

**BINDURA UNIVERSITY OF SCIENCE EDUCATION  
FACULTY OF SOCIAL SCIENCES AND HUMANITIES**



**IMPACT OF COVID-19 LOCKDOWN RESTRICTIONS ON ECONOMIC GROWTH  
IN THE SADC REGION: A CASE STUDY OF ZIMBABWE**

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## ABSTRACT

This qualitative study sought to investigate the effects of the COVID 19 restrictions on the economy of the SADC region. It aimed at examining the effects of the pandemic, outlining the challenges faced in trying to mitigate these effects as well as examining the policies implemented in trying to deal with these effects by the various member states of the SADC Region. The study was informed by the resilience theory which is bolstered through enhanced networks and the formation of professional counsellor networks, as well as accepting life's changes and refusing to accept a crisis as insurmountable. The misfortune in this context is the COVID-19 emergency, and the facilitating processes are the capacity, assets, and altering structures and processes engaged to rectify the deteriorating of their susceptibility conditions. Various scholarly views were reviewed in line with the objectives. The study adopted the case study as a research design. The population o was drawn from the member states' various ministries, including that of Finance, Industry and Commerce, Small and Medium Enterprises. Some of the respondents were also drawn from the IMF and the Africa Development Bank. 30 respondents were purposively selected from the population. Data was gathered using semi-structured in-depth interviews as well as document analysis. Qualitative document analysis was used as an analysis tool whilst the data was presented thematically. Ethics were outlined, including respondent's confidentiality, autonomy and anonymity. The respondents highlighted that the pandemic had various effects on the economy of the SADC Region. These include contraction of the economy, increased public debt, failure to service the debt, a drop in the GDP, the decline of the informal sector which immensely contributes to the nations' GDP. The main challenges faced include culture and religious views, literacy of the citizenry as well as politicization of policies. Member states implemented various policies which helped mitigate the challenges faced. They subsidized most formal sectors, however, leaving behind the informal sector. Some of the member states lifted the restrictions and opened up the economy in some sector including health, agriculture and mining. However, sectors like tourism and hospitality suffered a huge blow since they were the last ones to have the restrictions waived. The study concluded that the member states were not prepared to deal with a pandemic of such magnitude. This led to the deficit of the economy in the countries. The study also recommends that the member states have a cushioning allowance to enable them to survive such pandemics. They should also cushion the informal sector since it contributes to the GDP. Further research is needed on the effects of the pandemic on each and every member state since the findings were not homogenous. There is also need to research on the effects of other health related challenges like Ebola on the economy of affected countries.

## **DECLARATION**

I, Caroline Rukodzi, declare that the content of this dissertation is my own original work with the exception of such quotations or references which has been attributed to their sources and has not been previously submitted to any other university.

**SIGNATURE**.....

**DATE**.....

## **APPROVAL FORM**

The undersigned certify that he has read the project and has approve its submission for marking after conforming to the Faculty of Social Sciences and Humanities, Department of Peace and Governance and Master of Science Degree in International Relations requirements.

.....

Supervisor

.....

Date

## **DEDICATION**

This research is dedicated to my family, husband, Children and my friends who gave me a lot of support and encouragement when this research was being carried out. The above missed me a lot during the time of writing this project.

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I thank God the Almighty, for providing me with grace, strength, guidance and wisdom that empowered me to finish my project. I would like to thank my dearest husband and children for providing the necessary assistance I needed to carry out my research. My profound acknowledgements to my supervisor for his commitment in coaching and for the constructive comments and suggestions which enabled me to come up with this dissertation. I would also love to acknowledge my friends who have also shown their unwavering support.

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## **LIST OF ACRONYMS AND ABBREVIATIONS**

WHO:	World Health Organisation
COMESA:	Common Market for Eastern and Southern Africa
UNCTAD:	United Nations Conference on Trade and Development
FDI:	Foreign Direct Investment
EU:	European Union
MNEs:	Multinational Enterprises
IMF:	International Monetary Fund
HCPI:	Harmonised Consumer Price Index
GDP:	Gross Domestic Product
SADC:	Southern Africa Development Committee
ZIMSTAT:	Zimbabwe Statistics Agency

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# CHAPTER 1

## INTRODUCTION AND BACKGROUND TO THE STUDY

### 1.0 Introduction

This chapter introduces the study, highlighting the background which necessitated this research. It also outlines the aim and objective of the study. The statement of the problem is given as well as the purpose and justification of the study. Study limitations and delimitations as well as assumptions are also given. Key terms are defined contextually.

### 1.1 Background of the study

The Corona virus was identified in China in late December 2019 as the primary cause of COVID-19, a human respiratory disease. The Corona virus was first detected in the Wuhan City. The virus engendered substantial changes to world healthcare, economic, transportation, and education systems worldwide. On the 30th of January 2020, the virus was declared an emergency by the World Health Organisation. By 2021, more than 159 million cases of illness were confirmed and 3.3 million deaths worldwide (World Health Organization, 2021).

The pandemic spread across continents in a rapid globalization style, causing a state of panic, and its consequences appeared quickly on the global economy (Alnasrawi, 2020). Verma et al., (2021) posits that the outbreak of COVID-19 across the world completely disrupted the political, social, economic, religious, and financial structures of the world. Yap (2020) and Sarwal et al., (2020) highlights that in order to contain the spread of the virus, many countries declared national lockdowns characterised by restricted movement and social distancing.

The COVID-19 pandemic and the resulting lockdown measures have some major effects on the economy of nearly all countries. For example, as a result of the pandemic China's industrial

production fell by 13.5% in the first two months of 2020 (Boumans, Dorine; Link, Sebastian; Sauer, Stefan, 2020). The authors further assert that the country witnessed a considerable drop in sales and investment growth. According to the National Bureau of Statistics of China (2020) the country experienced a decrease of retail sales of consumer goods by 20.5% compared to the previous year and domestic investment fell by 24.5%. China is a key player in different supply chains, and a further and prolonged slowdown is likely to have significant negative spill overs to the global economy (Baldwin and Weder di Mauro 2020). Other studies highlight that the lockdown in itself is also very costly. For example, the recent study by (Dorn et al 2020) highlights the costs of quarantine measures in terms of lost value added for Austria, France, Germany, Spain, Switzerland and UK. They conclude that if lockdown measures last more than one month, the production losses reach dimensions not seen in the EU before, in any recession or natural disaster.

Gondwe (2020), estimates that as a result COVID-19 pandemic, African economies' Gross Domestic Product (GDP) were going to fall by 1.4% with smaller economies declining by up to 7.8%. The author attributed the shrinkage to adjustments affecting primary commodity exporters and tax revenue losses which reduce the capacity of government to fund public services essential to respond to the crisis. Gondwe (2020) further projected a regional average of about 5% in public revenue losses in Africa, with total merchandise exports shrinking by about 17%.

A report by the Common Market for Eastern and Southern Africa (COMESA, 2020) indicated an increase in overall inflation from 31.6% to 60.4% between January-June 2020, with some countries recording double digit month on month inflation. COMESA (2020) further attributed

increase in inflation to drastic changes in consumption patterns of housing, water, electricity and gas and other fuels (89%), health (78.3%) and communication (69.6%) due to supply shortages and confinement measures. Though the COMESA region experienced shrinkage in economic growth in the year 2020, a gradual rebound was expected in 2021 with only countries such as Egypt, Ethiopia, Kenya, Malawi, Rwanda and Uganda were expected to register positive growth rates post COVID-19 pandemic (COMESA, 2020).

According to the United Nations (2021) in Zimbabwe, COVID-19 was poised to have an impact on all sectors of the economy and society but with differential effects aligned to population demographic characteristics such as age group, gender, disabilities, socio-economic status, geographical location etc. The UN (2021) stressed that before the pandemic, a large proportion of the population estimated at 76%, mainly composed of the youth had no formal employment. The organisation further anticipated significant growth in the informal sector due to the lockdown and resulting loss of employment. In addition, the pandemic was expected to have an impact on exports of primary goods, which contributed about 22% to the GDP in 2018 through direct and indirect linkages with the global economy, mainly China and European Union (EU) countries. In light of this the study seek to explore perceptions over COVID-19 lockdown restrictions on economic growth in Africa and in particular Zimbabwe.

## **1.2 Statement of the problem**

The COVID-19 has caused devastating effects worldwide leading to loss of millions of lives, disturbance of social life and loss of employment. In addition, the public health response measures to contain the pandemic have shown that, while necessary, they have also led to a disruption of economic activities and livelihoods resulting in increased poverty and vulnerability. More so, the effects of the pandemic have been heterogeneous across socio-

economic and gender groups with women, children, poor households, persons with disabilities and people living with HIV and AIDS most adversely affected. According to the UN (2020), COVID-19 occurred in Zimbabwe when the country was experiencing a difficult macro-economic environment and climatic shocks in the form of cyclone Idai and drought. Growth in emerging and developing economies, which accounts for over half of the world growth receded to 3.7 percent in 2019 from 4.5 percent in 2018. The growth markdown largely reflects a decline in domestic demand, which slowed more than expected amid stress in the nonbank financial sector and a decline in credit growth.

Several industries have been adversely impacted due to the spread of COVID-19 globally. This year, in early March, the Institute for International Finance had said that global economic growth could turn out to be as low as 1%, and this was even before the OPEC club and Russia fell out on production agreements to maintain stable oil prices (Gondwe, 2020). Oil prices have had a free fall, sending stock markets into a tizzy. The United Nations Conference on Trade and Development (UNCTAD), said the virus outbreak could cost the global economy up to \$2-trillion this year and that the pandemic could cause a recession in some countries causing global economic growth to clock in below 2.5% (UNCTAD, 2020).

### **1.3 Overall aim of the study**

Assess the effects of the COVID-19 lockdown restrictions on economic growth on the SADC regional block.

### **1.4 Objectives**

1. Examine the effects of COVID-19 restriction on the SADC region economies.

2. To explore coping mechanisms developed by the SADC countries to minimize the economic impact of COVID-19.
3. To evaluate challenges encountered by the SADC region in minimizing the effects of COVID 19.

### **1.5 Research Questions**

1. What are the effects of COVID-19 restriction on the economy of SADC countries?
2. What are the coping mechanisms developed by SADC to minimize the economic impact of COVID-19?
3. What are the strategies developed by SADC to minimize the economic impact of COVID-19 on the population?

### **1.6 Justification**

This study on the impact of COVID 19 restriction on the economy will assist the government develop development of social protection measures based on research findings in order to minimize socio-economic shocks due to the pandemic.

The findings will open new insights for the academia to pursue and further develop to enhance understanding of the impact of the pandemic on the Zimbabwean economy. The findings will further provide a foundation for future research on the topic as well as gaps in the literature that can be exploited to develop new approaches and methods to minimize the economic impact of the pandemic.

The research topic will broaden the student's perception of the economic impact of COVID-19 on Zimbabwe. This will further assist the student to develop strategies at micro level to help

the most vulnerable members of the population cope with the pandemic as well as developing sustainable and resilient ways to surviving on their own without assistance from the government and other non-state actors.

### **1.7 Significance of the study**

The research was significant to the economic analysts as they could really assess the situation and gave a clear-cut explanation of what was really transpiring in the economy post lockdown restrictions. It gave an overview of before and after lockdowns so that a comparison was made and even a layman could also understand how the lockdown and the pandemic affected the growth of the economy

The study was significant to the researcher in getting her project done to graduate. Her work would also be realized and added to the university library and having it uploaded on the internet would also help others to have the knowledge of the study to the country's economy.

It also helped the university to realize that the situation in the country requires intervention by foreign investors so as to help inject funds and to create jobs for the people who lost their jobs during the pandemic lockdowns era. It also helped the companies introduce projects and organizations to empower people and help improve and contribute to the GDP and to support urban entrepreneurship.

In a bid to fulfil the National Development strategy that was set for 2021-2025 which seeks to lead to be consistent with the collective aspirations and determination of the people of Zimbabwe to achieve an Empowered and Prosperous Upper Middle-Income Society by 2030, the Second Republic launched Vision 2030 to chart a new transformative and inclusive

development agenda the researcher used this study to determine how the lockdown restrictions impacted the policy

### **1.8 Delimitations**

The study took place in Harare in Zimbabwe in a period of 3 to 4 months. This was because it is the capital and the hive of activities and has so many companies and a very large number of activities that contribute to the GDP. It also has many of the largest industries in the country. The study looks at the impact of COVID-19 to both women and men before and after COVID 19 pandemic in SADC region and the impact of the lockdown.

### **1.9 Limitations**

In conducting this study limitation responsive bias and unanswered questions of sensitive questions. Researchers feel that their privacy is been invaded and they might just answer with limited responses. Due to the death rate and the fact that many lost their relatives it became very difficult for the respondents to be free to respond to the questions to determine the impact of the pandemic.

### **1.10 Assumptions**

Respondents were truthful and that and that the research was a true representation of the area under study that means no exaggeration or lies were told on this research.

Respondents are going to tell what the study expect them to say. The researcher indeed undertook the research and the work produced was hers and that no work was duplicated or rather copied. The researcher uses the data she had actually

### **1.11 Key Terms**

Lockdown restrictions refers to measures that are put on place so as to allow or disallow individuals to be in certain areas performing different duties (Omar, 2021).

Economic growth refers to the positive changes in the economy of the country due to the work being done by the industry which will have an impact to the GDP henceforth improving the poverty datum line.

Urban Entrepreneurship traditionally, the term “urban” referred to inner-city, low-income minorities, while “entrepreneurs” referred to those that used limited resources to serve their neighbourhoods with business solutions (Kritikos, 2020). Nowadays the term has evolve to categorize entrepreneurs that work in and for cities

Informal trading is defined as the economic activity undertaken by entrepreneurs who sell legal goods and services within a space deemed to be public property, within the informal sector (Alfers, 2020)

Formalis defined as the economic activity undertaken by the companies who sell legal goods and services within a space deemed to be public property, within the formal sector (Alfers, 2020)

### **1.12 Chapter Summary**

This chapter introduced the study, highlighting the background which necessitated this study. It also outlined the research aim as well as the objectives that the study seeks to fulfil. The delimitations of the study as well as the limitations were highlighted. The chapter also gave contextual definitions of the study. The subsequent chapter will focus on the review of related literature.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.0 Introduction**

The preceding chapter introduced the study and gave its background. This chapter covered the theoretical framework guiding the research. The chapter also reviews literature on the economic impact impacts of COVID-19, challenges faced during the pandemic and strategies that can be developed to minimise the effects of pandemics such as COVID-19. The chapter also discussed the literature review gaps.

#### **2.1 Theoretical framework**

This study is informed by the Resilience Theory. According to Van Breda (2018), resilience is bolstered through enhanced networks and the formation of professional counsellor networks, as well as accepting life's changes and refusing to accept a crisis as insurmountable. According to Van Breda (2018), resilience is bolstered through enhanced networks and the formation of professional counsellor networks, as well as accepting life's changes and refusing to accept a crisis as insurmountable. "Resilient" means, according to Greene, Galambos, and Lee (2004), "individuals' ability to navigate their way to the psychological, social, cultural, and physical resources that sustain their welfare, as well as their ability to negotiate for these resources to be provided and experienced in culturally meaningful ways." Inner or individual attributes, as well as organisational and external circumstances, all play a role in resilience. Adaptive resilience, according to Korber, Rod, and McNaughton (2017), is a process of continual change and adaptation following a disturbance.

Resilience is a method that produces a result. Adversity, mediating processes, and good outcomes are all included in the Resilience hypothesis, and it is a multilevel process that the

system engages in to achieve desired results in the face of adversity. As a result, the misfortune in this context is the COVID-19 emergency, and the facilitating processes are the capacity, assets, and altering structures and processes engaged to rectify the deteriorating of their susceptibility conditions. The mediation process, according to Van Breda (2018), includes personal ability, problem-solving skills, emotional aptitude, motivation to succeed, belief, and optimism. Individuals, on the other hand, are responsible for coping with collective difficulties that should be addressed by state mechanisms. The hypothesis will be used to investigate the long-term viability and adaptability of countries' prosperity in the face of adversity. According to the notion, good relationships during difficult times provide positive consequences that are measured by the quality of life of the impacted groups (Chazovachii et al., 2020), in this case the SADC countries.

## **2.2 Literature review**

### **2.2.1 COVID-19 restrictions and economic activities**

According to Ozili, (2020b) decline in demand for oil products and constrained economic activities was precipitated by COVID-19 pandemic restrictions following the enforcement of physical distancing policies. The pandemic left rippling negative effects across the world economy, more importantly constraining the level of economic activities across continents (Copenhagen Economics, 2020). Ozili, (2020a) notes that the pandemic greatly impacted on socio-economic well-being of people due to reduction in economic activities. For Barnett-Howell and Mobarak (2020) the costs of lockdowns was more likely to be higher in third world countries due to disruptions of economic activities which impacts on the public health and general welfare of the populace because most people survive on day to day wages.

### **2.2.2 Global Foreign Direct Investment**

According to the UNCTAD World Investment Report (2020), the COVID-19 crisis has caused a significant decline in foreign direct investment (FDI) in 2020, and the situation is likely to continue in 2021. Global FDI flows are forecast to decrease by up to 40% in 2020, from their 2019 value of \$1.54 trillion (Eduardo et al., 2020). This would bring FDI below \$1 trillion for the first time since 2005. FDI is projected to decrease by a further 5 to 10% in 2021. In relative terms the projected fall is expected to be worse than the one experienced in the two years following the global financial crisis. At their lowest level (\$1.2 trillion) then, in 2009, global FDI flows were some \$300 billion higher than the bottom of the 2020 forecast (SADC, 2021). The downturn caused by the pandemic follows several years of negative or stagnant growth; as such it compounds a longer-term declining trend. The expected level of global FDI flows in 2021 would represent a 60% decline since 2015, from \$2 trillion to less than \$900 billion.

The COVID-19 pandemic effected foreign investment in Africa in 2020, mirroring the global trend. Foreign direct investment (FDI) flows are expected to decline between 25 per cent and 40 percent. Depending on the duration and severity of the global crisis, the longer-term outlook for FDI in Africa could draw some strength from the implementation of the African Continental Free Trade Area Agreement in 2020, including the conclusion of its investment protocol. In addition, investment initiatives for Africa by major developed and emerging economies could help the recovery. In 2019, FDI flows to Africa had already declined by 10% to \$45 billion. Increased FDI flows to some of the continent's major economies, including Egypt, were offset by reductions in others, such as Nigeria and South Africa (SADC, 2021). The negative effects of tepid global and regional GDP growth and dampened demand for commodities inhibited flows to countries with both diversified and natural resource-oriented investment profiles alike,

although a few countries received higher inflows from large new projects. Investment in Africa through mergers and acquisitions (M&As) increased substantially to \$5.3 billion, compared with \$1.6 billion in 2018 (SADC, 2021). The rise was driven to a large degree by MNEs from the United Kingdom and Switzerland, which invested \$3.1 billion and \$1.1 billion, respectively. M&A investment from developing economies declined significantly.

FDI to Southern Africa increased by 22 per cent to \$4.4 billion in 2019. This was mainly caused by the slowdown in net divestment from Angola. FDI flows to Angola in 2019 remained negative (-\$4.1 billion) due to repatriations in the oil sector (Eduardo et al., 2021). There were some important foreign investment deals in the country, such as the \$100 million investment by a unit of the Indonesian State-owned PT Pertamina (Persero) in an offshore oil block.

FDI inflows to South Africa decreased by 15 per cent to \$4.6 billion in 2019 (SADC, 2021).. FDI to South Africa is mostly directed to mining, manufacturing (automobiles, consumer goods) and services (finance and banking). Although traditionally the major investor partners have been countries from the European Union (EU), China is slowly expanding its investment footprint in the country. Despite the decline in 2019, the level of FDI inflows in South Africa was encouraging after the low inflows between 2015 and 2017 (an average \$2 billion a year). However, a significant part of FDI consists of intra-firm financial transfers; there is still a dearth of new greenfield investments (SADC, 2021).

The Investment Trends Monitor of March 2020 estimated a contraction in foreign direct investment (FDI) flows during 2020-2021 of between 30 percent and 40 percent compared to the previous projections of between 5 percent and 15 percent, largely due to the COVID-19 related deterioration of global prospects and revisions of earnings of the largest Multinational

Enterprises (MNEs). The top 5,000 MNEs, which account for a significant share of global FDI, have revised downwards their 2020 earnings by about 30 percent and the trend is anticipated to continue in the short term.

### **2.2.3 Global Fiscal Deficit and Public Debt Performance**

The negative impact of COVID-19 has triggered a wave of defaults around the world. The spread of COVID-19 pandemic resulted to severe economic contractions, decline in revenues, raised government deficits and debt to unprecedented levels across all country income groups. Global average overall deficits as a share of GDP in 2020 reached 11.7 per cent for advanced economies, 9.8 per cent for emerging market economies, and 5.5 per cent for low-income developing countries. Countries' ability to scale up spending has diverged.

The rise in deficits in advanced economies and several emerging market economies resulted from roughly equal increases in spending and declines in revenues, whereas in many emerging market economies and most low-income developing countries, it stemmed primarily from the collapse in revenues caused by the economic downturn. Fiscal deficits in 2021 are projected to shrink in most countries as pandemic-related support expires or winds down, revenues recover somewhat, and the number of unemployment claims declines. Average public debt worldwide reached an unprecedented 97 percent of GDP in 2020 and is projected to be around 99 per cent of GDP in 2021(IMF Fiscal Monitor, April 2021).

In December 2019, already global debt levels had reached an all-time high of \$253 trillion. About 70 percent of global debt is held by advanced economies and about 30 percent is held by emerging markets and developing countries. Globally, a significant debt share is held by nonfinancial corporations and governments. With the decline in economic activity and in

commodity prices, government revenues are expected to fall drastically. In the short-run, there have been calls for a comprehensive package of debt relief to help poor countries cope with the COVID-19. The low and middle-income countries are currently experiencing capital flight and unsustainable debt burdens.

Several low and middle-income countries are currently spending more than 20 percent of their revenue to service debt, which crowds out much-needed health, education and infrastructure expenditures. The IMF April 2020 report indicates that global government spending and revenue measures towards sustaining economic activity since the beginning of 2020 up to April 2020 amounted to \$3.3 trillion and that loans, equity injections and guarantees totalled an additional \$4.5 trillion. Due to the increasing need of resources to deal with COVID-19, borrowing by governments globally is projected to increase to 9.9 percent in 2020.

As of December 2019, prospects in terms of fiscal deficit and public debt were mixed. While some Member States had made commendable improvements in their fiscal positions, a majority were already grappling to manage their increasing public debt, which was on the brink of breaching the regional threshold of 60 per cent of GDP. The Fiscal Monitor released by the International Monetary Fund (IMF) in April 2020 highlighted that COVID-19 outbreak and its financial and economic consequences will cause a major increase in fiscal deficits and public debt load in 2020.

#### **2.2.4 National Savings and Investment**

Annual total investments and gross national savings remained subdued in 2020, with most Member States below the regional targets. After a decline from 26.2 per cent of GDP in 2015

to 23.5 per cent of GDP in 2016, total investments have been on a steady increase up to 2020. The region recorded a marginal increase in total investments to 24.9 per cent of GDP in 2020 from 23.7 per cent of GDP in 2019. Only five Member States (Botswana, Mozambique, Seychelles, United Republic of Tanzania and Zambia) recorded investments above the regional target of at least 30 per cent of GDP. On the savings side, gross national savings remained below 20 per cent of GDP at 15.0 per cent of GDP in 2020 from 16.3 per cent of GDP in 2019. Only Zambia has recorded total gross national savings above the regional target of 35 per cent of GDP.

### **2.2.5 Inflation**

SADC region annual inflation increased to an average of 49.6 per cent in 2020 from 16.6 per cent in 2019, largely due to heightened inflationary pressures in Zimbabwe. The average inflation excluding Zimbabwe averaged 6.4 per cent in 2020. All Member States except Angola, DRC, Malawi, Zambia and Zimbabwe, met the regional inflation target of 3-7 percent range. Annual inflation rate in the SADC region is projected to ease a bit to 15.4 per cent in 2021. Zimbabwe's inflation is expected to decelerate significantly to 134.8 per cent in 2021 from 654.9 per cent in 2020. Inflation is expected to remain above the regional benchmark in 2021 for Angola, DRC, Malawi, Zambia and Zimbabwe.

Owing to supply shortages and confinement measures, COMESA's year-on-year inflation rate as measured by COMESA Harmonised Consumer Price Index (HCPI) increased from 31.6% in January to 60.4% in June 2020.

The month-on-month inflation rate in COMESA stood at 10% in June 2020 up from 0.7 % in January 2020 as shown in Table 3. Zimbabwe and Sudan had the highest inflation rate of 33.8%

and 14.8% respectively while Mauritius, Uganda and Zambia had the lowest inflation with a negative inflation rate of 2.1%, -0.5% and 0.5% in June 2020.

Zimbabwe had the highest increase in month-on-month inflation from -1.8% in January 2020 to 33.8% in June 2020. Zambia had the highest reduction from 3.4 % in January 2020 to -0.5% in June 2020.

Zimbabwe and Sudan registered the highest year-on-year inflation rate of 788.1% and 150.4% in June 2020 up from 534.8% and 83% in January 2020. Malawi and Djibouti had the highest reduction in year-on-year inflation from 11% and 4.4% in January 2020 to 8.6% and 2.5% in June 2020 respectively.

### **2.2.6 COVID-19 and economic growth**

The analysis by the UN Department of Economic and Social Affairs (DESA) said the COVID-19 pandemic is disrupting global supply chains and international trade. With nearly 100 countries closing national borders during the past month, the movement of people and tourism flows have come to a screeching halt. "Millions of workers in these countries are facing the bleak prospect of losing their jobs. Governments are considering and rolling out large stimulus packages to avert a sharp downturn of their economies which could potentially plunge the global economy into a deep recession. In the worst-case scenario, the world economy could contract by 0.9 per cent in 2020," the DESA said, adding that the world economy had contracted by 1.7 per cent during the global financial crisis in 2009. It added that the contraction could be even higher if governments fail to provide income support and help boost consumer spending. The analysis noted that before the outbreak of the COVID-19, world output was expected to expand at a modest pace of 2.5 per cent in 2020, as reported in the World Economic Situation and Prospects 2020. Taking into account rapidly changing economic conditions, the UN

DESA's World Economic Forecasting Model has estimated best and worst-case scenarios for global growth in 2020.

COMESA, (2020) though the pandemic was a health crisis it had implications on macroeconomic performances and activities. The organisation further state that the International Monetary Fund (IMF) projected the world economy to shrink by 4.9% in 2020 and a further 1.9% points by April 2020 (ibid.). The world economy was projected to grow by 5.4% in 2021. However, Sapovadia, (2020) quoted an OECD reporting that economic growth was likely to drop to 1.5% from 2.9% in 2020 due to the pandemic, pushing Japan and Europe into a strong economic recession. The report further highlighted that the Chinese economy was posed for a slow economic growth in 2021 than the previous year's growth of 5.7% (ibid.). The African Development Bank (AfDB), (2020), projected that real GDP of African countries was set to contract by 1.7% t in 2020, in the baseline and 3.4 percent in worst case if the pandemic continued beyond the first half of 2020. COMESA (2020) further projected GDP losses on the COMESA region of between US\$145.5 billion (baseline) and US\$189.7 billion (worst case) were expected in 2020.

The Organisation of Economic Cooperation and Development (2020) observes that imposed lockdowns to contain the spread of the corona virus led to the temporary closure of many businesses, financial market turmoil, business uncertainty, erosion of confidence and travelling restrictions. Inegbedion (2021) notes that the effects of the measures included decline in output levels by 20% in most economies, reduction in consumer expenditure by a third. The author further observes that such impacts had had a negative bearing on the GDP of most countries within sectors such as retail, non-essential construction work and the manufacturing sector,

with the later experiencing the least effects due to the nature of the sector which is less employment intensive.

According to Ruzvidzo (2020), African cities were poised to experience acute economic impact of COVID-19 in the form of a sharp decline in employment, revenue and productivity. The pandemic was expected to have severe effects on employment in urban cities. In addition, Inegbedion (2021), predicted that the manufacturing and services sectors of the economy were more likely to be hit by the COVID-19 induced restrictions resulting in massive job losses. Statistically approximately 250 million of the Africans in informal employment were set to be affected (ECA, 2020). The organisations further highlight that small and medium businesses accounting for about 80% of employment in Africa were also vulnerable to the pandemic. For Ruzvidzo (2020), such risks were further entrenched by the increase in the costs of living such as a hike in prices of food.

## **2.3 Effects COVID-19 restrictions on the SADC economy**

### **2.3.1 Depressed growth**

According to the UN (2020), the IMF estimated Zimbabwe's real GDP to shrink by 7.4% in 2020 from 6.5% projected in 2019. The UN further notes that the contraction of the economy was disastrous for an already fragile economy, affecting the poor and vulnerable, youth and young entrepreneurs, small and informal businesses, as well as small scale agricultural producers. The UN (2020) forecast Zimbabwe's inflation to grow due to shortages of basic and intermediate goods as a result of delayed imports primarily from China and South Africa. A price survey by the Zimbabwe Statistics Agency (ZIMSTAT) in April 2020 highlights that in the twelve months to April average prices went up by 766%, food 985% and health 1049%.

Education, housing, water and electricity recorded low increases. However, month on month inflation dropped from 26.6% to 17.6% in March 2020.

In the period between February and April 2020, financial markets remained volatile due to uncertainties that COVID-19 would create a global economic and financial crisis. In April 2020, gold prices trended around US\$1,700 per ounce as concerns around COVID-19, a global recession and volatility in crude oil markets have had varying impacts on equities markets. Despite volatility in crude oil futures pricing, London Bullion Market Association gold bullion stood at US\$1,692.74/oz on 20 April 2020, nearly flat to its closing price of US\$1,693.90/oz on 17 April 2020. The Precious Metals Index, which includes 184 global precious metals companies, rose by 1.5 percent over the same period.

According to the African Development Bank (AfDB), (2020), real GDP in Africa is projected to contract by 1.7 percent in 2020, in the baseline (if the virus has a substantial impact but of short duration) and 3.4 percent in worst case (if the pandemic continues beyond the first half of 2020). Africa could suffer GDP losses of between US\$145.5 billion (baseline) and US\$189.7 billion (worst case) in 2020, from the pre-COVID-19 estimated GDP of US\$2.59 trillion for 2020 and US\$27.6 billion (baseline) up to US\$47 billion (worst case) in 2021, from the potential GDP of US\$2.76 trillion without the pandemic in 2021.

Overall, all projections point to contraction of economic growth across board in sub-Saharan Africa as shown in Table 1. Africa's GDP growth rates before COVID-19 (in 2019) were in the range of 2.4-3.9%. As a result of the pandemic, it is projected that the African economy would contract by 1.0-2.8% at the end of 2020; and according to the IMF, possibly rebound to

3.7% in 2021. While the exact magnitude of contraction during COVID-19 was uncertain, the pandemic would certainly have a negative effect.

### **2.3.2 Decline in tourism and remittances**

The UN (2020) posits that a decline in Zimbabwe's tourism and remittance was likely to result in reduced foreign currency earnings, employment losses and access to basic necessities. Following the imposition of lockdown measures by the country, hotels and tourism attractions were shutdown leading to loss of income and employment. Statics from the Zimbabwe National Chamber of Commerce, the tourism sector was set to shade an estimated 25% of total jobs due to the pandemic.

The UN (2020) report expected remittances to fall from the diaspora particularly countries such as South Africa due to the COVID-19 pandemic. The UN further state that according to the World Bank, a 20% decline in world remittance was expected in 2020 and Sub Saharan Africa was projected to record 23.1% decline. The decline in remittance affects the livelihood of most Zimbabweans and further limit access to basic social services such as health, food and education thereby contributing to an exponential increase in poverty and vulnerability of many households.

### **2.3.3 Food insecurity**

Projections by the UN (2021) show that food insecurity was likely to worsen due to a decline in the economy, breakdown in supply chains and effects of climate change. The pandemic was set to worsen the macroeconomic environment already affected by adverse climatic and agronomic practices, policy uncertainty, and negative impact of monetary. The world body

further asserts that if the COVID-19 continues, a large number of the population was set to be food insecure with 59% in need of food assistance. According to the UN (2020) if the economic meltdown continues, many Zimbabweans were expected to lose income leading to limited access food.

#### **2.4 Coping mechanisms developed by the SADC countries to minimize the economic impact of COVID-19.**

A majority of governments around the world have resorted to unprecedented monetary and fiscal policy measures to curtail the adverse impact of COVID-19. The International Monetary Fund (IMF) has launched a policy tracker to help member countries to be informed about the experience of others in fighting the pandemic and the discretionary policies taken to help them combat the pandemic more effectively (IMF, 2020).

Despite the efforts to curtail the impact of COVID-19, prices for basic items have started to increase in some countries throughout the region, which could lead to an increase in tensions and refugees. The reduction or suspension of activities due to movement restrictions has been leading to job loss (particularly for those working in the informal sector), poor sales and bankruptcy.

SADC Member States have instituted a number of socio-economic policies and measures to minimize the impact of COVID-19 to the economy. These policies and measures include suspension of non-essential economic activities; increased spending in health sector and in social safety nets; accommodative tax measures; economic stimulus packages, accommodative monetary policies and establishment of emergency/solidarity funds. These policies and

measures have far-reaching implications on Member States fiscal positions and debt sustainability.

Member States put in place a raft of fiscal measures to cushion businesses and households against the impact of COVID-19. Uganda, Zambia and Eswatini waived interest and penalties for tax arrears. In Eswatini this was on condition that the principal was paid by September 2020. Ethiopia waived all tax debt prior to 2014/2015, interest and penalties for tax arrears for the years 2015/2016-2018/2019 while Rwanda relaxed enforcement of payment of tax arrears.

Some countries have waived or reduced certain taxes: For instance Egypt reduced stamp duty and tax on dividends; Kenya provided income tax relief for persons earning below US\$ 225 per month, reduced the top pay-as-you-earn rate from 30% to 25%, corporate income tax rate from 30% to 25%, turnover tax rate on small businesses from 3% to 1% and VAT rate from 16 to 14 percent; Rwanda has provided Personal Income TAX (PIT) exemption for private school teachers and tourism and hotel employees earning less than RWF 150,000/month; Ethiopia has waived personal income tax withholding for 4 months for firms who retain their employees during COVID-19. DRC has provided full tax deductibility of donations to COVID-19 relief fund while Zimbabwe has provided Corporate Tax credits of up to 50 percent for COVID-19 donations.

The other measures include tax relief to sectors mostly hit by the pandemic and some commodities such as hotels and industries in Burundi, industrial and tourism sectors in Egypt, tourism in Madagascar and deferred payment of PAYE by tourism and floriculture, and Corporation tax for Corporations and Small, Medium Enterprises (SMEs) in Uganda. Somalia

has announced three-month tax holiday on rice and dates and 50% reduction in consumption tax on flour and cooking oil.

Some Member States have set aside funds for payment of VAT refunds and other pending bills such as Kenya (US\$100 million), Rwanda, Tunisia, Uganda. Eswatini has set aside E90 million, (0.13 percent of GDP) with the payment pegged on compliance with tax obligation to retain employees.

Comoros, DRC, Egypt, Malawi, Rwanda, Seychelles and Tunisia have extended the tax return period and deferred payments of certain taxes. Whereas these measures provided short-term reprieves to businesses, there is no doubt that the impacts of the pandemic require deeper and sustained measures to restore the health of the economies.

Across the region, austerity is being introduced in many countries at the exact time that COVID-19 infections are increasing. Due to limited fiscal space, nine governments scaled back spending in 2021. Across SADC as a whole, budgets were cut by \$12.1bn, 13 well over twice the amount (\$5.1bn) it would cost to buy and deliver vaccinations for all SADC citizens. Data for 2022–26 show plans to reduce public spending by \$30.2bn, equivalent to an annual cut of \$6bn for each of the five years, compared to 2021. This would be enough money for governments to raise health expenditure by 28%, from the present average of \$177 per capita to \$226 per capita, and keep it at that level until 2026. For some of the worst-affected countries, the scale of austerity is daunting. For example, the cuts planned by the government of Zambia in 2022–26 are equivalent to five times its annual health budget; in Malawi, Mozambique and the Seychelles, they are twice their health budgets. Reducing public budgets on this scale will almost certainly fail to reverse the pandemic-driven increase in inequality and will prevent the

large rises in social spending needed to meet the Sustainable Development Goals (SDGs) by 2030.

SADC members have responded to COVID-19 with fiscal support packages of very varied sizes. They average 4.6% of GDP, twice as high as West Africa, but 75% less than advanced economies (17.3% of GDP), due to many countries' limited ability to borrow additional funds. The scale of states' responses, range from well below 1% in Angola and DRC (reflecting pre-COVID economic crises and very limited fiscal space) to 10.3% in South Africa. It is important to note that at least six countries funded part of their COVID-19 response by cutting other spending (Angola, DRC, Lesotho, Namibia, the Seychelles and South Africa).

According to the World Bank, around half of SADC members have used a combination of cash transfers, food provision, and utility bill waivers or reductions to supplement their citizens' income. Some countries have used fewer tools (only cash transfers and utility reductions in DRC, Mauritius and Namibia; food and utilities in Botswana and Eswatini; and cash transfers in South Africa and Tanzania). Madagascar and Zimbabwe have provided public works employment. Most of the wealthier SADC states with better developed social protection systems have enhanced unemployment pay, health insurance and/or pension payments, as well as waiving or subsidizing social security contributions. A similar group (apart from Eswatini) have subsidized wages for enterprises. Angola, DRC, Madagascar and Zimbabwe have increased the number of people receiving cash transfers by more than 1000% (albeit from extremely low levels), with Lesotho doing so by 168% and South Africa by 40%.

## **2.5 Challenges encountered by the SADC region in minimizing the effects of COVID 19.**

The impact of COVID-19 is changing the economic landscape around the world including SADC region. As the pressure mounts, industries are moving swiftly to build resilience, while governments are mobilizing to safeguard citizens and manage the social and economic fallout. Combining these factors with the on-going lockdowns around the globe, the platform to trade fairly is slowly being skewed with some players losing while others winning.

Sectors that have been severely impacted by COVID-19 include the tourism and leisure, aviation and maritime, automotive, construction and real estate, manufacturing, finance services, education, and the oil industry. On a positive, despite strong global misconceptions about the transmission of COVID-19 pandemic, the global functioning of the food processing and retail business have remained stable. The food processing and retail business largely benefited from the recent announcement by WHO and World Food Organization that, it is highly unlikely that people can contract COVID-19 from food or food packaging. As such, companies in food processing and retail have witnessed a rise in demand. However, this demand is only in the short run and has the potential to fuel inflation.

The pandemic may constrain countries' ability to service the debts through reduced revenue collection due to supply side shocks, decline in demand for exports, depressed commodity and oil prices and reduction in tourism earnings and remittances flow. The depreciation of local currencies against major currencies is likely to increase the cost of borrowing given that most of the debts are denominated in foreign currencies. In order to relieve debt serving pressure, IMF has provided debt service relief under its Catastrophe Containment and Relief Trust (CCRT) amounting to US\$ 69 million to eight Member States namely; Burundi (US\$7.63million), Comoros(US\$1.33 million), DRC (US\$20.32 million), Djibouti (US\$2.3

million), Ethiopia (US\$12 million), Madagascar (US\$4.19 million), Malawi (US\$9.85 million), and Rwanda (US\$10.96 million).

The high fiscal deficits constrain the capacity of the Member States in combating the COVID-19 pandemic. The projected slump in economic growth due to reduced economic activities and loss of revenue from tax relief measures will widen the already widened fiscal space especially in oil and commodity exporting Member States. This is due to the reduced oil and commodity prices and to tourism dependent countries due to reduced tourism revenue. The increased spending in health and fiscal policy measures put in place to mitigate the impacts of COVID-19 on businesses, vulnerable population and unemployed citizens will lead to increased fiscal deficits. The higher fiscal deficits will lead to increased debt levels.

In 2022, using their Commitment to Reducing Inequality Index (CRI) framework, this report by DFI, Norwegian Church Aid (NCA) and Oxfam finds that many Southern African Development Community (SADC) member governments<sup>7</sup> are showing considerable commitment to fighting inequality – but still nowhere near enough to offset the huge inequality produced by the market and exacerbated by the COVID-19 pandemic. Before the pandemic, SADC member states were on average lagging 33% behind their North African counterparts in their CRI scores and were doing less than half as well as the best performers globally. SADC governments performed relatively well on progressive taxation, but this did not translate into public services reaching people living in poverty, and labour rights remained inadequate. Several SADC member countries (South Africa, Namibia, Eswatini, Botswana and the Seychelles) have been hard hit by the pandemic (with death rates in the top 64 in the world), and infection and death rates throughout the region rose sharply between April and mid-August 2021. It is also increasingly becoming clear that the pandemic is the region's worst economic

crisis in decades, pushing millions into poverty and exacerbating inequality. The crisis continues due to the obscene global vaccine inequality, which means that only 14% of SADC citizens had been fully vaccinated as of end of March 2022.

## **2.6 Chapter Summary**

This chapter focused on the review of literature. The researcher managed to look at various scholarly views on the effects of the COVID-19 restrictions on the economy of the SADC region member states. Literature was reviewed from various countries, in line with the objectives of the study. The theoretical framework which informs the study, that is, the resilience theory, was also examined and contextualized. The next chapter focuses on the research methodology and design.

## **CHAPTER 3**

### **RESEARCH DESIGN AND METHODOLOGY**

#### **3.0 Introduction**

Research methodology refers to the design of collecting information that is going to be used by the researcher. Based on this definition the section discusses the research paradigm used for the study, the research design and research approach guiding the study. The chapter also presents the target population, the sampling design, data collection methods, data analysis approaches, ethical consideration and limitation of the study.

#### **3.1 Research Philosophy**

A research philosophy is the set of general beliefs and agreements shared among scientist about how problems should be understood and addressed (Kuhn, 1970). Thus research paradigm is basically how one carries out a research from a certain scientific standpoint. This standpoint is chosen from a number of research paradigms which informs scientific research.

The study is guided by interpretivism philosophy. Interpretivism is “associated with the philosophical position of idealism, and is used to group together diverse approaches, including social constructivism, phenomenology and hermeneutics; approaches that reject the objectivist view that meaning resides within the world independently of consciousness” (Merriam, 2015:89). According to interpretivist approach, it is important for the researcher as a social actor to appreciate differences between people or phenomena. Therefore it is suitable for this study because the study seeks to find out how different SADC economies were affected by the

COVID-19 induced restrictions. Moreover, interpretivism studies usually focus on meaning and may employ multiple methods in order to reflect different aspects of the issue.

### **3.2 Research Approach**

This study adopts the qualitative study approach. Berman (2017) states that the use of qualitative approach provide an expanded understanding of the phenomenon under study (Shorten and Smith, 2016). Creswell (2009:77) states that “qualitative research is a means for exploring and understanding the meaning individuals or groups ascribe to a social or human problem”. Qualitative research seeks to understand how people see and interact with the world (Fellows &Liu, 2013). It is an exploration of the subject undertaken without prior formulations with an objective to gain understanding and collect information and data such that theories will emerge (Fellows &Liu, 2013). It is therefore “subjective” in nature and consists of “detailed descriptions of situations, events, people, interactions and observed behaviour” (Patton, 2012). To be consistent with the qualitative approach, the whole inquiry process will be conducted strategically, adopting a flexible and open-minded approach to the dynamic and changing contexts and situation in the economy of SADC member states due to the COVID 19 restrictions.

There are several features of qualitative research approach (Creswell 2009). Qualitative research approach describes a situation to gain insight to particular practice and it is relevant to this study because it seeks to understand how the SADC economy was affected by the restrictions imposed in the wake of the pandemic. This research does not predetermine response categories hence qualitative.

. Silverman (2010:6) maintains that the qualitative approach “portrays a world in which reality is socially constructed, complex, and ever changing...” Researchers who use this approach adopt a person-centred holistic and humanistic perspective to understand human lived experiences without focusing on the specific concepts (Field & Morse, 2016:8). Thus, it was imperative for this researcher to adopt the qualitative approach.

### **3.3 Research Design**

Kasonde-Ngandu (2013) defines research design as plan used by a researcher to generate responses to research questions. In concert, Creswell (2015) defines research design as the systematic study plan used to turn a research question or questions into a testing project or experimental study or a set of advanced decisions that make up a master plan specifying the methods and procedures for collecting and analysing the needed information.

A case study was adopted as the framework for guiding data generation and analysis as it presented appropriate methods for the study through reports of past studies, allows the exploration and understanding of complex issues (Aktar, 2016). Case studies allow researchers to collect information using different data collection techniques over time. The researcher utilized case studies in order to provide a holistic and in-depth explanation of the effects of COVID-19 restrict on the economies of SADC countries.

Through case study methods, a researcher was able to go beyond the quantitative statistical results and understand the behavioural conditions through the actor’s perspective. qualitative data, obtained through case study helps explain both the process and outcome of a phenomenon through complete observation, reconstruction and analysis of the cases under investigation. Also, the case study method enabled a researcher to closely examine the data within a specific context. In most cases, a case study method selects a small geographical area or a very limited

number of individuals as the subjects of study. Case studies, in their true essence, explore and investigate contemporary real-life phenomenon through detailed contextual analysis of a limited number of events or conditions, and their relationships (Yin, 2017).

### **3.4 Study population**

Tuckman (2000), defines population as a group about which the interested in gaining information and drawing conclusions. Denzin and Lincoln (2011) define population as a group of individual persons from which samples are taken for statistical measurement. Green and Carmone, (2011) further explain that research population is the totality of all members, objects and subjects that have common characteristics and features relative to the study to which sample findings can be generalised. The study population targeted the Ministry of small and medium enterprises as well as that of Industry and Commerce as well as Finance. Officials from the IMF and Africa Development Bank (AfDB) were also interviewed. The population for this study comprises of 90 respondents.

### **3.5 Sampling**

#### **3.5.1 Sample Frame**

A sample frame can be defined as the total number of people drawn from the target population for the purposes of a study (McLeod, 2017). The research used a sample of 10 key informants from the Ministry of Small and Medium Enterprises, 5 from the Ministry of Industry and Commerce and 5 from the Ministry of Finance from the several SADC countries. 5 respondents were also purposively selected from the IMF and 5 from the AfDB. The total sample was 30.

### **3.5.2 Sampling Procedure**

Sampling can be defined as a statistical process of selecting a subset called a sample of population of interest for making and observation and statistical about the population (Leedy and Omrod, 2014). Sampling is the selection of units such as people or institutions for a study (Flick, 2010). Jackson (2011) defines sampling as a small percentage of a population selected for examination and scrutiny. Sampling, therefore is the selection of a small number of persons from within a population to approximate features of the population. Jackson (2011) further notes that sampling is not done chaotically; but in a methodical way. It is about selecting almost a representative sample from a bigger population as the basis for estimating or predicting a fact, situation or outcome regarding the bigger group (Howitt, 2010). This study employs the purposive sampling technique. A purposive sample is also known as judgemental sample in which the sample is based on the knowledge of a population and the purpose of the study. The researcher purposively selected a sample of interviewees using her personal judgment what is known as judgmental sampling of those aspects of the population that make the study valuable and that make it easy to access and deal with. The researcher purposively selected. Non probability in the form of convenient sampling technique was be used in selecting key informants. The purposive sampling approach was used because it seeks to recognize people who, because of their knowledge or interactions, have particular insights into the research enquiry. In this case, organisations, institutions and individuals who were selected for this study have an in-depth knowledge and are more informed of the subject under study.

Purposive sampling enables the researcher to capture population characteristics, it often requires a smaller sample which gives a greater precision, hence minimizing costs, and mainly it ensures that a particular group of interest with homogeneous characteristics in a population

is selected as sample. This improves efficiency by gaining greater control on the composition of the sample. In accordance with Hu (2014) purposive sampling is used to target participants for research who are selected for their expertise and knowledge on a subject matter or area of specialisation. Key informants were drawn from the Ministry of Small and Medium Enterprises and the Ministry of Industry and Commerce as well as the Ministry of Finance from the various SADC countries.

### **3.6 Data collection methods**

Data collection is the process of gathering and measuring information and variables in an established systematic fashion that enables one to answer stated research questions, test hypothesis and evaluate outcomes (De Vaus, 2014). In qualitative research study the method does not involve any mathematical calculations as it is associated with elements that are not quantifiable. These qualitative data collection methods include in-depth interviews and document analysis.

#### **3.6.1 Collection of Primary Data**

##### **3.6.1.1 In-depth interviews**

Dessler (2011) defines in-depth interviews as a process designed to collect information from participants in a study through oral interactions. In accordance with (Hayes and Moulton, 2017) interviews are better positioned to gather accurate information as they allow for easy interaction and understanding of the two parties involved. The use of in-depth interviews allows the participants to ask for clarification on questions and other issue they may not have understood. The researcher adopted the use of in-depth interviews for both adolescent pregnant girls' guardians and key informants. The in-depth interview involved clinical procedures such as free

association, encounter and techniques. In-depth interviews were utilized to collect data from key informants with the aim of understanding the effects of COVID-19 restrictions on the economies of SADC countries.

An interview is a conversation between one who asks questions and one who responds to questions. Semi-structured interviews can be seen as a qualitative method of inquiry that combines a predetermined set of open questions with the opportunity for the interviewer to explore particular themes (Tracy, 2013). It is more flexible than standardized methods such as structured interviews. The intent is that the one who asks questions gets answers that answer to his/her research (Creswell, 2009: 25). An interview is whereby two or more people exchange views on a topic (Stake, 2010). Human communication is vital to facilitate the production of knowledge and the social situations of the data gathered are emphasized.

Interviews for this type of study were found to be flexible for the intent of this study was to address issues under study. There is the centrality of human interaction for knowledge production and emphasizes the social situations of research data. They therefore become a way of getting participants to talk about their experiences on a subject matter in the process giving their perceptions and interpretations with regards to a given situation. It is a peoples' expression from their point of view.

This built up of questions provided a rich wide and deep form of data regarding the subject. Interviews are however compromised by their subjectivity and bias especially in terms of responses. Some of the interviewees often tend to lie and be extreme to one side or the other. The researcher therefore had to be in control of the situation though language and contexts presented constant challenges for the interviewer. These were however resolved by using simple, straightforward English and explanations whenever need arose to enable data to be

gathered. The researcher also created a free environment when asking questions and also avoided showing their own perspective of the respondent's answer. The researcher avoided the use of leading questions.

### **3.6.2 Secondary Data Collection: Document Review**

Document Review was used as a tool to obtaining relevant documentary evidence to support and validate facts gathered in the research. Documents to be analysed include various report by the Ministry of Small and Medium Enterprises, Ministry of Industry and Commerce and the Ministry of Finance. Published journals were also use for review.

These sources were used to corroborate arguments and complement information from other sources. The researcher sought to investigate whether the understanding of the effects of COVID-19 restrictions on the economies of SADC countries as reflected in the documents is consistent with the contemporary understanding of the discourse as reflected in the interviews and responses from the interviews. The researcher considered document review as a vital collection for this research because newspapers, journals and financial magazines provide latest primary data.

### **3.7 Data collection procedures**

Appointments were made first with those who were interviewed. In other cases the researcher will have to interview representatives of ministries and not the ideal person intended for the interview. However, this did not affect the research findings as those who were interviewed were very knowledgeable in the area under study. The researcher had to face the challenge of bureaucracy which was time consuming given the limited time the researcher had. With respect to documents, the researcher collected material from primary and secondary sources

### **3.8 Data analysis and presentation**

Data analysis is the process of systematically applying statistical and/ or logical techniques to describe and illustrate, condense, recap and evaluate data. According to Berg and Lune (2018), various analytic procedures “provide a way of drawing inductive inferences from data and distinguishing the signal the (phenomenon of interest) from the noise (statistical fluctuations) present in the data)”. Silverman (2013) observes that the main purpose of data analysis is to determine which factors of the study explain a specific phenomenon. Data was analysed using qualitative means.

#### **3.8.1 Qualitative data analysis**

Data was analysed using thematic analysis which is a comprehensive process where the researchers are able to identify numerous cross-references between the data, the researcher and the evolving theme (Hayes, 1997). The thematic analysis procedure focused on all the data to identify the common issues that recur and identify the main themes that summarize all the views collected. Qualitative data was coded and classified or group into common categories.

### **3.9 Ethical considerations**

In research, ethics is an area never to be ignored. Erng (2009), points out that ethics assists researchers to deal with dilemmas that arise in the research. This section outlines the ethical considerations the researcher will undergo to ensure that the respondents are treated fairly and equitably as well as being informed about all aspects which will be relevant to them. Ethics will also be considered to ensure that the rights of the respondents in the research process are

preserved and results are fairly and accurately reported. Ethical considerations which were taken into account in this study include:

### **3.9.1 Informed consent**

Consent was sought from all the research participants before they were interviewed so as to recognise and respect their rights. The researcher visited the participants well before the actual data gathering exercise and kindly sought their consent to participate in the study. At the same time, the researcher fully explained the purpose of the study to research participants. This aimed at ensuring that the research participants are fully aware of the nature of the research and their role in it. In addition, the researcher also prepared a consent form with details pertaining to the study. The consent form was distributed to all respondents so that

### **3.9.2 Anonymity and Confidentiality**

The researcher ensured that the environment was safe for the participants and the participants were not subjected to any harm physically, emotionally or spiritually. All personal information that sufficed from the research was handled with caution. The participants to the study were made aware that the information was used for academic purposes only. The researcher ensured that the participants understood all these considerations before the start of the data collection. Furthermore, the researcher carried repetitive interviews to ensure that accurate and reliable data is collected.

### **3.9.3 Interview ethics**

During interviews, the researcher clearly explained that she would be jotting down relevant information emanating from the discussions as well as recording the proceedings using the researcher's mobile cell phone with the consent of the respondents. This was done to avoid

suspicious and animosity that usually emerge when a respondent discovers that information is being recorded.

### **3.10 Chapter Summary**

This chapter concentrated on the research design, population and sample. It also dealt with data collection tools highlighting their strengths and limitations as well as the designing of these tools. The employment of these tools in collecting data was meant to produce quality reliable results. The chapter also highlighted some ethical considerations that were observed during data collection. An analysis of the collected data is done next in chapter 4.

## CHAPTER FOUR

### RESEARCH FINDINGS, DATA PRESENTATION AND ANALYSIS

#### 4.0 Introduction

This section covers research findings and data presentation using the thematic approach. Findings of the research findings are discussed using past literature and other academic to have a comprehensive understanding of the research. The section also covers demographic analysis to have an understanding of the population used for the research

#### 4.1 Demographic data

##### 4.1.1 Gender composition of the participants

The research findings revealed that 55 percent of participants were female and 45 percent. The composition of the sample population can be regarded as balanced considering that in Zimbabwe most females are employees whilst men are owners of most businesses and means.

This is illustrated in Fig 4.1 below:

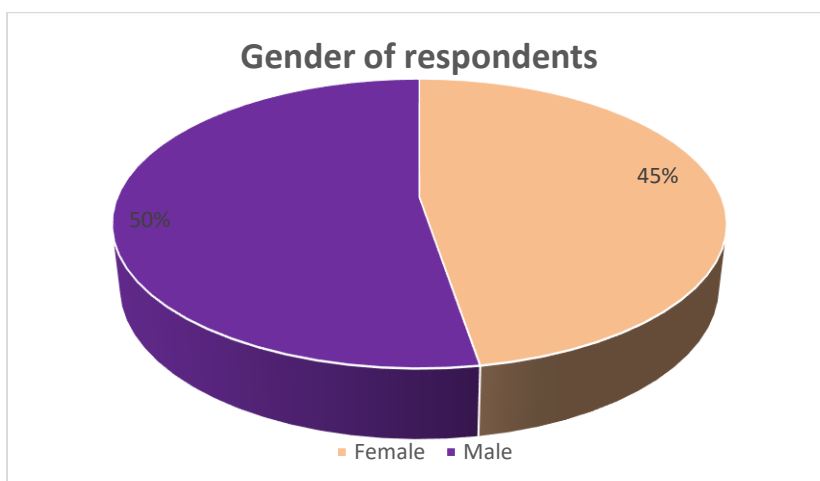


Fig 4.1: Gender of respondents

The research findings revealed that all participants were literate and had completed at least secondary education. According to the research findings 30 percent had secondary level education, 40 percent diplomas, 25 percent undergraduate degree and 5 percent had at least a Master's degree as illustrated in the diagram below:

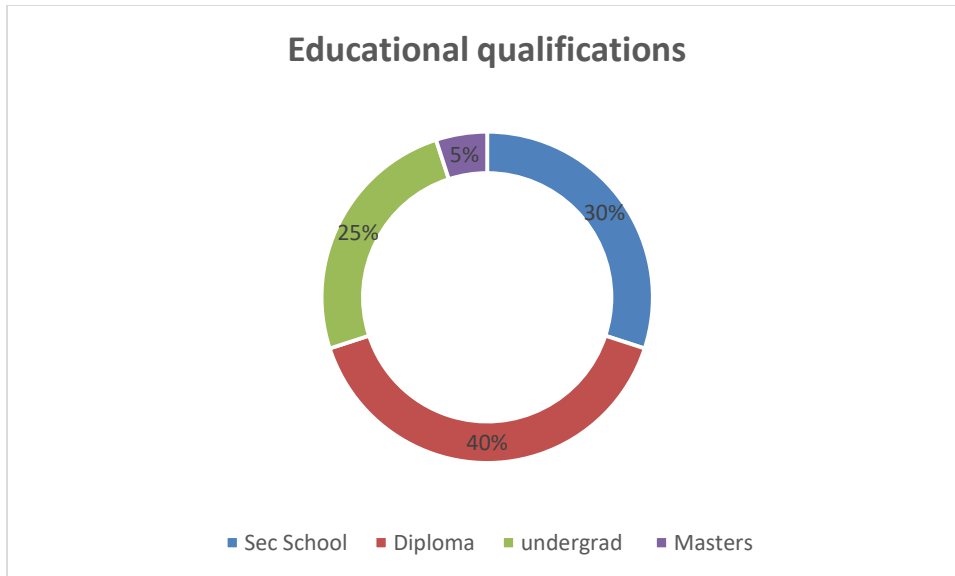


Fig 4.2: Educational qualifications

## 4.2 Effects of COVID-19 restriction on the SADC countries' economies

Participants were asked to state the economic effects of COVID-19 on the Zimbabwean economy. The results revealed the following effects; contraction of the economy, decline in trade of goods, low income, reduced fiscal space, increased debt and high inflation.

### 4.2.1 Contraction of the economy

Participants were asked to comment on the effects of COVID 19 on the SADC countries' economies. A participant from the finance ministry in South Africa argued that the economy of South Africa contracted by 25% between 2019 and 2020. Another respondent from the industry and trade concurred with this view and attributed the contraction to the closure of

enterprises. A respondent from the hotel industry in Cape Town alluded to the fact that the city is mainly a tourist attraction and they gain more from the tourists who come and lodge or dine in the hotels. However, with the restrictions there were no tourists coming in as the whole world was on lockdown. This contributed immensely to the contraction of the economy.

Moreso, a respondent from the small and medium enterprise ministry in Zimbabwe also opined that the pandemic led to the contraction of the economy. He noted that the government enforced a lockdown without a clear strategy on how to deal with the economy. He argued that the country is now hinged upon the informal sector. With the lockdown enforced, these were left without a cushion or a windfall. This led to the collapse of these informal enterprises leading to the contraction of the economy.

Another respondent highlighted that the informal cross-border trade (ICBT) (also known as small-scale cross-border trade) is pervasive in SADC. He pointed out that Estimates of the importance of ICBT in Southern Africa vary due to its rather loose definition, but they all indicate that it constitutes a significant part of total intra-African trade. Afrika and Ajumbo (2012) estimate that ICBT contributes between 30-40% of total intra-Southern African Development Community (SADC) trade. The lockdown has confined millions of people reliant on informal economic activities to their homes. According to research findings the economy of Zimbabwe contracted significantly.

During the 51 weeks of 2020, the Angolan economy registered an income of US\$ 37 million from exports of clinker, beer, sugar, disposable diapers, juices and soft drinks, cement, bananas, glass containers, wheat flour and napkins. In contrast, imports amounted to US \$ 1,420 million, with imports of rice, palm oil and chicken representing 21 percent, 14 percent and 12 percent,

respectively. The first two quarters of 2020 saw a decline in GDP in the order of 0.5 percent and 8.8 percent, respectively, compared to in 2019 (BAI, 2021). The Angolan economy had already registered consecutive contractions since the third quarter of 2019 and between January and June 2020 the cumulative retreat was 4.5 percent, with the economy heading for the fifth year of economic recession. The fall in GDP in the second quarter was the deepest since that recorded in the final quarter of 2015, when the economy shrank by more than 11 percent.

The impact of the pandemic was predictably especially severe for the Angolan economy because hydrocarbons account for 96 percent of exports, equivalent to around 33 percent of national GDP and 60 percent of government revenue. In dollar terms, Government oil revenues fell almost 30 percent compared to 2019. Oil taxes (which normally generate two thirds of total revenue) were expected to yield around USD 6.7MM, a drop of about 40 percent compared to USD 11.1 million in 2019 and USD 3.4 million below the amount forecast by the initial 2020 budget (BAI, 2021).

In concurrence with the research findings the World Bank Global Outlook (2020) highlighted that about 90% of the world economy experienced a contraction in per capita Gross Domestic Product (GDP). According to Yeyati and Filippin (2021) the global contraction was due to disruption of the global value chain, reduce cross-country remittances and restrictions to international mobility which negatively impacted on economies and activities. In addition, the African Union (2020) projected that the African economy will drop to negative rates.

#### **4.2.2 Decline in trade of goods**

One respondent noted that Zimbabwe experienced a decline in trade due to COVID-19 restrictions. In concurrence with the research findings Yeyati et al (2020) highlighted that most

countries experienced a decline in trade of goods. According to the World Bank (2021) this resulted in the decline of economies of manufacturing countries. In most African countries trade remained below pre-COVID-19 levels because of the restriction imposed by many governments (Africa Union, 2021). Morsy et al., (2021) predicated that due to the negative current account balances of most African countries' 2020 trade was going to be restricted on the African continent. The researchers further explained that the decline in trade and economic activities of the Africa continent was due to the weakening terms of trade and decline in competitiveness of African exports.

Another respondent from Malawi was of the opinion that the economic impact of these developments necessitated by the pandemic includes the decrease in purchasing power and public spending, which greatly affected economic activity. This is in line with the sentiments by the IMF (2021) that real GDP was projected to fall by 4.0 percent in 2020, due to a 6.8 percent drop in the oil economy and 2.8 percent deceleration in the non-oil economy. Under this scenario, the country faces a very serious payment crisis, with subsequent more pronounced currency depreciations likely and heralding prolonged recession (BAI, 2021; UNDP and World Bank, 2020).

In Madagascar, a respondent noted that despite the efforts to curtail the impact of COVID-19, prices for basic items have started to increase in some countries throughout the region, which could lead to an increase in tensions and refugees. He further noted that the reduction or suspension of activities due to movement restrictions has been leading to job loss (particularly for those working in the informal sector), poor sales and bankruptcy (BAI, 2021).

### **4.2.3 Reduced fiscal space**

According to a respondent from the IMF, SADC countries experienced a decline in fiscal space. These findings are supported by African Union (2021) when the organisation estimated 8-9% decline in fiscal space of African countries. In accordance with Yeyati et al., (2021) the contraction of GDPs of African countries led to a decline in government revenues as a result in reduction in foreign currency receipts, particularly goods and service exporters. The African Union (2021) observed that recession of African economies will lead to the countries failing to raise revenue through taxes. Increased debt.

A respondent from the Ministry of Finance in Zimbabwe pointed out that Africa's fiscal deficits have been estimated to have doubled in 2020 to a historical high of 8.4% of GDP, resulting in amplified debt burdens, though a gradual amalgamation process is expected in 2021 and beyond. He concurred with his counterpart from Malawi that with the huge financial resources necessary to contain the spread of the virus and its bearing on African economies, many countries resorted to large-scale external and domestic borrowing, hence the fear of an imminent future debt crisis. They further noted that the mounting debt stemmed from necessities for emergency funds to support the health responses to the virus, as available resources then were inadequate to deal with the scale of the problem.

A respondent from Zambia argued that the year 2020 witnessed a huge increase in government indebtedness, as economic activity and government revenues sharply fell, whereas pandemic-related spending rose appreciably. This was in line with the IMF report that the global public debt is estimated to have reached 98% of gross domestic product (GDP) at the end of 2020 compared with 84% in 2019 (International Monetary Fund, 2021a). Preliminary estimates put

government debt in SSA, for example, as having jumped on average 8 percentage points to 70% of GDP (International Monetary Fund, 2021). In cash-strapped economies, governments (including Angola and Zambia) faced severe complications paying their debts thus they sought debt restructuring.

#### **4.2.4 Increase in inflation**

A participant from the Seychelles opinionated that apart from the 2.1% decline in economic development in Africa, other macroeconomic basics have weakened as a result of the COVID-19 pandemic. This is in line with what the African Development Bank (2021c) has observed, large exchange rate depreciations occurred in Africa partly as a result of the disruptions in external financial flows, including remittances, foreign direct investment, portfolio investment, and official development assistance. A respondent from the African Development Bank pointed out that exchange rates across the region lingered about 5% weaker than levels before the pandemic ensuing sharp devaluation in the first half of 2020. According to the African Development Bank (2021c), counterbalancing forces in Africa kept average headline inflation stable at 10.4% in 2020, core inflation (in food and energy prices) has risen in many countries. Inflation trends were uneven in 2020 in African countries, as persistently soft demand helped contain inflationary pressures in some countries such as Kenya and South Africa (ibid.).

A respondent from Angola pointed out that, inflation (especially food prices) remained high or even fast-tracked in response to weaker currencies and food price pressures in other member states, including Angola, Ethiopia, Ghana, Nigeria and Senegal. Indeed, in some countries, rising food prices adversely affected household incomes and consumption, provoking some governments to implement policy measures to improve food provision, support the agriculture sector, and provide cash transfers to the poor (AU, 2020).

A respondent from the South Africa Reserve Bank pointed out that the COVID-19 shock elicited a new round of cuts in central bank policy rates such that the inflation rate has far surpassed the return on both short-term and long-term investment mechanisms. The respondents from the central banks concurred that monetary policy easing across a number of countries in the region slowed somewhat in the second half of 2020, particularly in countries undergoing inflationary stresses. Many countries, despite rising inflation, have maintained the monetary policy ease (ibid.).

### **4.3 Coping mechanisms developed by the SADC countries to minimize the economic impact of COVID-19.**

#### **4.3.1 Stimulus packages**

SADC countries introduced stimulus packages to cushion against the economic impacts of the COVID-19 pandemic. For example South Africa introduced a US\$160 million social stimulus package for the vulnerable and a further US\$8.4 billion to cater for the unemployed (Gondwe, 2020). This was also applied elsewhere on the African continent, with Senegal establishing a Euro 2.1 million solidarity fund and Euro 97.6 million cushion against COVID-19. Countries such as Egypt and Tunisia injected US\$6.4 billion and US\$0.9 billion as stimulus packages for promoting economic activities and cushioning the population (Gondwe, 2020).

#### **4.3.2 Release of disaster funds**

According to Key informants the government of Zimbabwe released US\$26 million Preparedness response plan to contain the virus. Similarly, South Africa introduced disaster funds, taxes relief and Unemployment relief fund to minimize the effects of the pandemic on the population (Mutanda, 2022).

### **4.3.3 Funding business**

According to the research findings, Southern African countries resorted to funding businesses particularly small and medium enterprises. In accordance with the initiative taken by Zimbabwe and South Africa introduced measures to protect workers by funding enterprises. A respondent from the Ministry of Finance in South Africa noted that South Africa introduced R26 billion loan guarantee scheme funded by the treasury and the central bank of South Africa. According to the Department of Small Business (2020), South Africa took the initiative to fund businesses as a way of protecting workers from retrenchment.

A respondent from Botswana highlighted that the government established a COVID-19 Relief Fund with a 2 billion Pula (about 1.1% of GDP) contribution from the government. He pointed out that the private sector was called upon to generously contribute to the Fund. He noted that the fund was meant to: i) finance a wage subsidy amounting to 50% of salaries of affected businesses; ii) finance a waiver on training levy for a period of 6 months (150 million pula). A respondent from the Ministry of Finance opined that they also decided a tax deferral of 75% of any quarterly payment between March and September 2020 which was to be paid by March 2021; iii) Build-up of fuel and grain reserves, as well as the acquisition of relevant medical equipment and improvement of water supply (475 million Pula); iv) Fund a government loan guarantee scheme of 1 billion Pula (20% financed by commercial banks) for businesses that are tax compliant (including those who are not eligible to pay taxes).

In Malawi, the respondent highlighted that the government introduced the Emergency Cash Transfer Programme of about \$50 million (0.6% of GDP), mostly financed by development partners, which was effected during May-November 2020 to support small businesses in major urban areas.

An official from the Mozambican government pointed out that the Government is asking Mozambique's development partners for US\$ 700 million for help to deal with the economic results of the pandemic. He highlighted that this fiscal package would finance temporary and well-targeted tax exemptions to support families and the health sector, and higher spending to respond to the health crisis and humanitarian needs, including higher health-related spending on goods and services, and higher cash transfers and subsidies to the poorest households as well as small businesses and SMEs.

An official from the Central Bank of Namibia opined that on 1 April 2020 the Namibian government launched the Economic Stimulus and Relief Package to mitigate the impact of COVID-19. The total Stimulus and Relief Package amounts to N\$8.1 billion (or 4.25% of GDP), comprising of N\$5.9 billion as direct support to businesses, households and cash flow acceleration payments for services rendered to Government and N\$2.3 billion to further support low-interest loans for small and agricultural businesses, and individuals (Central Bank of Namibia, 2020). Wage subsidy for hardest hit sectors were also introduced. To avoid further retrenchments in the hardest-hit sectors, the government provided a wage subsidy to aid businesses in retaining jobs in the tourism, hospitality, travel and aviation and construction sectors. Government reserved about N\$400 million for this subsidy. Non-agricultural small business loan scheme. The government also guaranteed N\$500 million concessional rate loan scheme for non-agricultural small businesses, with funds provided through the Development Bank of Namibia (Central Bank of Namibia, 2020). The loans were extended to businesses experiencing or expected to experience cash-flow pressure as a result of a loss in revenue due to COVID-19 (ibid.).

In South Africa, an official argued that the government is assisting companies and workers facing distress through the Unemployment Insurance Fund (UIF) and special programmes from the Industrial Development Corporation. Additional funds are being made available for the health response to COVID-19, workers with an income below a certain threshold will receive a small tax subsidy during the next four months, and the most vulnerable families will receive temporarily higher social grant amounts for the next six months. The Employment Tax Incentive (ETI) has been extended to employees between 30 and 65 years of age but also employees between 18 and 29 years of age who were employed before 1 October 2013 (IMF, 2021).

A respondent from the Zambia government outlined that the government introduced various fiscal measures. The Zambian government has announced a release of 2.64 billion-kwacha (0.75% of GDP) to clear arrears and pay contractors. Import duties on mineral concentrate and export duties on precious metals were suspended to support the mining sector. This is in line with a report from the AU (2021) which stated that the government waived tax penalties and fees on the outstanding tax liabilities resulting from COVID-19, suspended customs duties and VAT on some medical supplies and medical-related commodities, removed provisions relating to claim of VAT on imported spare parts, lubricants and stationery to ease pressure on companies. The government had set up an Epidemic Preparedness Fund amounting to 57 million kwacha (0.02% of GDP) and had approved a COVID-19 Contingency and Response Plan with a budget of 659 million kwacha (0.2% of GDP) (ibid.).

#### **4.4 Challenges encountered by the SADC region in minimizing the effects of COVID 19.**

##### **4.4.1 Inaccessibility of remote areas**

Key informants highlighted that some areas were inaccessible during the COVID-19 restrictions. This greatly impacted negatively on governments efforts in containing the pandemic. According to Miranda (2022) law enforcement agents and health personnel had challenges in accessing some areas in Zimbabwe. The researcher further stated that the haphazard type of settlement in most rural areas made it difficult to police rural areas. In addition, most rural areas businesses particularly rural shops did not adhere to government restrictions, opened and closed businesses at their own discretion.

##### **4.4.2 Culture**

Culture referred to beliefs, values and norms of a particular area or country. According to a respondents from Zimbabwe, culture negatively impacted on the effectiveness of CCVID-19 restrictions imposed by the government. He further noted that during the pandemic, people in rural and urban areas attended funerals as part of their culture. In the African context, death is unifier hence the government of Zimbabwe did not ban funerals but restricted the number of people at funerals (Habakkuk Trust, 2020). According to Mutanda (2020) it was difficult for neighbours and relatives not to attend funerals because of its significance in the African culture. Mutanda (2020) further explained that although people avoided shaking hands, it was easier for them to share a cup of tea or share beer thereby increasing chances of spreading the pandemic.

#### **4.4.3 Religious convictions**

Another respondent pointed out to various religious beliefs such as the reference to the occurrence as a fulfilment of biblical prophecies worked against government efforts in Zimbabwe to contain the pandemic. He further explained that some religious leaders, politicians and citizens viewed the pandemic as requiring God's intervention only. Prophet Makandiwa discouraged congregants from being vaccinated whilst religious leaders in Namibia after consultation with President declared three days of prayer to contain the virus. In addition, President Mnangangwa declared 15 June day of national prayer seeking divine intervention to end the pandemic (Herald, 2020).

#### **4.4.4 Porous borders**

A respondent with the immigration office highlighted that they are facing challenges with porous borders. He pointed out that porous borders reduced the effectiveness of government efforts in controlling the pandemic. People from Zimbabwe, Mozambique and South Africa continued to travel to and from these countries through illegal (Muleya, 2020). Muleta (2020b) highlighted that close to 400 people had been arrested for 'border jumping'. Mutanda, (2022) explained that these people avoided days isolation centres and risked spreading the disease to the general population.

#### **4.5 Chapter Summary**

This chapter presented the research findings from the various respondents who were purposively selected for the purpose of this study. The findings were analysed using qualitative content analysis and presented in thematic form. The findings were analysed vis-à-vis scholarly opinion. The next chapter focuses on summary of the study, findings as well as the conclusions and recommendations.

## **CHAPTER FIVE**

## **SUMMARY OF THE STUDY, RECOMMENDATIONS AND CONCLUSIONS**

### **5.0 Introduction**

This section covers conclusions made based on the research findings and gives a brief description of the findings. In addition, the chapter also makes recommendations based on the research findings and gaps identified during the research.

### **5.1 Summary of the study**

**Chapter 1** highlighted the background of the study, the study objectives and questions, the significance of the study as well as the justification. Definitions of key terms are also highlighted. The study aimed at analysing the effects of the COVID-19 lockdown restrictions on the construction industry in Harare Metropolitan. The objectives of the study included analysing the impact of contractual problems, the effects of lack of supplies, the effects of the labour burden as well as the effect of the economic impact on the construction industry in Harare Metropolitan. Limitations and delimitations were also demarcated.

**Chapter 2** covered the literature review. The researcher reviewed literature from other studies from the world, continent as well as the SADC. It also highlights the underlying theoretical framework on which this research is based on and the various aspects surrounding the impact of COVID-19 on the economy of the regional bloc. The study employed the resilience theory which was used to investigate the long-term viability and adaptability of countries' prosperity in the face of adversity, in this case the COVID 19 pandemic. It also stressed on the agreements and disagreements of scholars as well as the gap that exists on which this research is based on.

**Chapter 3** discussed the research design, methodology as well as the data analysis methods. It also justified the choice of methodology and design. The study was qualitative in nature hence it adopted the case study as a research design. Semi structured interviews as well as document reviews were used to gather data. 30 participants were purposively selected from the Ministries of small and medium enterprises, Industry and Commerce as well as Finance in the SADC region member states (where applicable). The data was analysed using the qualitative content analysis. The data was presented in thematic form. Ethics were also highlighted.

**Chapter 4** covered the presentation of findings from the research as well as analysing the data. The researcher found out that the COVID -19 restrictions had a huge effect on the economic status of the SADC member states. The study adopted the qualitative document analysis method to analyse data. Data was presented in thematic form.

**Chapter 5** summarises the study as well as the findings of the study. It gives the conclusions and recommendations to concerned parties. Areas of further research are also outlined. Conclusions were based on the findings while the recommendations were based on the conclusions of the study.

## **5.2 Summary of the findings**

The results revealed the following effects; contraction of the economy, decline in trade of goods, low income and reduced fiscal space. Challenges faced by SADC countries in containing the COVID-19 pandemic include inaccessibility of remote area and haphazard type of settle in most rural areas. The research findings indicated that law enforcement agents and health personnel had challenges in accessing some parts of countries such as Zimbabwe. This negatively impacted on the vaccination program implemented by the government as well as policing of the areas by security agents. However, the government of Zimbabwe introduced

various policies and measure to caution people and businesses against the pandemic. The government increased social protection funding to caution the vulnerable, introduced a stimulus package to caution against economic shocks. The government also funded small and medium businesses as a way of recapitalising the businesses and protecting workers against loss of employment. The government also introduced disaster fund to assist people in times of disasters, pandemics and epidemics.

### **5.3 Constraints**

This study like any other studies, it has its own weaknesses which are covered up by other means. It is crucial to take note of them so that other researchers can fill in the gaps for a better understanding of the subject. The study used case study as a research design which only gave the SADC region a voice excluding the other African countries. It was also difficult to get hold of some the respondents as they are ever busy especially those from the Ministries in the SADC region, whilst some were not comfortable in divulging the information needed. All the same, the study achieved its aim as it managed to

### **5.4 Conclusions**

The pandemic spread across continents in a rapid globalization style, causing a state of panic, and its consequences appeared quickly on the global economy. The outbreak of COVID-19 across the world completely disrupted the political, social, economic, religious, and financial structures of the world. To contain the spread of the virus, many countries declared national lockdowns characterised by restricted movement and social distancing.

The restrictions had an effect on the exchange rates. The SADC member states experienced exchange rate depreciations resulting from the disruptions in financial flows from the external

world, including remittances, foreign direct investment, portfolio investment, and official development assistance. This grossly affected the GDPs of the SADC member states.

The research conclusively indicates that SADC countries were not prepared to handle the pandemic. Most of the response introduced and implemented was reactionary and insufficient to caution the people and business from the economic hardships as a result of restrictions imposed by various government. It should be noted that most SADC countries, with the exception of Tanzania and Zambia copied and pasted COVID-19 measures imposed by more advance economies such as the European Union. This caused the closure of most business and loss of livelihood by thousands of people and increased pressure on the central government to fund social protection.

The SADC member states faced a myriad of challenges in trying to deal with the pandemic which had a direct relation to the economy. The challenges included porous borders which enabled smuggling of goods and people across the states. The cultural values as well as religious beliefs hampered government efforts to deal with the pandemic. Most remote areas were inaccessible hence the governments could not roll out the required resources to deal with the pandemic. This affected the economy because the more the states remained on lockdown, the more the economic activities were either delayed or hampered.

## **5.5 Recommendations**

The research findings recommend the following;

The SADC region should expand its social protection program to cover the unemployed and those in informal employment. This will caution these vulnerable groups in times of pandemic.

The governments of the regional bloc should introduce various taxes such as Disaster fund and Universal health fund which can be levied of luxurious goods such as alcohol and soft drinks.

Revenue raised from such taxes should then be channelled to build more health infrastructure, retain qualified and experience staff as well as buying medication.

The us need to harmonize all social protection programs in the country and enact legislation that make them fair under the preview of one Minister to promote effective and efficient coordination during the occurrence of pandemics or any other natural disaster.

Wider consultations are needed to enhance effectiveness of various programs implemented by the government in containing the COVID-19 pandemic.

The government should formulate a holistic plan to follow in times of pandemics such as COVID-19 and avoid coping and pasting measures from more advanced economies like what happened during the COVID-19 pandemic.

The government should register all informal traders and collect a monthly tax to be used to caution small and medium enterprises in times of need. This will reduce strain on the treasury and ensure that the small and medium enterprises have access to adequate funds.

SADC countries should formulate a policy response to follow in times of crises to avoid confusion and haphazard implementation of measure. The regional block should coordinate measure to combat any crisis to ensure the health and safety of its population.

### **5.6 Areas of further studies**

The study focused on the effects of the COVID 19 restrictions on the economy of the SADC region. However, there is need for an in-depth study of each country since most of the findings are not homogenous.

There is also need to investigate the effects of the pandemic on other regions in the continent so as to compare the findings and triangulate the results.

One can also research on the effects of other pandemics and epidemics on the various economies. In as much as the COVID 19 pandemic took the world by surprise, there are also

other diseases that are wreaking havoc in many countries, for example Ebola, polio, cholera, monkey pox amongst others. So, there is need to examine their effects on the economies of the countries affected.

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**APPENDIX 1: CLEARANCE LETTER**

**DEPARTMENT OF PEACE AND GOVERNANCE**



P. Bag 1020  
BINDURA, Zimbabwe  
Tel: 263 - 71 – 7531-6, 7621-4  
Fax: 263 – 71 – 7534  
0772 596 562

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**BINDURA UNIVERSITY OF SCIENCE  
EDUCATION**

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Date.....

TO WHOM IT MAY CONCERN

RE REQUEST TO UNDER TAKE RESEARCH PROJECT IN  
YOUR AREA

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This serves to introduce the bearer \_\_\_\_\_ who is a MASTER OF SCIENCE DEGREE IN INTERNATIONAL RELATIONS student at Bindura University of Science Education and is carrying out a research project in your area.

Your usual co-operation and assistance is therefore being sought.

Thank you for the continued support.

Yours faithfully

Dr  
D.

Makwerere  
Chairperson  
Governance



**Department of Peace and**

## **APPENDIX 2: INTERVIEW GUIDE**

My name is Caroline Rukodzi a Master of Science in International Relations student at Bindura University of Science Education. I am conducting a research on the effects of COVID 19 on the economy of the SADC region.as partial fulfilment of my degree. I will be glad if you were to participate in my research as an interviewee. This interview will take 20-30 minutes of your time.

I promise you that your confidentiality will be guaranteed. If you do not want your name to be mentioned, then you will remain an anonymous participant. Even after seeking your consent, you are free to withdraw from the study at any given time without having to give any reason.

I greatly appreciate your participation.

### **INTERVIEW QUESTIONS**

1. Would you tell me the type of your organisation?
2. What is the major thrust of your organisation?
3. How long have you been with the organisation?
4. How has COVID 19 affected the economy of your country?
5. How has both the formal and informal sector been able to survive during the COVID 19 period?
6. What were the challenges faced y your ministry in trying to mitigate the effects of the COVID 19?
7. How has these challenges impeded your progress?
8. What measures were employed to make sure that the SADC member states survived from this pandemic economically?
9. What would you recommend SADC member states should do so as to survive a disaster of this magnitude?

We have come to the end of the interview. Once again, thank you for granting me the opportunity to interview you. I am really grateful. Have a great day!