



The impact of COVID-19 on gender aspects of the informal sector in Tanzania

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Key messages

- Most informal economy workers in Tanzania are vulnerable to Covid-19 pandemic due to a lack of necessary social protection coverage and support mechanisms. The outbreak of the Corona pandemic has negatively impacted the informal workers, especially those linked to the most affected sectors, including tourism.
- Both men and women in the informal sector were affected by the Covid-19 pandemic at different levels. Men were more affected in those sectors that are men dominant and vice versa. However, women were seen as more vulnerable and affected due to the household extra roles like childcare, particularly after closing the schools.
- The pandemic led to innovations that created opportunities for women than men, such as making and selling face masks and liquid hand wash soaps, herbal products and healthy food that boost the immunity of the human body, such as lemon, peppers, tamarind.

Introduction

Global statistics show that more than 60 per cent of the world's employed population earns their informal economy livelihood.¹ In Africa, for instance, it is recorded that every eight out of ten people work in the informal sector (ILO, 2018). The informal economy segment in Sub-Saharan Africa (SSA) remains one of the largest in the world, even though this share has been very gradually declining, as seems to be the case globally. In Tanzania, it makes 75 per cent of total employment and over 80 per cent of total GDP.

Evidence shows that most people enter the informal economy not by choice but due to a lack of opportunities in the formal economy and the absence of other means of livelihood. Moreover, it is widely accepted that a large informal economy has adverse economic effects at the macro and micro-levels. Such economic impact includes poor labour conditions, insufficient tax basis, inadequate coverage of social protection, lower earnings, higher gender gaps and a negative influence on macroeconomic

growth (Malta et al. 2019; ILO, 2014).

Moreover, some specific sectors are highly dominated by women and others by men. Generally, the percentage of women workers who are informally employed in developing countries (92%) is higher than the percentage of men workers (87%) (Bonnet et al., 2019; ILO, 2018). In SSA, women are concentrated in informal economy segments where productivity and earnings are low, hampered by inadequate access to capital, public services, social protection and infrastructure, and often face a skills deficit (Basu & Thomas 2009; ILO, 2015). There is a much more significant proportion of women in informal work areas such as production for own consumption, home-based and domestic work, where their invisibility reduces their capacity for collective bargaining and increases their exposure to exploitation. The types of informal work women do as market or street vendors, hawkers or homeworkers, expose them to risks to their physical safety and health.

¹ ILO (2018). *Women and men in the informal economy: A statistical picture* (Third Edition).

It is undeniable that the Covid-19 pandemic has affected the world economy, and countless people's livelihoods have been desperately affected worldwide and in Tanzania. Residents who rely heavily on informal sectors are experiencing a harder economic hit. It is also worth noting that workers in the informal sector do not have secured employment contracts and usually do not enjoy workers' benefits, social protection, or workers' representation. Recent research propounded that women, as one of the vulnerable groups overrepresented in the informal economy, are experiencing additional vulnerability (UNDP, 2020). This policy brief focuses on examining the impact of COVID-19 on gender aspects of Tanzania's informal sector.

Methodology and data

A mixed research method approach was applied to obtain data through desk review, web search; interviews (face-to-face and telephone) with regulatory experts, labour market institutions and workers in the informal sector; and survey with 320 (179 males, 141 females) informal workers. Specifically, 105 (58 males, 47 females) from Dar es Salaam; 65 (39 males, 26 females) from Mwanza; 63 (33 males, 30 females) from Mbeya and 87 (49 males, 38 females) from Arusha. Simple random sampling was employed to derive a study's sample from the small sampling frames obtained from the informal sector representatives. Also, the study relied on secondary data from National Bureau of Statistics (Integrated Labour Force Surveys 2006, 2014), Tanzania Communications Regulatory Authority. In relation to COVID-19, the study relied on secondary information and recent studies including Tanzania economic update by the World Bank.

Findings

Results suggest that both men and women in the informal sector in Tanzania were affected by the Covid 19 pandemic in various ways. Although the entire informal sector was prone to vulnerability, this brief summarizes some everyday operations closely linked to tourism, ground transportation and vending activities. The analysis considered that the COVID-19 pandemic as an economic and labour market shock presenting significant impacts to men and women wage workers or self-employed in the informal sector. While some of the effects affected both genders, others affected men and female differently, as illustrated in the below sections.

The analysis indicated that 40 per cent of those interviewed admitted having failed to meet the cost of taking back their children to school. They stated that they had to borrow money instead to afford to take them back. Different reasons were identified to explain the situations. For instance, 45 per cent of the respondents revealed that they experienced a fall in profits during

the COVID-19 pandemic, especially in the first month of March 2020. Also, out of those, about 80 per cent mentioned limited earning/business opportunities during the period as a reason for a fall in profit. There were cases where some orders been cancelled, and some who supplied food to schools and learning institutions experienced problems of stock of food that was not consumed. They suffered losses and were not compensated. Sectors dependent on international supply and value chains were affected as a result of predominantly global responses to COVID-19 which entailed lockdowns and other measures limiting the movement of people and goods in some cases.

Further analysis from the survey findings revealed that 18 per cent of the informal worker respondents admitted having to close down certain activities due to COVID-19 and opted to do something else for survival. Some were supplying food in offices and provided transport for some specific activities within the most affected sectors, such as tour guiding, they had to close down their services altogether. In businesses such as sugarcane juice, food and drinks, traders in these areas complained about immediate adverse effect as some people soon after the breakup decided to entirely refrain from using those items for fear they would be contaminated.

The COVID-19 Impact on women in the informal sector

The findings revealed that 76 per cent of those interviewed confirmed that women were affected differently from men. The discussion was based on the reality that men and women are different in various aspects. The differences can be found between women and men and other groups of women (rural-urban; rich-poor; educated - uneducated) and men. Certain kinds of work have been stereotyped as 'male' or 'female' because labour division stipulates different roles for men and women due to the socialization process. It was revealed that women were confronted with the double role during the pandemic. They had to take care of the children while continuing with looking for their daily income. Some indicated that some women had to carry their children with them to workplaces because they had no baby care capacity or ability to hire somebody to do this kind of work. Some complained that they had to employ maximum care of children at home due to school closure to prevent them from engaging in unwanted practices.

During an interview with one informal female worker said:

In March through June 2020 women in the food vending sector experienced hard hit due to sharp fall in selling

and profit caused by Corona pandemic. During this time the number of people/customers in towns dropped because some decided not to come due to government advise, some worked from home while others due to limited imported supplies and customers. Another category of customers was very sensitive to corona transmission and so there was basically no business with such category. Worse enough women were forced to spend more time at home to look after children after the closing of schools due to pandemic which created more impact.

It was also reported that some female workers had to change their work system to attend to their children at home. Some informal workers mentioned increased disturbance from idle children at home and were demanding more items than if they were away from home.

Moreover, the interview learnt that there are mainly female businesses such as food vendors “Mama Ntilie” carried out in areas where there was the closure of business the impact was high on female than male. It was found explicitly that women responsibility of fetching firewood, carrying water and cooking essentially expose women to a vulnerability related to COVID-19 contamination. The findings confirm that women play an important socio-economic role by their nature, as evidenced by the influential part they played during COVID-19.

The COVID-19 Impact on men in the informal sector

The findings revealed that men were more affected in the more men dominated sectors such as the transport sector (driving, car maintenance, and wash) and tourism sector (tour guide and handcraft making and selling). Such jobs put men in more danger of transmitting and contacting the Coronavirus and lack of customers due to international travelling restrictions. In particular, the participants' profile in transport operations included 65 people of the minimum age of 28 years and a maximum of 47. Income generated was within the range of 80,000 shillings up to 1.2 million shillings per month. The long-distance heavy truck drivers narrated how the Covid-19 pandemic was a major setback on their lives. They reported going through a humiliating life experience, and each one wished to change a job. They admitted that they were not paid monthly, so like any informal worker, they had nothing like provision for sick leave or Covid-19 stay home paid leave.

Moreover, those who cross borders indicated that they were spending up to three weeks for one round trip from Tanzania to DRC, Malawi and Zambia because they had to undergo health checks. They encountered long queues, and sometimes they were wrongly told they had

COVID-19 and had to be quarantined for weeks. In terms of job losses, this sector was hard hit because the interviews revealed that 45 per cent were laid off and were promised to be called back when the business resumed usually. The layoffs had a significant impact on informal employment. They are also affected by at least two informal helpers who drivers traditionally employ to assist them with changing tires and providing security if there is a breakdown.

Transport and tourism sectors were considered differently due to their uniqueness and the fact that by nature, it would have been the source of cross-transmission of COVID-19 from the Cities to rural areas and from abroad.

The other category of workers in the transport sector interviewed was taxi drivers who provide ground transport to support tourist sector activities. They revealed to have suffered substantially. Some operate between Kilimanjaro Airport and Moshi on the one hand and Arusha, who indicated that they had to stop working. This is because there were no tourists who make up 90 per cent of their customers, hence they had to close business. They indicated how difficult it was to change and operate as regular taxis because of their cars which are Noah, which could not operate efficiently as a taxi in Arusha - Moshi route. They had, therefore, to stay home most of the time as they could not afford to buy fuel or do regular maintenance.

The same problem was in other cities because there was a belief that one could contact Covid-19 through a taxi. Furthermore, all tricycle and motorcycle operators complained that Covid-19 increased the operation cost as they were forced to pay for requirements like sanitizer and water before they could attend to their customers and after completing one round trip. This added to costs of operation and lowering incomes. They indicated that even customers were forcing them to have sanitizer before and after the journey. Also, it revealed that people's tendency to use tricycle and motorcycle as means of transport dropped massively by 63 per cent. Also, it was uncovered that the car washing business was severely affected owing to some people who opted to stop going to such service for fear of Coronavirus contamination.

The COVID-19 Impact on innovation and opportunities in the informal sector

The shocks in the labour market and the economy generally tend to influence innovativeness. The interviews found that the Corona pandemic pushed innovations that gave business opportunities to earn income to men and women. More women were found

to have experienced positive gains in undertaking businesses of making face masks for protection against Covid-19, buying and selling masks in streets and fixed locations. Others used simple technology to make liquid soaps for handwashing. Also, selling healthy foods for boosting vitamins to enhance body immune to fight against Covid-19. Such food subsistence included ginger, peppers, lemon, lime and other fruits and other traditional herbal medicines used for Corona protective practices. Although men also played a role in these kinds of jobs, more opportunity went to female players who are disadvantaged in the labour market.

Conclusion and recommendations

This policy brief concludes that Covid-19 has negatively impacted the informal workers, especially those linked to the most affected sectors, including tourism. They were vulnerable due to a lack of necessary social protection coverage, support mechanisms and depend on daily earnings. Also, the pandemic has positive effects as a result of innovation induced that could lead to change in habit, culture and recognition of traditional foods and medicine. While both genders were affected differently depending on their dominance in the affected sub-sector, women were seen as more vulnerable due to the different role of childcare needs after the closing of schools during the pandemic. On the other hand, the pandemic led to innovations that created opportunities for women than men, such as making and selling face masks and liquid soaps, herbal products, and healthy food that boost the human body's immunity such as lemon, peppers, tamarind etc. This brief recommends the following:

First, there should be measures to enhance the expansion of social protection coverage to informal workers, including insurance schemes that could provide income during months of uncertainty, timely cash transfers, food or in-kind distributions.

In a pandemic like Covid-19, there is a need to consider the fact that gender differences might lead to differences in the outcome of the effects. Formulation of gender-specific measures that offer support during the time of uncertainty is necessary. For example, as it is the case of women with family responsibilities of caretakers of children after schools' closing.

Provision of a conducive and supportive environment by the responsible government and non-government units for innovation and traditional medicine to people who offer alternative solutions and coping strategies in dealing with the Corona-19 pandemic.

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