

CRITICAL IMPACT AND EFFECT ANALYSIS OF THE COVID-19 PANDEMIC ON THE TOUR GUIDE ENTERPRISES IN SOUTH AFRICA

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ABSTRACT

The COVID-19 pandemic continues to cause disruption to virtually all businesses, including the tour guide business sector. South Africa is a tourist destination country and different tourism businesses thrived in the country until the outbreak of the pandemic which made the government implement various restrictions measures for purposes of curtailing the spread of the virus. These restrictions, ranging from different levels of lockdown, social distancing and broad regulations affect human mobility. Undoubtedly, the tour guide business thrives where there is free movement. The various restrictions imposed by the government have a huge impact on tourism as a whole. It is pertinent to point out that while scholars have written on various aspects of the impacts of COVID-19 on human beings, businesses etcetera regarding South Africa, there is a paucity of information on the impact of COVID-19 pandemic on tourism operation's businesses and livelihood. It is against this lacuna that this paper looks at the impact of the pandemic on the tour guide business particularly with regard to how the lockdown measures have impacted the business of tour guides, their economy, jobs, livelihoods etcetera.

Keywords: Tour guide business, COVID-19 pandemic, Restrictions, Loss of jobs, Economic hardship, South Africa.

INTRODUCTION

Tour guides play significant roles in the tourism industry where the guides provide unique services of ensuring that tourist visitors are properly guided during their tourism venture in any destination (Ap & Wong, 2001) highlighted that "tour guides are one of the key front-line players in the tourism industry." They are usually the first contact that a tourist has in the destination country and as such, they perform vital roles in the industry (Lin et al., 2014). In 2020, when the COVID-19 pandemic broke out, it ravaged human endeavors and the tourism industry was one of the hardest hit. This is said against the backdrop that tour guiding business thrives in a safe and conducive environment where people are able to move freely (Chowdhary & Prakash, 2008). Unfortunately, the COVID-19 pandemic disrupted human endeavors in different forms to the extent that most governments of the world had mandatory lockdown in their countries and banned visitors from their countries to curb the spread of the virus. Many countries announced various travel restrictions that prevented tourists from travelling and touring. Overall, the transport industry was affected. Of note, the aviation industry that plays major role in transporting tourists from one destination to the other was grounded. Tour guide businesses in South Africa were hugely negatively impacted. For example, some in the tourism industry use vehicles that attract monthly installment repayments which they service from rental income as they use the vehicles for transporting tourists to various destinations. However, the pandemic resulted in the halt or sporadic flow of that income. Of note, tour guide business is the primary

income of many of households thereby impacting negatively on their families' livelihoods. To this end, individuals in the tour guide business were exposed to various socio-economic problems which affected them and their family. To alleviate the socioeconomic shock of the pandemic, the government announced various stimulus packages and assistance, however, the majority of the tour guides were unable to access these stimuli due to endemic corruption, maladministration and nepotism by the government officials and the people saddled with the responsibilities to facilitate broad disbursement of the packages.

LITERATURE REVIEW

Tour guides provide essential services which are critical in packaged tourists' satisfaction in virtually all tourist destinations locally and internationally. According to Ting et al. (2014), "tour guiding profession is the core of the tourism industry, and helps to make the industry attractive and profitable. To this end, most tourists rely on tour guides in order not to encounter any difficulty in getting to destinations they tour and also, to get maximum guide and information which would enable them to derive maximum satisfaction during tours (Huang, 2001). As such, tourists' satisfaction and positive experiences are oftentimes, determined by the quality of the tour guide services rendered to them (Hwang et al., 2020). While these assertions are apt, it is equally important to point out that tour guides and operators render services to tourists and travelers in destinations where the business environment is conducive and allows the guide to ply the trades and operate freely and adequately (Slocum et al., 2020). Tour guides perform remarkable roles and functions in the tourist industry. They serve as pathfinders, tour leaders, storytellers, and mentors for tourists (Lin et al., 2017). In terms of contribution to the profitability of different tourist companies, tour guides are often the spokespersons for their companies and project the image and reputation of the company as ambassadors and representatives of the companies. More importantly, tour guides perform the role of middle-men and interpreters by providing broad understanding of the culture of the destinations (McDonnell, 2001) as well as the heritage and tradition of the destinations whether locally or internationally (Ting et al., 2014). Against this backdrop, it is essential to point out that since the COVID-19 pandemic, the government promptly stepped in and intervened by shutting down and imposing various restrictions to restrict human mobility (Letunovska et al., 2020). These restrictions have various devastating impacts worldwide. This is said against the backdrop that if human mobility is restricted, it automatically impacts tour guide businesses and operations (Kenteris et al., 2009). Without mobility, tourists and travelers cannot tour and visit various destinations (Maruyama et al., 2004). The businesses and services stopped immediately the government imposed stringent restrictions as a result of the pandemic outbreak and crisis. South African government also imposed stringent regulations on human movements, national and international flights and vehicle movements (Ozili, 2020). All of these are sources of business for tour guide operators. According to Oyenubi and Nwosu (2020), the COVID-19 pandemic has wreaked substantial damage on human lives and the economy in South Africa. The pandemic has likely worsened the income inequalities that characterize the country's economy. They also indicated that "vulnerable populations such as low-income earners in informal and precarious employment have been most affected by job losses and the resulting income loss" (Oyenubi & Nwosu, 2020). These assertions perfectly described the plights of tour operators as they fall within the business of vulnerable businesses amenable to any restrictions due mainly to infectious diseases.

In order to alleviate the hardships and suffering of tour guides and operators and the tourist industry in general, the South African government promised various stimulus and economic relief interventions to alleviate the hardships. However, those that were saddled to roll out and disburse these COVID-19 relief interventions were engrossed in various corrupt activities and there was broad maladministration and in competencies displayed in this regard. The targeted beneficiary tour guides and operators were left out in the cold. They did not receive relief assistance promised by the government. This continues to impact their economy and livelihoods well beings. Their socio-economic status was in tatters as most of them became unemployed, their children dropped out of schools, some of them were evicted from their houses due to inability to pay house rents or mortgage/bond monthly repayment installments.

METHODOLOGY

A desktop research approach was adopted in conducting the current study as primary data were not collected or required (Maher et al., 2018). Pursuant to this, the researcher utilized existing germane secondary sources of data which were sourced mainly from the google scholar search platform. Scholarly literature that covered aspects of the impact of the COVID-19 pandemic on the tourism industry, especially the tour guide businesses were generated and retrieved from the platform. These bodies of scholarly literature consisted of contemporary books, journal articles, published reports and government reports, government regulations and so on. The data generated and retrieved was critically studied, conceptualized and useful information was derived and applied for purposes of exploring means of alleviating the impact of the COVID-19 pandemic on tour guide businesses in South Africa.

RESULTS AND DISCUSSION

Prior to the COVID-19 pandemic, South Africa faced triple socio-economic challenges of unemployment, inequality and chronic poverty. The COVID-19 pandemic has exacerbated the socio-economic hardships and various sectors have been hugely negatively impacted (Blundell et al., 2020). One of these sectors is the tourism industry, which is one of South Africa's important industries that provide livelihood to many people and contribute significantly to the economy prior to the COVID-19 pandemic. For instance, the South Africa Department of Tourism 2020 report (DoT, 2020.), reveals that in 2018, over 10.4 million international tourism trips were made to South Africa and as such tourism saw a total inflow of R273.2 billion into the South African economy in 2018. Also, tourism provided about 740,000 direct jobs and over 1.5 million jobs across the economy in South Africa. Consequently, the tourism industry in South Africa is a lifeblood for many Small Medium & Macro Enterprises (SMMEs) which is the primary economic activity in most rural and remote areas where tourists visit. It creates various employment opportunities for all age groups, including youth and the elderly across the country. Unfortunately, in recent times, due to the COVID-19 pandemic, virtually all SMMEs businesses have been liquidated and the tour guide operators have become unemployed, hence exacerbating the employment situation in South Africa.

The National Income Dynamics Coronavirus Rapid Mobile Survey (NIDS-CRAM) in South Africa which looks at the broad economic impact of the COVID-19 pandemic, and countrywide lockdown, found that approximately three million people lost their jobs during the lockdown period, representing an 18% decline in employment from 17 million people employed in February 2020 to 14 million people employed in April 2020. Relying on income as a

definition of employment, it was found that the proportion of adults who earned an income in February declined by 33% which is made up of a roughly equal share of those who lost their jobs, and those who were furloughed. Similarly, it was also found that there was a 40% decline in 'active employment' also split equally between those who were laid off and those who were either furloughed or on paid leave. The damning aspect of the findings was that job losses were hugely disproportionately concentrated among the already disadvantaged groups predominantly black South Africans in the labour market.

Presently, according to the Statistics South Africa's Quarterly Labour Force Survey, South Africa's unemployment rate has now increased by one percentage point to 30.1% from 2019 to 2020 (Bussinesstech, 2020). The lockdown shut down large parts of the economy of the country and continues to keep smaller sectors lockdown even till date because the pandemic is still more active and still spreading and as such it will continue to have an extremely negative impact on jobs in the country. The COVID-19 pandemic worried the president to the extent that president Cyril Ramaphosa, penned a "letter to the nation stating that South Africa faces a difficult road ahead following the outbreak of COVID-19, and has called for the country's citizens to be realistic about future prospects, especially about the time it will take for the economy to recover" Bussinesstech (2020). The president emphasized that "the economy is now 'in the throes of the anticipated fallout from this global crisis' and that the predictions of businesses shutting down and jobs being lost are materializing" Bussinesstech (2020). The president also acknowledged that "a number of companies announced plans to retrench staff. From aviation to construction, from entertainment and leisure to hospitality, companies have indicated their intention to retrench staff because of heavy losses incurred over the past three months" Bussinesstech (2020). It is worrisome and critically concerning that "businesses are closing permanently. Small businesses whose turnover has been wiped out will be even harder hit" Bussinesstech (2020); said the president.

TOUR GUIDES AS CONTACT BUSINESSES

The tour guide and operation is a contact-heavy nature of service in tourism industry and as such makes them more vulnerable to factors that impact mobility and face to face interactions, such as the COVID-19 pandemic. Those who use the services of the tour operators in the tourism industry have been restricted both nationally and internationally and as such many tour guides and operators have become unemployed. The intervention necessary to alleviate the problem is to ensure that the virus is tackled and combated. Presently, interventions such as wearing of masks, social distancing and massive COVID-19 tests to detect and isolate infected persons are in place and would go a long way to slow the rate of infections.

SOCIOECONOMIC IMPACT OF COVID-19 PANDEMIC ON TOUR GUIDE BUSINESSES

Tour guides and operators represents a very strong economic multiplier effect in South Africa because the sector employs quite a number of people providing various services as drivers, tour instructors, pathfinders etcetera. The sector provides jobs opportunities for both literate and illiterate across the countries and more importantly in the rural remote areas where most of the tourist attractions sites are located. The importance of this sector to the South African economy cannot be overemphasized and as such, continuity and sustainability are germane to job

growth and reduction in the rate of unemployment in South Africa. Government views this sector as an avenue to promote massive job creation, reduction in unemployment and as such would do everything within its power to ensure the sustainability of the sector. COVID-19 pandemic is a huge threat to tour businesses and all the socioeconomic opportunities it presents to South Africa. The pandemic restrictions and other health challenges and hazards have negatively impacted and affected the sector. To this end, many tour guides and operators have lost their jobs and livelihood. This has contributed to the precarious unemployment situation in South Africa. There is a ripple effect and impact of job loss in tour business sector and as such this implicates the survival of other businesses.

MITIGATING INTERVENTIONS

South African government has introduced various mitigation intervention reliefs for the devastating impact of COVID-19 pandemic in all aspects and sectors of the country. These interventions were made in order to alleviate hardships and sufferings brought about by the pandemic. The lockdown and business closure interventions have had profound effects on economic activities throughout the country and the tour guide business is no exception. In 2021, the rate of infections, sickness and deaths have declined to a large extent and as such, the government has relaxed the restrictions on the lockdown and allowed the reopening various business including tourism and as such tour operators have gradually starting to ply their trades. This is essential because tour guides and operations thrive where there is free mobility of people nationally and internationally.

In order to curtail the spread of COVID-19, the Government instituted the lockdown as a measure to manage the spread of COVID-19 in South Africa. To this end, many businesses were forced to close down during the COVID-19 lockdown and the majority of them became destitute. This made the government institute TRF as a stimulus to assist those affected persons and businesses to deal with the impact of the COVID-19 lockdown. Consequently, the Department of Tourism commenced the allocation of Tourism Relief Fund (TRF) to the beneficiaries based on terms and conditions. The tourism industry as a whole benefited from the TRF as an intervention to mitigate the impact of COVID-19. The industry was allocated R200 million TRF as a once-off capped grant assistance to SMMEs in order to ensure sustainability during and post the implementation of government measures to curb the spread of Covid-19 in South Africa. The government did this because it realized and acknowledged that SMMEs in the industry were encountering difficulties in their businesses during this pandemic period and as such they need to intervene and support the industry and communities so as to cope with the negative impacts and effects of this pandemic. The government also recognized the fact that the South African tourism industry is comprised of mainly SMMEs, most of which are survivalists in nature, with limited access to funding from commercial institutions. This is why the support offered through the TRF is critically imperative in resuscitating dying SMMEs and ensuring their continued survival during and beyond the COVID-19 pandemic.

The TRF is capped at R50 000 per entity. The grant funding can be utilized to subsidise expenses towards fixed costs, operational costs, supplies and other pressure cost items. In terms of the management of TRF, the Tourism Broad Based Black Economic Empowerment (B-BBEE) Codes of Good Practices approved by the Minister of Trade and Industries in 2015 (in line with the B-BBEE Amendment Act No. 46 of 2013), plays a vital role in the TRF administration. The TRF is administered in line with the objectives of Economic Transformation

agenda of the South African government based on the country's vision to ensure sustainable and inclusive tourism development. In terms of the disbursement of the funds, administrators have the responsibility to ensure equitable spatial distribution across all the nine provinces in South Africa.

Travel and related services such as tour operators; travel agents; tourist guiding; car rental companies; and coach operators are all eligible to apply for the TRF and by extension, virtually all sectors such as the hospitality and entertainment sectors in the tourism industry are eligible. It must be pointed out that most of these businesses rely on the activities of tour guides and operators and these sectors complement one another. They are all important and as a whole, they are the lifeblood of the tourism industry.

While various mitigating interventions instituted by the government to support those affected are the right thing to do, the affected businesses still have some needs such as liquidity (cash flow) challenges, more financial support for recovery, broad tax relief, expert advice on business recovery, and more importantly, support in debt repayments so that the business can continue to be a going-concern beyond COVID-19 pandemic. Government should ensure that most citizens are inoculated with the COVID-19 vaccine in order to reduce the spread of infections. A decrease in infections would automatically enable the government to open its borders and aviation, translating to more tourists visiting South Africa and steady business for the tour guides and operators. There should also be more support for freelance guides, national marketing to support recovery, permits to allow tour guides to accommodate more people during tours, more importantly, the government should terminate lockdown and open the borders and allow flow of people but with compliance with the COVID-19 protocols and guidelines.

CONCLUSION

COVID-19 pandemic continues to ravage and impact human lives and livelihoods. Many people have lost their lives and their loved ones and businesses of all types have been liquidated due to various mobility restrictions imposed by the government to combat the virus. Restrictions on human movements impacted severely on various industries, of which one is the tour guide business. The business will be able to function effectively if all movement restrictions are lifted, and this can only be achieved if the virus is combated. In order to assist and support businesses ravaged by the pandemic such as the tour guide business, the government instituted various stimulus relief interventions. While there has been some progress in the assistance and support, corruption, maladministration and nepotism are the major impediments to the effective and efficient administration of the funds. The beneficiaries bear the brunt of these vices and as such, most of them are still having difficulty in resuscitating and reviving their businesses.

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