

THE ECONOMIC CONSEQUENCES OF THE COVID-19 LOCKDOWN ON THE VENDORS OF TOURIST DESTINATIONS IN ANDAMAN AND NICOBAR ISLANDS

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Abstract

Tourism plays a vital role in the Andaman and Nicobar Islands (ANI) in terms of generating income and employment for the islanders. However, if there is any natural disaster that occurs on the islands, like COVID-19, then the entire population of ANI will be affected, including the informal workers (vendors) as well. The study was conducted in various tourist places in South Andaman of Andaman and Nicobar Islands (India) in 2023. The study followed a simple random sampling technique to collect the samples from the study area. The researcher chose 30 samples based on the availability of the population in the different tourist locations, and a structured interview schedule was framed to collect information from 30 respondents regarding economic loss and effects due to the COVID-19 lockdown. This study mainly focuses on the three different periods of the COVID-19 lockdown, such as before, during, and after the COVID-19 lockdown. The study has found many negatives of the COVID-19 lockdown on the vendors' daily lives, such as vendors could not make rent for the houses during the lockdown; no income was generated during the lockdown and lowered the income after the lockdown; employees in the business suffered financially and later quit the work; monthly expenditures of the family were increased during and after the lockdown; they were unable to pay the bank loan EMI during the lockdown; and so on. Since most of the vendors require financial support during an emergency, the administration of the Andaman and Nicobar Islands should always be ready for any natural disaster or emergency that would harm tourism and the income of the informal workers.

Keywords: *Tourism, Andaman & Nicobar Islands, Vendors, COVID-19, Lockdown.*

1. Introduction

The Andaman Islands are an archipelago located in the Indian Ocean, approximately 850 miles (1,370 km) east of the Indian subcontinent. They are part of the Andaman and Nicobar Islands union territory, which is under the jurisdiction of India. The Andamans encompass a land area measuring 2,474 square miles (6,408 square km). The islands in the union territory may be divided into two main groups, with the other group being the Nicobar Islands located to the south. These two groups together create an archipelago that marks the boundary between the southeastern Bay of Bengal to the west and the Andaman Sea to the east. The Andaman Islands stretch around 225 miles (360 km) from north to south and consist of over 300 Islands, with around 24 of them being inhabited. The three primary islands, namely North Andaman, Middle

Andaman, and South Andaman, are closely situated and collectively referred to as Great Andaman (Britannica, 2024). The Andaman & Nicobar Islands combine unusual stretches of beaches with rising terrain and rich tropical rainforest. Tribal Reserves, National Parks, and Wildlife sanctuaries occupy over half of the total forest area. Public-private cooperation in the context of sustainable development of tourism in the region has great possibilities. The private sector has been more involved in offering stores, theaters, restaurants, and transportation options in recent years. Over time, both the number of units as well as jobs given by the private sector have risen (Mohanty, 2011). A mysterious pneumonia epidemic was reported in

Wuhan, Hubei Province, China, in December 2019. The Huanan Seafood Wholesale Market was associated with instances of pneumonia based on epidemiological evidence. On 12 March 2020, the World Health Organization declared a pandemic due to the worldwide spread of SARS-CoV-2 and the thousands of deaths caused by coronavirus illness (COVID-19). To date, the globe has paid a heavy price for this epidemic in terms of human lives lost, economic consequences, and increasing poverty (Ciotti et al., 2020). In addition to sectors associated with tourism, such as the labor-intensive accommodation and culinary services industries, which employ 144 million workers worldwide, as many as 100 million direct tourism jobs are at risk. Small enterprises, which account for 80 percent of global tourism, are particularly susceptible. In the informal economy, youths, and women, who collectively constitute 54 percent of the tourism workforce, are among the most vulnerable demographics (UNWTO, 2020). The International Labour Organization (ILO) predicted in April 2020 that the COVID-19 epidemic will cause the loss of around 2.5 crore employment globally. Additionally, it noted that the epidemic may cause more than 40 crore informal workers in India to fall into even worse poverty (Kumar & Srivastava, 2021). India has experienced a decline in employment growth over the past few years, despite an increase in the economic sector. Concurrently, the unemployment rate in India has experienced a catastrophic decline as a result of the COVID-19 pandemic lockdown, which has resulted in the termination of employees by the majority of private companies. The informal sector employees are the primary victims of this closure, as the majority of them have begun to lose their employment (Ali & Kamraju, 2020). The closure of stores, cafés, factories, transit services, and commercial premises during the lockdown had a profound and detrimental effect on the economy, causing a significant slowdown. The worldwide pandemic has had the most severe impact on the informal sectors of the economy. If the informal sectors are taken into account, India's GDP decline between April and June might exceed 8 percent (Mangla, 2020).

2. Literature Review

Street vendors selling non-food goods worldwide no longer function or face a higher risk of virus infection. Street vendors, a vital feature of metropolitan economies worldwide, provide a significant portion of informal employment, such as 13 percent in Senegal, 19 percent in Benin, and 24 percent in Togo. Most of the street vendors worldwide are women (88 percent in Ghana, 68 percent in South Africa, and 63 percent in Kenya). Street vendors worldwide have lost income due to COVID-19 restrictions (WIEGO, 2020). Ninety percent of street vendors in India have not been allowed to work. Although the government banned carts offering food, groceries, and dairy items from lockup policies, street sellers nevertheless face ongoing restrictions (Kulkarni et al. 2020). State-imposed restrictions in Nigeria aimed at reducing the spread of COVID-19 in communities had an impact on the local food sector. People whose livelihoods and food security depend on selling and buying food on the street are among the local food system actors affected by these restrictions. Due to a drop in sales, vendors experienced a decrease in their income. Customers sought reassurance regarding the safety of their food after the pandemic, therefore they stopped trusting other sellers. Both vendors and consumers hope that the government will do more to ensure that businesses are located in clean, safe areas (Oloko & Ekpo, 2021). The research explores the socio-economic effects of lockdown measures on the livelihoods of Zimbabwean street vendors. The socioeconomic effects of COVID-19 on the informal sector were highlighted in this study. These effects included disempowerment, poverty, increased gender-based violence, and inequality. According to the research, the informal sector is more vulnerable to poverty as a result of COVID-19 because of the virus's negative effect on earnings (Nyabeze & Chikoko, 2021). Because of the COVID-19 outbreak, people lost their jobs, had to work longer hours, and made less money. During the COVID-19 pandemic, street vendors used the survival strategy (73.49 percent) and the consolidation strategy (26.51 percent) to make a living. The study discovered that there were different links between the traits of street vendors and their ways of making a living (Pitoyo et al., 2021). The street vendors were 11 times less likely to be worried about spreading the coronavirus or dying from it compared to the formal workers. They were also almost 100 times less likely to be worried about the virus. Since the street vendors are losing a lot of earnings, which hurts their already unstable income, their main worry seems to be staying in business and continuing to work. Not having enough food can directly

cause people to lose their jobs. Notably, vendors on the street who didn't take as many protection steps at home and with family members were more likely to lose income and have lower levels of education. This

is probably because they didn't stop working. The "Stay at Home" campaign didn't think about how vendors on the streets live and make a living since they don't get paid a set amount of money every week. If they stop working, they might not be able to stay alive because they can't get help from social services or a wide range of government programs. Governments need to take steps to help weak areas (Romero-Michel et al., 2021). Every country's economy faced new difficulties as a result of the COVID-19 outbreak. People living in poverty have been hit the hardest by the epidemic, both in terms of their ability to make a living and their chances of survival. One group that took a particularly harsh blow was the street vendors, who lost their livelihood and experienced unforeseen hardships as a result. This research indicates that street vendors are often low-income, illiterate, and unaware of government programs and regulations that affect them. Unfortunately, the majority of street vendors either do not know about or do not comprehend the government initiatives designed just for them, thus they miss out on significant opportunities to increase their income. Even though they had to rely on their lifelong savings or borrow money from private lenders at exorbitant interest rates, street vendors were able to survive during and after the lockdown period without earning any money. However, they did not receive enough financial assistance. There was a noticeable lack of understanding and implementation on both the part of the government and the street vendors. The government failed to adequately inform the street vendors about the scheme, its benefits, and why they should apply (Sharma et al., 2021). When it comes to the openness of locals to foreign visitors, place attachment significantly affects positive perceptions but does not influence negative ones. There is a favorable and substantial mediating role for positive views of foreign visitors in the link between place attachment, economic benefit, and participation with tourist receptiveness. In addition, despite the COVID-19 epidemic, vendors still see international visitors favorably because of the money they make and the strong emotional connections they form with the places they visit (Tilaki et al., 2021). The COVID-19 outbreak taught the food tourism business how to deal with long-term limits. While it's true that the COVID-19 virus has been kept from spreading too far, the limits have had a big effect on the street vendors in Bandung, who are the main people who bring food to tourists (Gaffar et al., 2022). Street food vendors were also unemployed as a result of the restrictions on outside mobility, and domestic workers lost their jobs due to worries associated with the transmission of the virus (Banu et al., 2023).

3. Research Gap

Different aspects of studies on the impact of COVID-19 on street vendors and informal sectors have been reviewed, however, there was no study found on the impact of COVID-19 lockdown on the vendors of tourism in Andaman & Nicobar Islands. The consequences of the COVID-19 lockdown on the vendors still be a mystery in the Islands but through several studies, the issues and constraints can be explored on the vendors in A & N Islands. The present study tries to examine the economic and a few non-economic consequences of the COVID-19 lockdown on the vendors in the tourism destinations of A & N Islands.

4. Research Objective

To examine the economic impact of the COVID-19 lockdown on the vendors' businesses in tourist destinations in the Andaman and Nicobar Islands.

To provide policy recommendations based on the findings of the study.

5. Research Hypothesis

H0: There is no significant mean difference between the pre-lockdown and post- lockdown monthly income of vendors.

H0: There is no significant mean difference between the pre-lockdown and post- lockdown monthly family expenditure of vendors.

6. Methodology

This study was conducted in various tourist places in South Andaman of Andaman and Nicobar Islands (India) in 2023. The study followed a simple random sampling technique to collect the samples from the study area. The researcher chose 30 samples based on the availability of the population in the different tourist locations, and a structured interview schedule was framed to collect information from 30 respondents regarding economic loss & effects due to the COVID-19 lockdown. This study mainly focuses on the three different periods of the COVID-19 lockdown, such as before, during, and after the COVID-19 lockdown. The data were collected from various tourist destinations in South Andaman district, such as Jawaharlal Nehru Rajkeeya Mahavidyalaya's playground side, Mahatma Gandhi Parkside, Subhash Chandra Bose Island (Ross Island), Corbyn's Cove Beachside, Marina Parkside, Food Court area, Wandoor Beachside, and Swarajdweep (Havelock). Descriptive statistics was performed to analyze the data by using Statistical Package for the Social Sciences (SPSS 25). The p-value approach determines whether the research's null hypothesis is accepted or rejected. Since the vendors' livelihood mainly depends on their income and expenditure during the period of the COVID-19 pandemic, the research hypotheses were framed on the pre and post-lockdown income and expenditure differences.

7. Testing of Research Hypotheses

Hypothesis 1:

H₀: There is no significant mean difference between the pre-lockdown and post- lockdown monthly income of vendors.

H_a: There is a significant mean difference between the pre-lockdown and post- lockdown monthly income of vendors.

Table VII. (a) Paired Sample t Statistics of Pre-COVID-19 lockdown and post-COVID- 19 lockdown Monthly Income of Vendors

	Periods	Mean	S.D	S.E	Cor.	Sig.	Mean	S.D	S.E	95% Confidence Interval of the Difference		t	df	Sig. (2-tailed)
										Lower	Upper			
Pair	Pre-lockdown Monthly Income of Vendors	30666.66	5040.06	920.18	.605	.000	10666.66	4497.76	821.17	8987.17	12346.15	12.990	29	.000
	Post-lockdown Monthly Income of Vendors	20000.00	5085.47	928.47										

Above Table VII. (a) unveils that there is a significant mean difference between the pre- lockdown and post-lockdown monthly income of vendors. Hence, the calculated value is less than (.000<0.05) the alpha value, and the null hypothesis "There is no significant mean difference between the pre-lockdown and post-lockdown monthly income of vendors" is rejected at a 5 percent level of significance and the alternative hypothesis is accepted.

Hypothesis 2:

H₀: There is no significant mean difference between the pre-lockdown and post- lockdown monthly family expenditure of vendors.

H_a: There is a significant mean difference between the pre-lockdown and post- lockdown monthly family expenditure of vendors.

Table VII. (b) Paired Sample t Statistics of Pre-COVID-19 lockdown and post-COVID- 19 lockdown Monthly Family Expenditure of Vendors.

	Periods	Mean	S.D	S.E	Cor.	Sig.	Mean	S.D	S.E	95% Confidence Interval of the Difference		t	df	Sig. (2- taile d)
										Lower	Upper			
Pair	Pre-lockdown Monthly Family Expenditure of Vendors	15666.66	2537.08	463.20	.306	.101	-3666.66	4901.32	894.85	-5496.85	-1836.48	-4.097	29	.000
	Post- lockdown Monthly Family Expenditure of Vendors	19333.33	5040.06	920.18										

Above Table VII. (b) divulges that there is a significant mean difference between the pre- lockdown and post-lockdown monthly family expenditure of vendors. Hence, the calculated value is less than (.000<0.05) the alpha value, and the null hypothesis “There is no significant mean difference between the pre-lockdown and post-lockdown monthly family expenditure of vendors” is rejected at a 5 percent level of significance and the alternative hypothesis is accepted.

8. Result and Discussion

Rent payments were difficult for 73.3% of vendors who lived in the rented home during the COVID-19 lockdown. All the respondents realized the reduction in earnings and income during the COVID-19 outbreak. The monthly income of the respondents has been reduced after the COVID-19 lockdown, and there was no income even generated during the lockdown. The monthly expenditure of the respondents has been increased during the COVID-19 lockdown, and it sustains the same expenses after the COVID-19 lockdown. Monthly operating expenditure for the vending business has increased after the lockdown. Since there was no operation of the business during the lockdown, the operating expenditure was not made. The maintenance cost of the vendors has increased after the COVID-19 lockdown. Since there was no operation of the business during the lockdown, the maintenance cost was not made. 13.3 percent out of 16.7 percent of the respondents who availed debt from the bank were unable to pay EMI during the lockdown due to having no earnings to repay the EMI debt. All the respondents who had employees in their business responded that employees quit their jobs during the COVID-19 lockdown due to no salary being generated during the period. All the respondents who had employees in their business reported that employees faced financial issues due to no income or a fall in income during the COVID-19 lockdown. All the respondents had a business loss of more than 75 percent during the COVID-19 lockdown, and 80 percent of the

respondents had a business loss of between 50.1 percent and 75 percent after the COVID-19 lockdown. 80 percent of the respondents did not receive financial support from the government during the COVID-19 lockdown. 83.3 percent of the respondents reported that their family, colleagues, and others suffered financially in the 1st COVID-19 lockdown. All the respondents reported that they did not find any alternative job or work during the COVID-19 lockdown and did not even move to other places to pursue jobs with some incentives. All the respondents had realized that the prices of the daily household needs increased during the COVID-19 lockdown. However, 66.7 percent out of 100 percent of the respondents had realized an increase in prices of the daily household needs between 10.1 percent and 20 percent. 53.3 percent of the respondents expected financial support from the government during the COVID-19 lockdown. 63.3 percent of the respondents require financial support from the government during the emergency.

There is a significant mean difference has been found between the pre and post- lockdown monthly income and family expenditure of the vendors during the period of the COVID-19 pandemic. The result of the study agreed that various economic and non-economic difficulties have been faced by the vendors in terms of running the family and the business during the COVID-19 pandemic. Since the daily living of the vendors depends on their daily income and a little part of their income serves as savings, if the source of income is zero then definitely the problem will start rising, and it is obvious that no one would like to break their savings but some of the vendors had to use their savings to survive during the pandemic. If there is income then there would be an expenditure and once the income is zero and expenditure is higher than that then the situation would be much more pathetic for anyone who earns daily and runs a family, this is what exactly happened with the vendors during the COVID-19 pandemic.

9. Policy Recommendations

- The A & N Administration should have a proper policy plan for the informal sector (Vendors) before closing the tourism completely, so that the informal sector may not be affected financially for their living.
- If the A & N Administration is closing the entire tourism then adequate support and assistance should be provided to the vendors to eradicate uncertainties.
- The A & N Administration should conduct an awareness program on the nationalized schemes to support them financially during the emergency.
- There should always be an investigation for the affected people and the proper remedies and relief packages be provided.
- There should be updated data and details of the impact of natural disasters or calamities on the vendors and also maintained on the official websites for further investigation.

10. Conclusion

Tourism of the Andaman and Nicobar Islands (ANI) is one of the hardest and bitterest truths of serving food to a person on the island. Tourism nowadays has become the utmost factor of income for the general people of the islands; anyone can make his food ready three times by doing some kind of activity in the tourism industry of ANI. However, possible things never happen always, and sometimes fail to the extent that people suffer for a single food in a day. ANI has many informal workers who earn daily and spend daily to survive each day of their lives. Similarly, many of the tourist places of ANI have informal workers as vendors who do vending business by selling the goods and providing the services. This study has gone through several economic aspects of the vendors in which the study has observed many negatives of the COVID-19 lockdown on the vendors' daily lives, such as vendors could not make rent for the houses during the lockdown, no income was generated during the lockdown and lowered the income after the lockdown, employees of the business suffered financially and later quit the work, monthly expenditure of the family was increased during and after the lockdown, unable to pay the bank loan EMI during the lockdown, and so on. Since most

of the vendors require financial support during an emergency, the administration of the Andaman and Nicobar Islands should always be ready for any natural disaster or emergency that would harm tourism and the income of the informal workers.

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