

Economic Challenges Compromising Resilience to the War against COVID-19 among Border Communities in Busia County, Kenya

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How to cite this paper: Wamocha, L., Nasongo, J., Achoka, J., Tundo, K., Buhere, P., & Savala, A. (2022). Economic Challenges Compromising Resilience to the War against COVID-19 among Border Communities in Busia County, Kenya. *Open Journal of Social Sciences*, 10, 317-326.

<https://doi.org/10.4236/jss.2022.104023>

Received: January 25, 2022

Accepted: April 19, 2022

Published: April 22, 2022

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Abstract

By March 2020, the pandemic had spread to both developed and third world countries. These countries reported multiple cases of the virus within their borders, and deaths related to the virus. This study sought to establish the economic challenges that compromise the war against COVID-19 among border communities in Busia County. The study was conducted in the two major border points comprising Busia and Malaba towns. In Busia town, the study was carried out in the entire Matayos and Nambale sub counties, while in Malaba town the study was conducted in Teso South and Teso North Sub Counties. The respondents included motor bike riders and small scale traders in the identified Sub Counties. Stratified and simple random sampling methods were used to select a representative sample of the population with the aid of lists of registered members of the motor bike riders and small scale traders. The study adopted a descriptive survey research design. Questionnaires and interview guide were used to collect data from the respondents. In the analysis done, the respondents to the questionnaires included the small scale traders and motor bike riders. It was established that the poverty levels had risen even higher than usual and a number of them could not make ends meet. Daily income for small scale traders had reduced drastically and some had closed part of their business due to lack of customers. This is because of government stringent measures, such as: curfews ban on cross-border trade and social distancing which affected business activities. The small scale traders did not receive any support from the government or well-wishers to revamp their business.

Keywords

Challenges, Corona Virus, Economic, Pandemic, Resilience, Small Scale Traders

1. Research Background Information

On 11 March 2020, the World Health Organization (WHO) declared the outbreak of a new type of Corona virus, SARS-CoV-2 that causes COVID-19 respiratory disease, a global pandemic. Corona virus disease 2019 (COVID-19) is an infectious disease caused by severe acute respiratory syndrome corona virus 2 (SARS-CoV-2). It broke out in December 2019 in Wuhan, China, and has resulted in an ongoing pandemic. The first confirmed case was traced back to 17 November 2019. In response to the rise of corona virus cases in Kenya, the government of Kenya closed all schools and directed that all public and private sector workers work from home, wherever possible. Travel restrictions were later imposed to prevent non-residents from entry. Kenyan nationals and residents were required to self-quarantine for a minimum of fourteen days (Ombuor, 2020).

On 22 March, following the confirmation of an additional eight cases, bringing the total to 16 nationally, the Kenyan government introduced additional measures and directives to reduce the spread of corona virus in the country. These measures included a suspension of all international flights effective at midnight on 25 March, with the exception of cargo flights (all persons entering the country were compelled to undergo quarantine at a government facility) (Ombuor, 2020).

The government further stipulated that any persons, including senior government officials, found to be in violation of quarantine measures would be forcefully quarantined at their own expense. All bars were to remain closed from 22 March, with restaurants allowed to remain open for takeaway services only. All public service vehicles (i.e., mini-buses and buses) had to adhere to passenger-distancing guidelines previously stipulated on 20 March. Further, all public gatherings at churches, mosques, funerals and elsewhere were restricted to no more than 15 people, and weddings were banned (MOH, April 6, 2020). Despite stringent measures by the government to prevent the spread of COVID-19, the pandemic continued to wreak havoc in different parts of the country increasing morbidity and disrupting lifestyles. This study aims to establish economic challenges that can comprise the war against COVID-19 among border communities in Busia County, Kenya.

2. Statement of the Problem

The Corona virus (COVID-19) pandemic significantly caused adverse impact on the global economy. Governments around the world implemented various fiscal

measures to mitigate the adverse effect and provide relief for businesses and households (New Vision, 2020, April 23). In the fight against COVID-19, Kenya imposed stringent measures such as closure of cross-border trade, night curfew and total lockdown in economic stronghold counties such as Nakuru, Nairobi, Machakos and Kajiado. Most of these measures were imposed with little warning, taking local populations by surprise and leaving them to contend with the fallout. With informal trade interrupted, many people had little opportunity to find alternative livelihoods. For many families, the absence of income for even several consecutive days can have devastating effects on poverty and food security. Informal food traders in Kenya are the heartbeat of their food systems, providing income for farmers, nutrition for poor consumers, and resources for essential urban services (Maersk, 2020, April 14). It's against this state of affairs in the nation that the present study sort to establish the economic challenges that can compromise resilience in the fight against COVID-19 among border communities in Busia County, Kenya.

3. Purpose of the Study

The purpose of the study was to establish the economic challenges that can compromise resilience to the war against COVID-19 among border communities in Busia County, Kenya.

4. Research Methodology

This section comprises an explication of the research methodology and tools to be used in executing the study. In this section therefore, the research design, the study area, the study population, the sampling procedure and sample size are discussed.

5. Research Design

The study adopted the descriptive survey design utilizing both qualitative and quantitative approaches. The descriptive survey design entails gathering quantifiable information that can be used to statistically analyze a target audience or a particular subject (Mugenda & Mugenda, 2013). Descriptive research methods are pretty much as they sound since they describe situations. Surveys are good because they don't take as long as observational studies.

This design was employed in this study in an attempt to gather large scale data in order to make generalizations on economic challenges that can compromise resilience to the war against COVID-19 among border communities of Busia County, Kenya. This design was adopted because it allows the collection of large amounts of data from the target population. In addition, this study fits within the provisions of this design because the data was collected and reported the way things are without manipulating any variable. The design is therefore considered an appropriate tool for collecting information where research calls for both qualitative and quantitative data (Jackson, 2009).

6. Study Area

The study was conducted in Busia County in the following Sub-Counties: Matayos, Teso South and Teso North Sub Counties. Three sub counties were purposively sampled because they are found within the two major border points of Busia and Malaba where small scale traders and motor bike riders depend on cross-border trade to earn a living.

7. Study Population, Sampling Procedure and Sample Size

The study focused on small scale traders and motor bike riders within Matayos, Teso North and Teso South Sub Counties. The target population was 545 small scale traders and 670 motorbike riders, a total of 1215 participants. A sample of 380 (30%) respondents was used in the study.

To ensure sample representation of the population, stratified random sampling was done to get 30 % of each strata (Mugenda & Mugenda, 2013). Simple random sampling was used to get the motor bike riders and small scale traders. The population of the study and the sample size was as indicated in **Table 1**.

8. Data Analysis

In this study STATA 14 for data analysis was used. One-way ANOVA and Chi-square or Fisher Exact tests were used to analyze continuous data and categorical data, respectively. The descriptive statistical analysis was completed for demographic variables. Categorical data were presented as number (n) or percentage (%). Binary logistic regression analyses were performed to find the factors associated with the economic challenges that could compromise resilience to fighting COVID19 and the associations were expressed as adjusted Odds Ratio (OR) and 95% Confidence Interval (CI). A *P*-value of <0.05 was considered statistically significant.

Table 1. Population and sample size.

Sub County	Population	Sample	Percentage
Teso North			
Motor Bike Riders	240	70	30
Small Scale Traders	170	50	30
Teso South (Malaba Town)			
Motor Bike Riders	150	75	30
Small Scale Traders	180	45	30
Matayos (Busia Town)			
Motor Bike Riders	280	80	30
Small Scale Traders	195	60	30
Total	1215	380	30%

9. Results

The purpose of this study was to establish the economic challenges that can compromise resilience to fighting COVID-19. The demographic characteristics of the participants were compiled as indicated in **Table 2**.

From the study, most small scale traders in Busia County were in age categories of (25 - 34) 37.05% and 33.04% for (35 - 44) category. This indicates that a majority of the small scale traders were below 55 years which is considered as active population bracket. The youthful age was the majority in Busia border community. This implies that the youth were actively involved in economic development of the community. A majority of the traders were married and this was accounted for by 83.93% of the study population. This implies that family men and women were tasked with the responsibility of providing daily bread and other family basic needs. The level of education of small scale traders was primary school level 58.04% and secondary school level 33.04%. This indicates that majority of the traders were literate and therefore had the basic knowledge and skills required in their business area.

The results presented indicate that about 80.2% of traders had experienced losses in their business due to the COVID-19 pandemic. This shows that disruptions by COVID-19 pandemic have eroded people's economic progress leading to poverty among border communities. Therefore protecting livelihoods to prevent traders from falling into long term poverty is essential (**Figure 1**).

The results show that traders and motorbike riders lost close to 88.53% customers during the COVID-19 pandemic period. This big loss resulted from job losses in both the informal and formal sectors as well as the directive by the government for people to work from home. Since small scale traders and motor bike riders depend on people in the formal and non-formal sector as their main passengers. It has been therefore difficult for them to remain in business resulting into some of them being forced to close down their businesses.

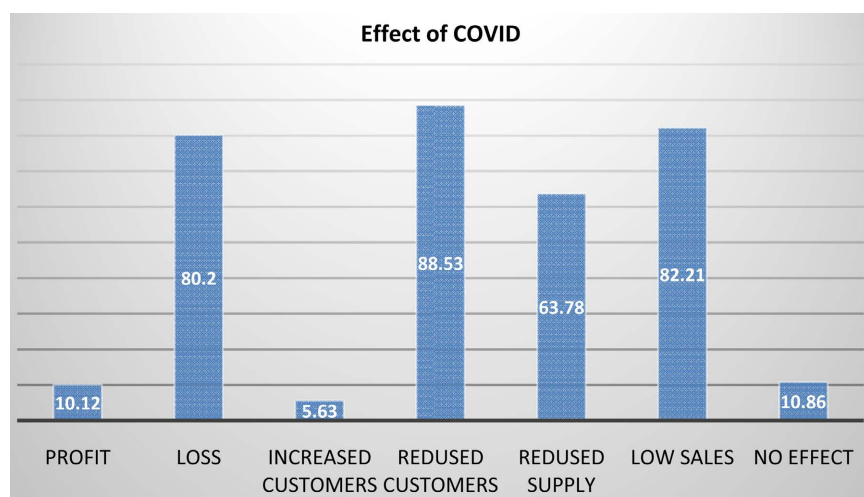


Figure 1. Effects of COVID-19 on small scale traders and motorbike riders among border Communities.

Table 2. Demographic characteristics of participants.

Variable	Characteristics	Gender		Total
		Female	male	
Age	15 - 24	8 (12.12)	16 (10.13)	24 (10.71)
	25 - 34	23 (34.85)	60 (37.97)	83 (37.05)
	35 - 44	22 (33.33)	52 (32.91)	74 (33.04)
	45 - 54	10 (15.15)	19 (12.03)	29 (12.95)
	55-above	3 (4.55)	11 (6.96)	14 (6.25)
Marital Status	Married	50 (75.76)	138 (87.34)	188 (83.93)
	Single	16 (24.24)	20 (12.66)	36 (16.07)
Academic	Primary Level	33 (50.00)	97 (61.39)	130 (58.04)
	Secondary	26 (39.39)	48 (30.38)	74 (33.04)
	Tertiary	3 (4.55)	9 (5.70)	12 (5.36)
	University	4 (6.06)	4 (2.53)	8 (3.57)

Furthermore, the findings indicate that 82.2% of the traders registered low sales in their products during the COVID-19 pandemic period. This was due to lack of customers as most people were working from home. Low sales affected their daily income making it difficult for them to meet their family needs. Besides, low income forced traders to reduce the quantity of supplies in their premises. This in turn affected their daily income as they registered a low profit of 10.12%. COVID-19 has imposed extreme challenges for micro and small enterprise traders, many of which rely on ease of cross-border movement for their profits. Others depend on gathering at local marketplaces in crowded areas where maintaining social distance is a challenge.

10. Discussion of Findings

Losses of stock and sales from cross-border trade disruptions negatively impacts on profits and the ability to repay loans. The risk of financial stress is particularly acute for informal cross-border traders, who are typically unbanked and for bulk stock purchases, rely on expensive informal loan sharks. Many of these traders usually borrow money early in the morning to acquire merchandise and pay back in the evening of the same day once they have sold their goods. Losses from unsold stock due to COVID-19 home directives and travel restrictions run the risk of quickly escalating into hikes in interest and a spiral of debt (Luke, Masila, & Sommer, 2020). **Table 3** shows the effect of COVID-19 on daily income.

Statistics from **Table 3** show that there was almost 100% decrease in the daily income of the traders during COVID-19 pandemic period. Decrease in incomes in all the sectors was mainly as a result of a ban on cross-border trade, social

Table 3. Effects of COVID-19 on daily income.

Type of business	Effect of COVID-19 on daily income		
	Decreased	Increased	Normal
Beauty shop	1 (100%)	0	0
Cereals business	5 (3.27)	0	0
Cleaning agent	3 (100%)	0	0
Farmer	6 (100%)	0	0
Hawker	10 (100%)	0	0
Mtumba seller	8 (100%)	0	0
Bakery business	2 (100%)	0	0
Mortor bike business	75 (98.68%)	0	1 (1.32%)
Butchery business	6 (100%)	0	0
Groceries	23 (15.03)	0	0
Jua kali	3 (100%)	0	0
Mpesa business	2 (66.67)	1 (33.33%)	0
Shop keeper	6 (100%)	0	0

gatherings, night curfews and requirements to maintain social distancing. Cross-border trade provides an important source of income for cross-border communities, and vulnerable groups, including women and small holder farmers. Many of these communities live subsistence existences and require weekly trade across the border in order to purchase essentials to survive.

In Busia, Small-scale traders typically cross the border on foot or on motor-cycles to purchase goods from Uganda. The manner in which the borders are governed, especially during a crisis moment, has a serious impact specifically on the economic activity that helps sustain livelihoods. This was supported by a study carried out in India (Giles et al., 2020) in which it was stated that massive lockdowns and distancing measures enacted in various countries immediately scaled back both production and consumption. In their efforts to stop the spread of the virus, countries also partially or fully closed their borders, which also hindered the flow of goods, capital, and people. This significantly reduced the international flow of goods and services and has simultaneously disrupted global supply chains. In the wake of these measures, most countries have experienced a macroeconomic hit caused by the pandemic. Within three months into the COVID-19 crisis, economists reached a consensus that the world had been plunged into a global recession.

The findings of this study showed that Mpesa business was the only sector which registered a slight increase (33%) in daily income. This might have been attributed to the fact that use of Mpesa for business transactions was recommended countrywide as one of the mitigation measures against COVID-19. Furthermore, Safaricom Company relieved customers from some charges on

transactions as a way of cushioning them from economic effects of the pandemic. This explains why Mpesa business registered a significant increase in income level as per the findings.

A minimal number of motorbike riders (1.3%) reported that their daily income remained normal during the pandemic period. This was attributed to the fact that a few motor bike riders had customers in essential service provider sectors such as health and banks where employees reported on duty daily despite restrictions on movements. This indicates that very few motorbike riders were assured of their daily income and were able to provide for their families during the COVID-19 pandemic period.

These findings are in agreement with other researchers (Nyakudya et al., 2020) in Botswana that stated that the corona virus disease has brought far reaching life and economic consequences across the globe. This disease has rapidly spread throughout the world ravaging the lives of people and economies with impunity. In attempts to control its spread, different countries embarked on lengthy lockdowns in which their economies virtually ground to a halt due to employees' incapacity as a result of extreme illness or death. As the lockdowns are being eased to resuscitate the countries' economies, there is a high likelihood of massive reductions in sales revenue, jobs and income as well as a sharp increase in innovative ways of transacting in business including online platforms.

In addition a study was carried out in Ghana (Aduhene & Osei-Assibey, 2021) where it was reported that the world's economies are on their knees following the negative impact of the corona virus pandemic. The impact of COVID-19 pandemic on developing countries needed to be given attention. This is because the developing countries are still grappling with the negative impact of the corona virus pandemic.

The motor bike riders and small scale trader's responses indicated that there were varied sources of capital during the COVID-19 season despite the challenges. The highest source was their savings (44.95%), followed by loans (31.19%), then salary (5.5%), self employment (4.13%) and finally merry go round (1.83%) (Figure 2).

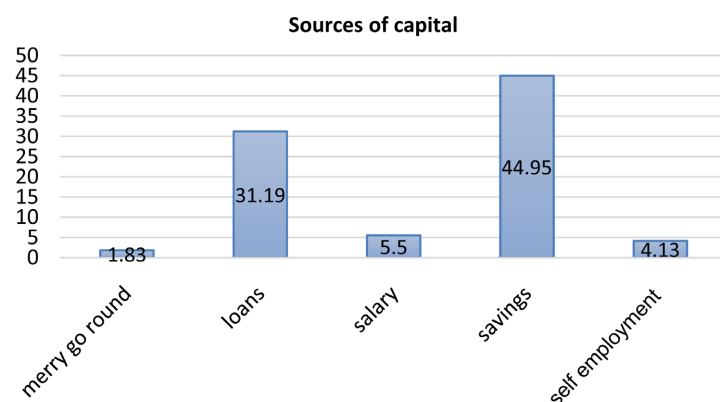


Figure 2. Sources of capital.

11. Conclusion

The disruptions to cross-border trade in Busia County presented significant challenges to the business community, majority of which are small scale traders and motorbike riders. The COVID-19 containment measures such as ban on cross-border trade, curfews, working from home and social distancing were adopted to protect the public from the pandemic, but their economic consequences on people's livelihood are significant as revealed from this study. The same was noted in a study in Asia (Gibson, 2020) where it was observed that the COVID-19 pandemic has swiftly caused significant disruption to economies and societies on an unprecedented scale.

Therefore, the diverse effect was on the loss of customers by the small scale traders and motor bike riders. The study established that small scale traders and motorbike riders lost 88.5% of their customers decreasing their daily profit by almost 100%. This indicates that a majority of the small scale traders in Busia incurred losses during the COVID-19 pandemic and have been unable to bounce back to their business due to lack of capital and government restrictions on COVID-19 measures. For many families, the absence of income for several consecutive months has had serious devastating effects on their livelihoods.

Recommendations

In the light of economic challenges discussed in this study, border communities with the help of stakeholders and well-wishers need to develop strategies for resilience against Covid-19. The new strategies should be able to counter economic challenges faced by the border communities.

Busia County Government with the help of the National Government and other stakeholders such as banks and NGOs should cushion small scale traders through provision of soft loans and grants to enable them revamp their business.

The County Government should create a Covid-19 emergency fund to support small scale traders against the economic impact of the pandemic.

Conflicts of Interest

The authors declare no conflicts of interest regarding the publication of this paper.

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