1 | Informal cross-border traders

The informal cross-border traders who were operating at city council-owned flea markets indicated that when their market stalls were demolished they had to operate from home. They advertised whatever stock they had on social media platforms and clients would come to their homes to purchase goods. However, since movement was restricted, their income was reduced and they were unable to purchase more stock for resale.

The informal cross-border traders at privately owned flea markets indicated that they had to borrow money to purchase new stock. They crossed the border illegally by bribing officials, and relied on the help of *malaicha*, who acted as intermediaries between them and the police officers. However, this strategy exposed them to the virus, as no tests were conducted, and when they returned home, this

risk was extended to their families and customers. The most glaring issue is the diminished state of rule of law and good governance caused by corruption and, more particularly, bribes. Corruption of state officials undermines the principle of authority and makes it difficult for the state to maintain a legitimate role as law enforcer. The state and informal economy develop a relationship of “inevitable conflict” in which actors in the informal economy try to avert the state or co-opt it through bribes and incentives. Informal cross-border traders were thus prepared to do anything for survival despite official efforts to curb their business operations. On occasion they would engage the services of cross-border agents to whom they gave money to buy them the goods they wanted from neighbouring South Africa. However, the major risk was that there was no certainty or guarantee that the agents would bring back the promised goods, and as this activity was illegal, traders would not be able to report theft of this kind.

The cross-border traders indicated that they did not receive any form of assistance from the government even though they provided their details for possible financial assistance at the start of the lockdown. Following the legalist theory, this clearly shows that, in a way, the government of Zimbabwe encouraged the mushrooming of informal sector and illegal activities during the lockdown period since they did not provide any means of survival for the people whose sources of income they had destroyed. This confirms the reporting by Buckle (2020) and Mpfu (2020), that the government promised a once-off cushioning allowance to vulnerable people, but more than four months into the lockdown only 202,000 of the 1 million households identified for assistance had received it. None of the participants in our research reported having received any assistance from the government. Without any assistance and deprived of their sources of livelihood, the informal workers cannot escape rising poverty levels. All the participants expressed the view that the government of Zimbabwe should not have taken advantage of the lockdown to destroy the informal sector, since that is what the majority of Zimbabweans depend on for survival. They also felt that Gweru city officials should not delay in providing new operating areas for the traders whose market stalls had been demolished.

## 8.2 | Informal transport sector

While one private motorist had sold his car and used the money to survive the lockdown period, others had turned their vehicles into mobile shops selling groceries that were in short supply during the lockdown, since they had no other means of making a living. However, this was considered illegal, and they had to enter residential areas where they had regular customers for their goods secretly. Others indicated that they were doing anything that came their way, as long as it provided them an income. This is clear evidence that the government’s effort to stop the operation of the informal transport gave rise to other informal activities, and again suggests the relevance of the legalist theory.

Participants also stated that although government had called upon private transport operators to join the formal transport sector, it was not possible for all private operators to do so, as then their vehicles would have had to meet certain safety standards. In addition they reported that they made less profit when operating within the formal transport sector, and that this did not cover the cost of maintaining their fleets, let alone provide an income to support their households. They also stated that some owners of commuter omnibuses who had joined the formal transport franchise were already complaining that the government had failed to pay them on time, and that by the time they were paid, the money had lost value due to inflation. This dissuaded many from franchising their vehicles. The legalist theory argues that inefficient, cumbersome, and costly government regulations make it difficult for micro-entrepreneurs to comply with formal requirements, and in consequence they prefer to operate informally. Formal participants in the economic sector bear costs to maintain their formal status, while many who participate in the informal sector evade these requirements. It was interpreted by many of those interviewed that extra costs are imposed on those who obey the law, and the additional financial burden was a sufficient incentive to reject or ignore laws that were perceived as inconvenient.

Participants indicated that they received no assistance from the government and that they had no other means of survival. They suggested that government should not ban this sector, but should instead devise a workable system to accommodate all transport providers outside the formal transport system. As argued by the legalist theory, this suggestion clearly indicates that the informal workers were not prepared to leave the informal sector even though the government continued to create difficult conditions for them to operate under this sector.

It is evident that the formal transport model is not ideal for private operators, who are expected to supply their own vehicles, only to be managed by the state under unsatisfactory conditions that negatively affect their profitability. As the exchange rate continues to deteriorate, it is not feasible for any transport operator in the informal sector to expect monthly payments in local currency. Moreover, considering the number of informal transport operators, it is questionable whether the government would be able to subsidise them all and absorb them into the formal transport sector if it is already failing to pay the few who have joined the formal sector thus far.

### 8.3 | Street vendors

The street vendors stated that they had been clashing with law enforcement agents well before the COVID-19 pandemic, and so were used to enforced regulations, and would not give up while they needed to provide food for their families. Respondent 15 said:

We are used to them treating us this way, they remove us from the streets and we continue coming back. This will continue until they understand that this is our only means for survival. What can we do in an economy where you hardly find employment? I would rather die trying than stay at home afraid of these police officers whose children are well fed at home since they are earning salaries.

The sentiments expressed by respondent 15 clearly indicate that as long as the economy of Zimbabwe is not functioning well to employ people in the formal sector, the informal sector will continue to exist despite any policies and regulations to stop its operation. The legalist theory stipulates that it is the ruling system and its policies that cause the growth of the informal sector.

The street vendor participants reported that they had received no assistance from the government since the lockdown began. The only official message they had received was that, as part of government's attempt to curb the spread of COVID-19, they were no longer allowed to operate in the CBD. They argued that the government of Zimbabwe should not introduce policies preventing them from operating, since the government itself had failed to provide any form of assistance to the informal sector.

### 8.4 | Forex traders

All the forex traders explained that they had resorted to the use of individual mobile wallet lines and bank transfers, but that due to limitations imposed on these, it was very difficult to make a profit. Furthermore, unlike the blocked agent lines, the individual lines and bank transfers drew charges, which further reduced their profits. They stated that it was difficult to adapt under such conditions, and the only other option was to look for alternative means of earning, which was difficult in a deteriorating economy such as that in Zimbabwe.

Forex traders indicated that they would receive no assistance from the government, since their type of business had been targeted by the government before the COVID-19 pandemic because their operations were considered to be criminal and responsible for the daily escalation in the exchange

rate. They also stated that, unlike others in the informal sector, they had not been invited to register to receive assistance from the government.

## 8.5 | Hairdressers

Some hairdressers explained that they had to vacate their premises in the CBD and had started operating from home to reduce expenses such as rental and transport to and from town. Others described how they had turned part of the land surrounding their homes into market gardens, and were growing vegetables from which they were hoping to generate some income and feed their families. They were therefore diverting to vending as another form of informal sector operation; thus, their situation further demonstrated the validity of the legalist theory, which states that policies introduced by the government are responsible for the rise in the informal sector. None of the hairdressers reported receiving any form of assistance from the government. They also expressed the view that the government of Zimbabwe should not place further restrictions on them, since they relied on the informal sector for their livelihood.

## 9 | CONCLUSION

Under Zimbabwe's indefinite COVID-19 lockdown, informal workers and their families in Gweru are highly vulnerable, confined, and unable to earn a living as before, and this is increasing poverty levels. This is likely to have a negative impact on the attainment of a significant number of the Sustainable Development Goals, in particular the goal to end poverty in all its forms by 2030.

During the lockdown, in order to survive many people in the informal sector engaged in illegal activities, which perpetuated the dominance of the informal sector in Zimbabwe. According to the legalist theory, it can be argued that government regulations are responsible for the growth in the informal sector. In light of the findings from this study, the COVID-19 pandemic presents an opportunity for both government and city authorities to reconsider their engagement with informal sector workers. The socio-economic crisis under the lockdown has highlighted the critical role of national governments in responding to emergencies in cities, as well as the equally crucial role of local governments in responding locally. Further research is necessary to discover whether the informal sector in Gweru and Zimbabwe generally was revived post COVID-19, and to assess the measures (if any) that were introduced to reduce the vulnerability of this sector.

## 10 | RECOMMENDATIONS

The government of Zimbabwe should provide a workable policy system that accommodates the informal sector by allowing it to operate under restrictive measures during the COVID-19 pandemic instead of trying to eliminate the sector entirely. This can be achieved through decongesting markets or premises where informal workers operate and ensuring that they operate under new health protocols. In an economy where formal employment has collapsed, the government should do more to create opportunities for the informal sector to operate, since it is the largest source of employment for many. This will help the country to fight poverty and achieve the Sustainable Development Goals.

The government of Zimbabwe should assist the informal sector by providing personal protective equipment, including hand sanitisers and masks. This can be achieved through engagement with other social and non-governmental organisations and through seeking assistance from other countries.

Above all, the government of Zimbabwe, in collaboration with local councils, must encourage participants in the informal sector to register their operations in order to receive assistance from the government whenever similar global or national catastrophes occur, since their activities will be deemed

legal. The government can facilitate this process by allowing the informal sector to register their businesses at no cost and also by introducing a low tax fee that does not seriously affect the profits of these small-scale businesses. In Zimbabwe, participants in the informal sector have a weak social contract with the state and this has exacerbated their vulnerability during the COVID-19 pandemic. The taxes that the informal workers contribute must be invested in public services that matter to informal workers, such as infrastructure in markets and safe water and sanitation systems, which would assist in limiting the effects or spread of COVID-19. Such increased accountability and transparency will encourage many informal workers to register with the government.

## CONFLICT OF INTEREST STATEMENT

The authors declare that they have no conflicts of interest.

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