

Informal Sector, Vulnerability and Social Protection in the COVID-19 Era: Issues, Challenges, Prospects and Lessons Learnt

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ABSTRACT

The paper considers the plight of vulnerable groups operating in the informal sector in Botswana during the COVID -19 Era, and further explores the pragmatic initial responses to these challenges, by the Government authorities in Botswana. The purpose is to highlight lessons that other countries in the SADC region and beyond can glean from Botswana's commendable initial responses to the impact of the COVID-19 induced measures on vulnerable groups, particularly those who derive their livelihoods from informal sector activities.

INTRODUCTION

The COVID -19 pandemic emerged in early 2019, and the Government of Botswana, like elsewhere in the region, immediately put in place measures to combat the spread of the dreaded virus. Among the initial reactions by the authorities was the introduction of the Emergency (COVID-19) Regulations, 2020, which *inter alia*, gave the authorities power to declare a national lock down which ran from the 2nd April to the 30th April, 2020. Due to circumstances beyond the government's control, this lock down was further extended to 21 May 2020. In total, the first lock down lasted 7 long and agonizing weeks, but this of course was all in the national interest. These measures were deemed necessary to stave off the spread of the dreaded marauding Coronavirus. Apart from mandatory closure of facilities, the regulations also introduced restrictions in terms of movement of people, which meant the populace being obliged to remain in designated areas, which in most cases meant essentially indoors. Predictably, the restrictions, especially the mandatory closing of businesses, had a negative impact on the socioeconomic life of a large segment of the country's populace, especially vulnerable groups, including those operating in the informal sector. Vulnerable groups, including a large proportion of those operating in the informal sector, were badly affected by the restrictions, as their sources of livelihood took a severe knock. The Government of Botswana, however, appreciated the gravity of the situation, and proceeded to introduce a raft of measures to help mitigate the impact of these restrictive measures particularly on vulnerable groups, especially informal sector operators. Let us begin by briefly unpacking the concept of informal sector.

INFORMAL SECTOR CONCEPT.

The term informal sector tends to be defined differently in various circles. A walk around urban and peri-urban areas in particular, but also even in villages of most developing countries, Botswana included, is likely to expose a large number of technically illegal operators: vegetable vendors, bicycle repairers, curio

makers and sellers, hair salon operators, cobblers, dealers in car parts, tyre repairers, social media gadget peddlers, among traders in a host of other paraphernalia. These players are mostly small scale commodity producers and service providers, doing business in an informal way, mostly to raise money to enable them to put food on the table. The sector in which they operate is known by several names, such as: second economy, subterranean economy, underground economy, black economy, shadow economy, grey economy, parallel economy or hidden economy (Mupedziswa, 1994). Hart (1973) however, is credited with giving this sector perhaps its most popular name – informal sector. Apparently this followed a study he conducted in Ghana in 1971. The concept of the informal sector however, constitutes a contested territory; while some commentators promote the sector, arguing that it does contribute positively in fighting hunger and poverty among vulnerable groups in society, others despise with passion, its very existence, some even arguing that it breeds vulnerability. It is in order, at this juncture, to unpack the concept of vulnerability.

The concept of vulnerability?

To date, the concept ‘vulnerability’ has no universal meaning (Numans, Regenmortel, Schalk, & Boog, 2021). Different societal settings define it in relation to their contexts. In Africa and the SADC region in particular, vulnerability is perceived as a multifaceted quandary that is often influenced by social, environmental, physical or economic processes. It is usually associated with exposure to unfavourable life circumstances. Individuals perceived as vulnerable may, for one reason or another, have a compromised ability to anticipate, manage, resist or recuperate from the impact of a hazard which could have been influenced by, either natural or man-made circumstances (Brown, Eccle stone & Emmel, 2017). Furthermore, Numans et al. (2021) emphasise that, some underlying motives to vulnerability are revealed when a crisis strikes, subsequently putting those deemed vulnerable, into situations where they would bear much of the brunt of the catastrophe. Nonetheless, groups considered vulnerable comprise a non-exhaustive list that includes, people with disabilities, the homeless, young children, older persons, economically disadvantaged persons, unemployed, those with chronic illnesses, socially neglected individuals, victims of intimate partner violence and other forms of abuse, pregnant women and addicts, amongst others (Brule & Eckstein, 2017; Wall bank & Herring, 2014).

The identified groups can further be categorised in relation to characteristics that have rendered their members, vulnerable. One type is the innate or personal. This is usually defined by characteristics unique to an individual person that may be sensitive. Such characteristics encompass psychological issues like anxiety disorders and those that impact on one’s self-esteem, perception and confidence (Brown et al., 2017). Examples to this cause may include illiteracy, obesity or the socially perceived non-standard appearances. Another type of vulnerability relates to structural or contextual circumstances or factors that lead to being assigned a group status by either a community or society. Groups that may fall under this category are, the homeless, drug abusers or sex workers. In addition, vulnerability may also depend on how affected persons perceive their condition (Brule & Eckstein, 2017). Those who are aware of their status and how it is generally perceived in society are referred to as Emic vulnerabilities. On the contrary, the term Etic vulnerabilities refers to individuals who lack awareness of their status or do not identify with the group label that is generally considered sensitive. Ultimately, vulnerability can be perceived as a phenomenon that comprises a number of intersecting influences ranging from individual to social or cultural factors. The next few paragraphs consider the relationship between vulnerable groups and the authorities in the context of Botswana.

Relations between vulnerable groups and authorities

In many countries, particularly in the developing world, often times, local authorities and operators in the informal sector, who happen to be mostly vulnerable people, tend to not see eye to eye. This is partly because by definition, vulnerable people, a large percentage of whom work in the informal sector, in most cases do not declare their income, meaning, in the main, they usually do not pay any taxes to the state. The

same negative attitude (against vulnerable informal sector operators) is also often displayed by formal sector operators, who according to one author, view informal sector operators as a ‘nuisance’, as the sector (informal) tends to compete with their (formal sector) enterprises for customers, when (as noted above), at the end of the day the informal sector operators, more often than not, do not even pay tax. In the view of formal sector operators, therefore, the informal sector has no reason to expect sympathy from the formal sector. What further irks the formal sector operators is that at times informal sector operators will set up shop right in front of the premises of formal sector operators, in the process triggering fierce competition, and thus further fuelling the negative sentiments and attitudes displayed by most formal sector operators towards operators in this so-called ‘black’ or ‘second’ economy.

The bottom line, however, is that the informal sector does play a significant and critical role particularly in the socioeconomic development of many developing countries, given that this sector provides alternative sources of employment and better still, opportunities for economic diversification (Gaetsewe, 2018). In many countries, this critical point is apparently often lost to central governments, local authorities and indeed to the private sector. Perhaps it is pertinent to pause briefly, and ask the question: What is the nature and size of informal sector activities globally?

Size and nature of informal sector terrain

By some accounts, globally the informal sector employs 61% of the working age population (i.e. 2 billion workers). This is a staggering statistic by any stretch of imagination. As noted, the informal sector ‘phenomenon’ is more prevalent in the developing than in the developed world. Looking at Africa, the ILO, which organisation is the ‘custodian’ of labour statistics (including those relating to informal sector players) and related matters globally, was cited as stating that, in sub-Saharan Africa alone, the informal sector accounts for a whopping 86% of the working age population. In this same region (sub-Saharan Africa), the informal sector is said to account for 72% of non-agricultural employment. According to Shah (2012a), in Zambia for example, the informal sector employs 90% of the labour force, and has grown rapidly in recent years.

In terms of nature of the informal sector, Roy (2005) has argued that globally the informal sector was a reflection of the unequal nature of urban citizenship embodied in laws and regulations that determine what is legal and what is not legal. Molebatsi & Morosolo (2019) corroborated this contention when they weighed in, positing that addressing urban informality should be seen as part of the quest for just and inclusive human settlements. The sector clearly benefits a significant proportion of the working population, especially in developing countries, hence, suggesting that the sector ought to be handled with particular care by all concerned.

Characteristics of the informal sector include the fact that all sorts of people can operate in this sector – young, adults and older people, the well, the infirm, men and women, boys and girls, with no discrimination (Mupedziswa, 1994). Generally, business norms hardly exist in much of this sector, with people often working long hours each day, sometimes going for up to seven days a week, without rest. Shah (2012a) notes that the informal sector is characterised by ease of entry, low levels of skills, labour intensive technology, and small size of ventures. He further states with particular focus on Zambia, that informal sector operators tend to be shielded from tax inspector visits, unlike registered operators.

Operators in the informal sector do face a plethora of challenges, though. For instance, many of them are obliged to travel long distances each day (often on foot) in the line of duty (Mupedziswa, 1994). Sometimes they have to contend with the vicissitudes of the weather – rain, wind, sun, dust, among other elements. Should the operator fall sick, there is usually no one to replace them at their workplace, hence they tend to lose earnings in such circumstances. The sector is also generally characterised by low wages, although a select few do make good earnings, which facilitates fairly comfortable living. Evidently, for the vast

majority, operating in the informal sector can be extremely difficult and quite taxing. In most instances, those involved in the informal sector operate illegally, without the blessing of the relevant local authorities. Although in some countries the authorities do turn a blind eye, or give the operators the option to regularise their status through registration and payment of fees such as a vendor's licence, the fact remains that in most cases these people operate on shoe-string budgets, and illegally too. The sum total of these challenges, is what makes them even more vulnerable.

The socio-political terrain in which informal sector workers operate tends to be quite toxic, with the operating ground often rendered uneven. While governments in a few countries in the southern African region have, with-cheek-in tongue, allowed the informal sector to operate (in some cases even providing stalls for shelter to operate from), many other governments have shown outright hostility, resulting in running battles being fought with law enforcement officers. In yet other cases, a love-hate relationship tends to be the order of the day, pitying the masses of informal sector operators against the authorities. In yet other cases, 'double-bind' messages tend to be the norm – meaning what the authorities say in public, and what obtains in reality on the ground, are at cross purposes. A couple of examples of this tendency, from Zimbabwe and Zambia will suffice.

Zimbabwe is one such country, where what the authorities say and what happens on the ground tends to be contradictory, in many instances. In a recent (2 September 2021) online programme hosted by journalist Lynette Manzini, titled *Zimbabwe's Economic Recovery Path – Reforms, SDR, Priorities*, while the Minister of Finance stated that the informal sector is crucial to the economy, the leader of the Zimbabwe Congress of Trade Unions (ZCTU) bemoaned the harsh treatment of operators and deprivation of livelihoods in this sector on the ground.

Apparently in the case of Zimbabwe, operating illegally in the informal sector may attract dire consequences. For instance, a recent newspaper article reported that some informal sector operators in that country complained of all manner of challenges, including sexual harassment. One informal sector operator is said to have complained, thus: "Police officers and municipal cops (in Zimbabwe) are illegally demanding sex from female illegal vendors to facilitate their release....". Another woman reportedly "bemoaned sexual exploitation by land barons when they want to access vending stalls..." controlled by these barons. Yet another complained of beatings by the security officers, stating thus: "They (officers) use buttons to beat female vendors. They arrest vendors without clear charges and sometimes demand sex and bribes or even take away their wares without payment" (Newsdze zimbabwe, 2021:1). These utterances suggest a rather suffocating operating environment for the informal sector workers in that country. Clearly this makes them even more vulnerable.

In all fairness to that country, Zimbabwe is not alone when it comes to harassment of informal sector operators. Reports from other countries in the sub-region, suggest similar challenges, and more. Zambia for instance, seems to have a similarly somewhat "confusing" informal sector operating environment, apparently with harassment of operators being the order of the day. For instance, Shah (2012a) cited a former Zambian leader, the late President Michael Sata, as having written to town clerks and council secretaries across the country, urging them to immediately stop harassing street vendors and car wash operators. The tone of the then President's message already suggested there was massive harassment taking place. Apparently many government officials in Zambia did not agree with their president; to them, the informal sector was simply a 'cost centre' for the government, with no ability to pay taxes, and hence needed to be replaced by modern industries and farms (Shah 2012b).

The two examples cited above, attest to the hostile environment in which the informal sector has been operating in the region and beyond. Clearly life in the informal sector has tended to be characterised by numerous barriers, which paint a picture of survival of the fittest. Evidently, operators in the informal sector have tended to exist in a rather toxic environment. The fact that for many of the operators, the activities they

are engaged in constitute their only source of livelihood, the only way to bring food at the table, seems to be 'conveniently' lost to authorities in most countries in the sub-region.

In virtually all countries in the region, conditions of informal sector operators were quite bad prior to the advent of COVID-19, and sadly, had since worsened since the advent of COVID-19 and the subsequent lockdowns. Over a year and half since the dawn of COVID-19, operators in this sector are still reeling under the impact of the COVID-19-induced challenges. But how has the informal sector in Botswana fared since the advent of the COVID-19 pandemic? Since Botswana offers an interesting case study, it might be prudent to, in the first instance, briefly look at the socioeconomic profile of the country, before considering issues around performance of the informal sector, before, during and post COVID-19 as well as lessons learnt. We also consider how the Government of Botswana has related with the informal sector during the material period.

BOTSWANA'S ECONOMY: BRIEF OVERVIEW

Over the years, Botswana has boasted of one of the fastest growing economies not only in the region but in the world. Historically, the growth rates have been quite phenomenal (Mupedziswa, & Ntseane 2017). Before the advent of COVID-19, the country's ranking by international business scales was quite impressive (Vision 2016 Report). The investment climate was buoyed by democracy and good governance. However, in the last few years, formal sector growth has, unfortunately been mainly in the public sector, and very limited in the formal (private) sector. Botswana depends mostly on the mining sector (mostly diamonds), and yet this sector generates only 4% of employment; suggesting mining is not a major employer, despite its being the backbone of the country's economy (Vision 2016 Report). Thus, high growth rates did not always translate into expansion of job opportunities.

UNDP (2021a) has observed that in the context of Botswana, lack of diversification, limited investment opportunities, insufficient skilled human power, coupled with a rather small market, have characterised the country's economy in the last couple of decades. This of course has translated into only limited formal employment opportunities, wreaking havoc on standard and quality of life in the process (Stats Botswana, 2016). Other challenges that have equally caused unemployment levels to remain high have included the landlocked nature of the country and a relatively small population (Vision 2016 Report). Also equally to blame has been the impact of HIV and AIDS, and of late, the devastating impact of COVID-19, which continues to wreak havoc across the country. These developments stifle employment creation.

In the last one and a half years, COVID-19 in particular, has to some extent decimated the economy, with some companies having reportedly closed shops, while others resorted to downsizing. Other than that, COVID-19 has caused resources to be diverted to fund a challenged health system. By some accounts, these developments have had the effect of fuelling unemployment to even higher levels. Poverty levels have gradually escalated, with the country ranking 13th in Africa and 126th in the world on the Human Development Index (UNDP, 2021a). The high unemployment rates and poverty levels have, in turn, caused many people to flock into the informal sector (Vision 2016 Report). As is the case elsewhere in the developing world, many among the marginalised in Botswana do depend on informal sector ventures for their survival, either as the only source of income, or as a strategy to augment relatively meagre earnings. Let us briefly unpack the nature of the informal sector in the country in some detail.

The informal Sector in Botswana

It is incontrovertible that in Botswana, like elsewhere in the region, the role of the informal sector cannot be over emphasised (Gaetsewe, 2018). As noted, unemployment levels are quite high, particularly when compared to other middle income countries such as Malaysia, Venezuela, Brazil, Turkey and Mexico (Ulrickson, 2012). According to UNDP (2021a), the informal sector contributes about 5.3% to the country's

economy and employs over 190 000 people, the majority of them being women and youth. This suggests that the informal sector is an employer of particular note in this country of a population of 2,37 million, and making a meaningful contribution to national development.

By definition, informal sector ventures in Botswana are entities that are not registered with the Registrar of Companies. Also falling into this category are legal professionals who run informal accounts or none at all and employ 5 or less people (Molebatsi & Morosolo, 2019). The two authors further explain that many such entities would ordinarily have expenditures that are not easily distinguishable from household expenditure. According to Statistics Botswana (2007), informal sector enterprises may be temporary, or mobile, or set up in owner's home. The CSO (2007) added that characteristics of the informal sector in Botswana include non-registration with the authorities, having informal accounts or none at all, not having a minimum number of paid employees. Equally important to note is the confirmation by the CSO that such ventures are often temporary or situated in the owners home. Also worth noting is the inability, on the part of informal sector operators, to differentiate firm expenses from household expenses (CSO, 2007).

Like in any other developing country, the government of Botswana is interested in establishing the contribution of the informal sector in the country. Among other initiatives, two surveys were conducted in Botswana, one in 1999 and the other in 2007, for the purpose of determining the role of the informal sector in the country's economy. The results showed that the sector played a significant role in this regard, and that there had been significant growth in the informal sector over time. The GoB (2010) did acknowledge that the informal sector constituted a crucial sector that provided self-employment and could assist and would assist in eradicating poverty and achieving full employment. Research by Moffat and Kapunda (2015) also buttressed these findings by confirming the crucial role played by the informal sector in Botswana. Interestingly, they observed that 40% of individuals who entered the informal sector did so because they were unemployed, and significantly, 35% entered because they were interested in being self-employed. It also emerged that a considerable percentage entered the informal sector in an effort to augment meagre earnings from a formal sector job.

Clearly, there has been broad consensus that the informal sector in Botswana has helped create employment and thus helped ameliorate poverty, and thus reduced vulnerability across the country. It was perhaps on the basis of this recognition that commentators like Gaetsewe (2018) were able to confidently declare that the Government of Botswana recognises the importance of the informal sector in reducing unemployment and eradicating poverty in the country. It ought to be acknowledged, however, that merely admitting that the informal sector has potential is not exactly the same as giving the sector a blank cheque to operate freely.

Apparently two schools of thought have emerged in Botswana, in regard to how commentators perceive the relationship between the government of Botswana and informal sector operators in the country. One perspective seems to see the Government of Botswana as encouraging and promoting the informal sector. Another perspective holds the view that Government (of Botswana) policy has been to not openly embrace the (informal) sector. Molebatsi & Morosolo (2019) for instance, noted that the relationship between the Government of Botswana and informal traders has hovered between hostility and tacit recognition of the sector. The two authors (Molebatsi & Morosolo 2019) further noted that in some instances, Government agents had, apparently, displayed open hostility, as vendors had been forcibly removed from the streets, and as is the case with incidents in Zimbabwe and Zambia referred to earlier, some of the traders in Botswana (it is claimed) have had their goods confiscated by local authority agents. This suggests are love-hate kind if relationship.

While both perspectives narrated above seem to have some traction, a more plausible position seems to be that over time there appears to have been a (positive) shift, a softening of heart, on the part of the Botswana Government, towards near-total acceptance and recognition of the contribution of the informal sector to the economy of the country. Gaetsewe (2018) is among those who, even prior to the advent of COVID -19, had

argued that there had certainly been a (positive) change of heart on the part of the Government, adding rather boldly that the Government of Botswana (now) recognises the importance of the informal sector in reducing unemployment and eradicating poverty. Hence it may be safe to say today the Government of Botswana thus now (even more clearly) views the informal sector as a development partner. But what were the initial government responses to the impact of COVID-19 on Botswana society, particularly in the wake of the lockdowns, social distancing and related measures?

Government's Initial Responses to Socio-Economic Impact of COVID-19

An economic crisis of immense magnitude was created as a result of the global health crisis triggered off by the advent of the COVID-19 pandemic. During the lock down period in particular, much suffering was experienced especially by vulnerable groups across the world, and Botswana was no exception. Low income earners and vulnerable groups in general, especially those surviving on informal sector activities, went through a very difficult time. For those in employment, most businesses temporarily ceased to operate due to the lock down. While for some ventures the closure was temporary, for others, there was a permanent closure. In Botswana, vulnerable members of society, such as people with disabilities, etc., who were registered on such social protection schemes as the Destitute Person's Programme (a government sponsored initiative), could not access their monthly stipend as virtually all business had screeched to a complete halt. This resulted in the socio-economic conditions particularly for vulnerable groups becoming extremely desperate.

The lock down meant virtual halting of economic activity. Hence, Botswana's economy, like that of other developing countries, was not spared; the economy took a severe knock due to the impact of the COVID-19 pandemic. In response to the impact of COVID-19, the Government, through the Ministry of Trade and Investment (MITI), crafted an *Economic Response Plan*. This was launched on 1st April 2020, and it included the setting up of a Special Fund – the *Botswana COVID-19 Pandemic Relief Fund*. This initial Government COVID-19 response focused on wage subsidies and financial relief for the formal sector. The Fund sought to give relief to selected industries and sectors (UNDP, 2020) as well as individuals, against the resultant economic shocks. Emphasis was on those that had suffered the most as a result of the impact of the pandemic.

With regard to industry, Botswana COVID-19 Pandemic Relief Fund also catered for an economic stimulus programme meant to stabilise businesses, and facilitate the exploration of opportunities for economic diversification. Thus, registered commercial and industrial entities negatively impacted by the lock down, did get a reprieve, in the form of a grant facility rolled out by the government to enable them to meet their wage and related obligations. This of course was a most welcome short term measure for businesses as some of them were suffocating.

As for households, many among the vulnerable groups found themselves with virtually no resources to sustain themselves in an environment characterised by total lock down. To its credit, the Government of Botswana quickly stepped in and pledged to make food hampers available to the vulnerable and marginalised in society. This was born out of a realisation by the authorities that at household level, there was need to soften the blow of the lost income, on those who lost income-earning opportunities, through some form of limited assistance (UNDP 2020). The reasoning, on the part of the authorities, was that the measures would help them to meet their immediate and more urgent economic commitments. And indeed the measures did go some way in providing some form of relief to some households.

While working out the package, the Government realised that the resources at its disposal were rather limited, hence it came up with a document titled *Government Guidelines for the Botswana COVID-19 Pandemic Relief Fund*, which contents ensured that the immediate targets for assistance would be those sectors, firms and households that had suffered the greatest impact where COVID-19 was concerned

(UNDP, 2020).

The first step the authorities took in rolling out the plan was to deploy social welfare officers across the country, whose brief was to assess and register potential beneficiaries. The purpose of this (roll out) exercise was essentially to provide such people with emergency material assistance. The social welfare officers deployed across the country used their own discretion though (basing on the guidelines) to determine which household to approach for assessment, and the nature of assistance to be rendered (within limits) to households that qualified for public assistance. Perhaps it might be useful to pause for a while and pose the question: How badly did the COVID-19 pandemic affect the informal sector?

COVID-19 Impact on Botswana's Informal Sector

Botswana, like many countries in the region and beyond, was badly impacted by the COVID-19 virus. The economic outlook became quite ominous as COVID-19 ravaged the country. For instance, prior to the advent of COVID-19, the unemployment level had stood at 17.6%, with a related youth unemployment figure standing at 26.2% (Stats Botswana 2016). However, the figures of unemployment worsened at the advent of COVID-19 to stand at 17.7 in 2020. This figure has probably gone further up since then. Many commentators suggest that the loss of jobs happened almost simultaneously with the advent of lock downs and curfews. Many who lost their jobs and some who had never had a job, had no option but to look to the informal sector for salvation. The sector became flooded with the unemployed. A casual glance on the streets (and even highways) for instance, suggests that the number of road-side vendors had increased significantly. In fact, it would not be far-fetched to suggest that at no period in the history of the country had the role of the informal sector become so apparent and better appreciated than since the advent of the COVID-19 virus. Despite the informal sector assuming such an incredibly heavy responsibility, it (the sector) was severely decimated by the impact of COVID-19.

UNDP (2021b) correctly noted that particularly as a consequence of the national lock downs, the informal sector in Botswana bore the major brunt of the impact of the COVID -19 pandemic. Informal sector activities most severely affected by the COVID-19 pandemic included hawkers, hair salon operators, street vendors and those in the informal transport sub-sector, among a host of others. Apparently, over half of the operators in the informal sector were unable to make any income during the first national lock down alone. This was essentially because of the order given for people to stay at home and also issues around social distancing. It is also fair to state that some operators became so frightened by the advent of the vicious and ravaging COVID-19 virus that naturally they refrained from venturing outdoors to transact any form of business with anyone. Additionally, many potential customers too stopped purchasing goods and services from the informal sector for fear of getting infected with the dreaded virus. All these developments severely impacted the informal sector, in a negative sense.

Even so, it is common course that directives such as 'stay at home' and 'social distance' naturally tend to be antithetical to the very nature of the informal sector (UNDP, 2021a). According to UNDP (2020), during Botswana's national lock down in April 2020, over half of businesses in the informal sector recorded zero revenue for the particular month. This is a staggering figure by any stretch of imagination. However, in all fairness, the Government had no option other than to introduce such stringent measures in order to save the country from total annihilation, particularly given the relatively small population of the country (of approximately 2,3 million. All said, as a result of the introduction of the stringent measures, many operators in the informal sector lost their primary means of livelihood. These people became extremely desperate as the days rolled by.

It was noted earlier that when the Government of Botswana realised COVID-19 had had a devastating negative impact on the country's economy and livelihoods, it promptly stepped in to assist struggling formal sector ventures. The Government did not turn a blind eye on households either: it introduced a short term

assistance package to families, in the form of food humpers. All these measures were most commendable. However, one sector the authorities seemed to have overlooked was the informal sector as an entity (not to be confused with households). As Mphoeng Mphoeng (2021) correctly noted, the Economic Recovery Plan was multipronged and comprehensive, but sadly its major weakness was that it had not addressed the needs of the informal sector. It was however, not long before the relevant authorities realised the rather serious anomaly; the yawning discrepancy in terms of having overlooked the informal sector, which by then was bleeding profusely. And they sprung into action, coming up with an initiative they termed the informal sector recovery plan. Let us unpack this “package”.

Informal Sector Recovery Plan

With time, the authorities realised the need to focus on bailing out the informal sector. As UNDP (2021:1), put it, “It became clear that the informal sector had become the ‘missing middle’ both in terms of policy making and economic response”. Upon realising this discrepancy, the authorities quickly got galvanised into action. Apparently there was much sympathy in respect of activities involving women entrepreneurs, since these constituted one of the most vulnerable groups operating in that sector. It ought to be noted that women tend to be at the receiving end of Gender-Based Violence, much more than their male counterparts. In Botswana, as elsewhere, GBV surged at the pick of the COVID-19 pandemic, especially during periods of lock down. The Botswana Nurses Union (BONU) (2020) reported that during the lock down period, COVID-19 had worsened – turning into what they termed a ‘shadow pandemic’.

This contention was corroborated by African Briefing (2021), whose article titled, *Gender based violence on the rise in Botswana*, cited the Chief Executive Officer of Botswana Gender-Based Violence Prevention and Support Centre (BGBVSC) as having reported that while the number of cases of GBV that had surged during lockdown had since dropped from the lockdown period, the figures, however, had remained extremely high. The explanation proffered was that home isolation, lock down and movement restrictions, meant the victim and the perpetrator spent long hours locked-up in their homes together with the potential perpetrators. The perpetrator then took advantage of the situation, as there might be no one available to intervene and rescue the victim. Hence, apparently, the victims (during a lock down) will be rendered more vulnerable due to reduced access to their support networks, and this, coupled with limited options for escape from such an environment, had turned out to be a recipe for mini-disasters. Thus, perpetrators of gender-based violence actually thrive under those circumstances (i.e. home isolation and lock down).

The Government of Botswana, with assistance from UNDP, sprang into action, conducted a situation analysis, and came up with an initiative they termed *Botswana National Informal Sector Recovery Plan*. Essentially the plan sought to support the recovery of the informal sector from the effects of COVID-19 in the short to medium terms. Additionally, the plan also sought to ensure that informal sector businesses were enabled to build resilience against future shocks beyond the COVID-19 era. Thus, at last a plan of action addressing the needs of informal sector operators in the COVID-19 era was put in place.

As noted, the *Botswana National Informal Sector Recovery Plan* emerged following a situation analysis of the impact of the COVID-19 pandemic on the informal sector, as well as the conducting of extensive consultations with a wide range of stakeholders in the spirit of beneficiary participation. Those consulted by the authorities included representatives of informal sector associations, informal sector participants, and representatives of relevant ministries and parastatals (UNDP, 2021). This putting heads together resulted in the birth of the informal sector recovery plan.

In essence, the recovery plan sought to explore ways of assisting this sector, with a view to saving the sector from totally collapsing under the weight of the impact of COVID-19. According to UNDP (2021a) there was realisation in government circles that going forward, Botswana did require a broader, more inclusive and accommodative definition of the term informal sector, one which would take cognisance of the dynamic

changes occurring within the macro-environment and indeed within the sector itself. The envisaged changes included in terms of heterogeneous characteristic features of new participants in the sector, and the incidence of participant registration with government agencies, among others (UNDP, (2021a). This was a welcome move, given that in many countries in the region the definition of “genuine informal sector” whose activities are well worth of consideration are those that fall under the banner of small to medium and micro enterprises (SMMEs), and not activities by the individual, such as selling of tomatoes, green vegetables or airtime by the roadside. This should not be the case.

The *Botswana National Informal Sector Recovery Plan (ISRP)* rolled out by the Government is anchored on two strategic goals, the first of which focused on the establishment of *Informal Sector Facilitation Structures* within the First Year of the COVID-19 Pandemic, while the second strategic goal involved the *Economic Revitalisation of the Informal Sector*. These two goals on their own suggest more than tacit recognition by the Government, of the enormous role played by the informal sector in propelling the country’s socioeconomic development agenda. According to the Plan, the Local Enterprise Authority (LEA) would be roped in as the lead actor in the implementation of the noble recovery plan.

Encapsulated in the proposed plan was also a recommendation to establish an *Informal Sector Agency* whose mandate would be to regularly engage with informal sector participants and their associations directly, to deliberate on issues pertaining to the health of the sector. The agency, when created would play the role of managing a *sectorial business intelligence data base* whose role would be to provide the underpinning information required for vulnerability strategies. This move, according to UNDP (2021a) would help shift the sector’s focus from necessity-driven to innovative opportunity driven entrepreneurship, and eliminate decent work deficit. This has been a giant leap forward indeed, and a welcome step on the road to full recognition of the informal sector in the country. May countries in the SADC region and beyond can take a leaf from this positive development in Botswana’s informal sector.

Other issues included in the *Economic Revitalisation of the Informal Sector*, included a proposal for the establishment of *Regional Production and Service Centres* to facilitate formal structuring, economies of scale, purchasing power and sales channels within the informal sector (UNDP 2021a). It was envisaged this would help foster resilience to the informal sector across the country. Other recommendations coming out of the informal sector recovery plan included immediate dispensation of cash (P 1000 each) to operators, the need for operators to digitalize their activities through e-commerce platforms, skills and entrepreneurship training to facilitate innovation, cluster development, incubation, supply chain management, organisational management, marketing, financial management and upscaling (UNDP, 2020). In all this, one underlying factor would be to ensure there is total adherence to COVID-19 regulations, across the board. The Plan appears to have been very well thought through and quite practical. Several elements of the Plan had had since been rolled out.

LESSONS LEARNT

A situation analysis conducted by the Government of Botswana on the impact of COVID-19 on the informal sector reportedly concluded that, “There was consensus among promoters of informal sector businesses, and Government of Botswana policymakers that enterprise success, diversification, and profitability for informal sector businesses, along with increased buy-in to the national social contract, should be prioritised” (UNDP 2020:2). That the Government of Botswana even undertook the Survey that came up with this finding, is in itself most commendable, it is an object lesson for other countries in the region. It signifies seriousness of purpose, in respect of commitment to render total support to the informal sector. Equally commendable was the fact that the authorities in Botswana had adopted an approach that was not entirely top down – one in which apparently wide consultations occurred, and eventually broad consensus realised. This again is a lesson for countries in the region. In many countries in the region, it is perhaps mostly academicians and

designated researchers who find it in themselves to conduct research on the role of the informal sector. Sadly, authorities in many countries hate the informal sector with a passion, meaning they will do everything in their power, including harassment of the sector, to ensure the sector does not fly. Even in instances where research is commissioned for the informal sector and recommendations made, very often, research reports emanating from the process will routinely gather dust on the shelves of the offices of the relevant authorities, simply because the potential consumers of the report, do not have any regard for whatever recommendations may have come out of the research findings. The situation seems to be different, in the case of Botswana as the authorities appear to have commissioned a Survey and proceeded to not only embrace the findings of the Survey, but took a step further to actually implement the recommendations. This is yet another object lesson for countries in the region.

In many countries in the region, there also tends to be a deficit in regard to the decision-making processes where issues pertaining to the informal sector are concerned. The authorities in many of the countries prefer a system of decision-making that in essence is completely top down in nature, with no room for consultation with potential beneficiaries. This explains the numerous deserted market stalls especially in urban areas that stand like the white elephants they are. The thinking among the authorities is that it is those in the ivory towers (i.e. themselves) that know what is best for “our people”. In the case of Botswana, the situation was different – broad consultations occurred, and this is how things ought to be.

In regard to the informal sector in particular, authorities in many countries in the SADC region and beyond, tend to be intent in wanting to simply wish away this noble sector away, which position of course is completely retrogressive, regrettable and at cross-purposes with the spirit of national development. Indeed, a huge error on the part of these authorities, whose consequences would be dire. This, another object lesson indeed for government authorities in various countries in the region.

In the case of Botswana today, there appears to be broad consensus on the important role that the informal sector plays in national development. Additionally, there also appears to be broad consensus across the country, on the need to explore ways of bestowing on the informal sector, its rightful place in national socioeconomic development, to enable the sector to flourish. Judging by the sequence of events that led to the development of the Informal Sector Recovery Plan, participation of the masses seems to be indicated, and above all, immensely valued. Other countries in the SADC region and beyond, ought to take a leaf from this free object lesson offered by the Republic of Botswana, a country with a relatively small population of approximately 2.37 million inhabitants.

It is worth reiterating the crucial point that the world, as it has been known since time immemorial, has changed so dramatically within such a short period of time, such that a (hypothetical) creature from earth that visited the planet Mars in December 2019, would upon flying back to planet earth say by September 2021, be forgiven for concluding it had landed on the wrong planet, because of the massive changes that have occurred, that constitute the so-called “new normal”, which planet earth has embraced. The point being made here is simply that governments in the SADC region (and beyond) ought to appreciate that it can no longer be business as usual. The ‘new normal’ calls for new and innovative ways of running countries and indeed doing business. And this includes embracing the informal sector as a viable national development (sector) partner, and, indeed even going a step further to wholeheartedly support its initiatives. Hence, countries in the region are urged to move with the times. This is another pertinent lesson that can be gleaned from the manner in which the Government of Botswana has handled issues, where the informal sector is concerned. The consequences of any government in the region burying its head in the sand like the proverbial ostrich, would be too ghastly to contemplate.

CONCLUSION

The numerous recommendations showcased in Botswana’s Informal Sector Recovery Plan are noble,

although a few of them may seem to be rather too ambitious. A couple of them, if taken to their logical conclusion, seem to be steeped towards eventual goal of formalisation of the informal sector. Globally it is a known fact that some in the informal sector are not too keen on formalisation of their ventures, this for fear – real or imagined – that eventually this might lead to enforcement of certain rules and regulations, including paying of tax. The fact therefore is, not every operator in this sector yearns for formalisation of their informal ventures, although they may be happy to receive assistance from any quarter (Mupedziswa & Gumbo, 2001). Hence the authorities in Botswana and elsewhere may need to tread softly when it comes to this slippery turf.

This is not to suggest that recognition and support of the informal sector ought not to happen. On the contrary, recognition of the contribution of this sector to national development ought to be the first step, followed by deliberate efforts towards total support of the informal sector. This, the Government of Botswana has started to do to a large extent. If the plan is implemented to its letter and spirit, there is an excellent chance the informal sector in the country will make full recovery and in the process make meaningful, tangible, visible contributions, and ultimately a positive difference to the national economy.

The positive manner in which the Government of Botswana has handled the situation of informal sector operators particularly in the ‘poisoned’ COVID-19 era, offers many object lessons for other countries in the SADC region and beyond. The lessons include the need to appreciate that the informal sector does make a positive contribution to the national economy, and hence it does not need harassment but rather unbridled supported. The sector is the only source of livelihoods for many citizens, not only in Botswana but in virtually all the countries in the SADC region, and beyond. The sector took a battering at the advent of the COVID-19 era, and hence it requires government assistance for it to be resuscitated and survive. Governments in the region should not continue to turn a blind eye while informal sector operators are continuously harassed by state and local authority agents, who confiscate their wares, often with impunity. The object lessons from Botswana are indeed well worth paying attention to, or even emulation by the various governments in the SADC region and beyond. It is equally pertinent to appreciate that the informal sector is not an enemy of the state but rather a partner in national development. For many operators, this is the only way they can put food on the table, the only source of income to feed their families. Harassment of the sector ought to be replaced by total embrace and unequivocal support.

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