

The Social-Economic and Environmental Impacts of COVID-19 on Tourism

Chukwu Ngozi Doris

Department of Hospitality National Institute for Hospitality and Tourism

ABSTRACT

COVID-19 is not only a worldwide pandemic and public health disaster; it has also sternly affected the worldwide economy and environments. The pandemic has led to considerable reductions in earnings, increase in joblessness, and disruptions in the transportation and production industries. Many experts forecast that this pandemic will cause worldwide economic growth to decline and lead to global economic recession. Economically, the impacts of COVID-19 have been felt as demand for tourism in Africa and other part of the world has declined. Likewise, Africa's access to industrial components and manufactured goods from other parts of the world has equally been troubled. So governments around the world should not only be working on curtailing the pandemic but also on ways to improve the social-economic impacts of COVID-19 on tourism.

Keywords: COVID-19, tourism, pandemic, economy and environments.

INTRODUCTION

A new coronavirus disease, now known as COVID-19, was first identified in Wuhan, People's Republic of China (PRC), in early January 2020. Firstly, it was discovered that virus belongs to the same family of coronaviruses that caused the Severe Acute Respiratory Syndrome (SARS) outbreak in 2003 and the Middle East Respiratory Syndrome (MERS) outbreak in 2012 [1]. Secondly, the death rate (number of deaths relative to number of cases), which is as yet imprecisely estimated, is probably in the range of 1%-3.4%-significantly lower than 10% for SARS and 34% for MERS, but substantially higher than the mortality rate for seasonal flu, which is less than 0.1% [2]. Thirdly, even though it emerged from animal hosts, it now spreads through human-to-human contact. The infection rate of COVID-19 appears to be higher than that for the seasonal flu and MERS, with the range of possible estimates encompassing the infection rates of SARS and Ebola [3]. COVID-19 pandemic has developed into a worldwide problem [4]. Many experts forecast that this epidemic will cause worldwide economic growth to decline this year, or lead to global economic recession. All efforts conducted by many countries in the world extremely

to avert its spread such as social distancing, self-isolation, and similar actions to lockdown may have a major impact on tourism demand in many countries [5].

The disease was described as an infectious disease that is caused by severe acute respiratory syndrome coronavirus. The COVID-19 disease has spread to about 200 countries and territories in every continent across the world. Since then, there has been intensive attempts to cut back more spread of the infection which is believed to be transmitted by human-to-human [6]. The disease has really slowed down economic activities across the globe, with many countries coming under partial or total lockdown [7].

The Covid-19 pandemic has resulted in mass production shutdowns and supply chain disruptions causing worldwide flow effects across all economic sectors in a way that was certainly not expected [8]. It is proposed that the spread of the disease will have serious humanitarian challenges to the countries of the world and especially Africa and some developing countries [9]. Economically, the impacts have already been felt as demand for Africa's raw materials and commodities in worldwide market have

declined and Africa's access to industrial components and manufactured goods from other parts of the world has been troubled. This is causing more doubt in a continent already grappling with widespread geopolitical and economic instability [10].

Some of the methods put in place by the governments in Africa to restrain further spread of covid-19 include social distancing and staying at home policy in which workers are expected to work from their individual houses and public gatherings of all kind were banned [11]. This policy forced restrictions in expenses and declining consumptions [12]. Many factories and companies have responded by ending or cutting down production and output, while in other instances, staff work from home to limit physical contacts [13]. This has the potential of deteriorating the poverty and unemployment problems in the world.

The tourism industry was affected as the travel opportunities for tourists, who regularly use billions yearly, were sternly curtailed. There were increased trip cancellations, cancelled hotel bookings and cancelled local and international events worth over \$300billion [14]. The flow of goods through international supply chains vastly reduced considerably given that China was the world's largest producer and exporter, and the Chinese administration ordered the closing of most factories [4]. The tourism industry is speedily becoming a major source of employment contributing greatly to the GDPs of many countries of the world [2]. Although Nigeria and other African countries have not been taking advantage of the huge potentials in the tourism industry over the years. This area contributes to the country's GDP and economic development. For example, Nigeria recorded a total of 6 million tourists in 2018 [3].

By June 2020, COVID-19 infected over 10 million people and caused the deaths of over 500,000 worldwide (WHO1). Globally, the spread shows no sign of abating. Although daily cases in Europe and Western Pacific are declining, they are increasing in the Americas, South East Asia and Africa [5].

In reaction, most countries have blocked their borders to visitors and tourists. The UN World Tourism Organization reported during the second quarter of 2020 for the first time ever that 100 per cent of global destinations introduced travel restrictions [4]. As a result, international tourism has been almost completely suspended, and domestic tourism curtailed by lockdown conditions imposed in many countries [5]. Even though some destinations have started gradually to open up, many are afraid of international travel or cannot afford it due to the economic crisis [4]. Tourism is a critical sector of the international economy. In 2019, the tourism sector accounted for 30 per cent of the world's services exports and about 300 million jobs globally [4]. It is a vital basis of income and employment for developed and developing countries. The global tightening in tourism arrivals could have devastating economic penalties as some developing countries are highly dependent on tourism [6]. In some countries, such as several small island developing states (SIDS), tourism accounts for more than half of the GDP. Corona virus was confirmed a pandemic by the World Health Organization (WHO) on 11 March 2020. Since then, COVID-19 has become a worldwide crisis, given its impact on the entire world population and the economy [5]. According to situation simulations of the International Monetary Fund (IMF), global growth could drop by 0.5 for the year 2020. Several other sources are also predicting a drop in worldwide growth due to the direct effects of the COVID-19 outbreak [4]. The global economy was projected to enter recession at least in the first half of the year 2020, when adding the direct and indirect effects of the crisis (e.g. supply and demand shocks, commodity slump, fall in tourism arrivals, etc.). However, as the pandemic progresses slowly on the African continent, studies by international organizations have less addressed the economic impact on individual African countries.

Indeed, Africa is not immunized from Covid19. According to Covid19 Surveillance Update: 3rd April 2020 9:00a.m of Africa CDC, the spread of the virus has reached 50 African Union

Member States: 7,028 cases, 561 recoveries and 284 deaths; and is showing no signs of slowing down [5]. Africa, because of its openness to international trade and migration, is not immune to the harmful effects of COVID-19, which are of two kinds: endogenous and exogenous [6]. The exogenous effects come from direct trade links between affected partner continents such as Asia, Europe and the United States; tourism; the decline in remittances from African Diaspora; Foreign Direct Investment and Official Development Assistance; illicit financing flows and domestic financial market tightening, etc.

The endogenous effects occur as a result of the rapid spread of the virus in many African countries. On one hand, they are linked to morbidity and mortality. On the other hand, they lead to a disruption of economic activities [3]. This may cause, a decrease in domestic demand in tax revenue due to the loss of oil and commodity prices coupled with an increase in public expenditure to safeguard human health and support economic activities [4]. It is important to assess the socio-economic and environmental impacts of COVID-19, although the pandemic is at a less advanced stage in Africa, due to smaller quantity of international migrants arrivals relatively to Asia, Europe, and North America and strong precaution measures in some African countries. African economies remain comfortable and very unreserved and susceptible to external shocks.

Social-economic and environmental Impacts of COVID-19 on Tourism

The aviation sector is extremely affected worldwide by COVID-19 pandemic. Majority of the international airlines have postponed their flights. Transportation means like road, rail and water are also troubled in this COVID-19 crisis [5]. The travel ban forced millions of dollar losses in aviation and tourism in many countries. This also created shortage of medicines, agriculture products, food supply, and other commodities in affected countries [2]. As a result, the people working in tourism, aviation, transportation companies are suffering extreme poverties [1]. Tourism activities are hampered in this situation due to

maintainance of social distancing by people [5]. Many Gulf countries like Saudi Arabia has invested huge amount of money to develop the country as a tourism hub. Their investment and vision fulfillment will be hampered by this pandemic [2]. Moreover, investment in tourism related amenities like recreation centers, restaurants, coffee shop, museums, fitness clubs, shopping malls, swimming pools and cultural centers were also affected [4].

COVID-19 is a major cause of infection and death of many people in the affected countries. Due to panic various social, cultural, political and sport events has been canceled and some international occasions like Hajj, Umrah, Olympic Games, summit, conferences and exhibitions are suspended [5]. Saudi Arabia attracts 11 million pilgrims annually for Hajj and Umrah [5]. This year maximum number of pilgrims will drastically reduce due to the pandemic. COVID-19 brought social and cultural changes in the world such as social distancing. This resulted to avoidance of mass gathering like conferences, sports events, business meetings, fashion shows, and marriage ceremony, which have great social impact on tourism and economy[1]. Tourism demands also decreased due to health risk of corona virus [6].

The environmental problems like pollution, global warming, climate change and change in ecosystem and biodiversity are improving in this period due to less human pressure on environment [7]. The pollution in natural tourism attractions such as forests, beaches, hill areas and water bodies decreased significantly in this pandemic. Beaches are one of the significant natural assets of tourism, recreational activities and survival of livelihood of coastal communities [3]. But, these beaches have caused pollution problems because of its usage by tourists [2]. The beaches around the world have decreased tourists due to maintainance of social distancing. As a result, there was reduction of waste generation and beach clean up in this pandemic period [7]. Moreover, less waste generation also created positive impact on environmental bodies like water, soil, forest and air [3]. Noise pollution is one

of the main sources for environmental degradation and cause health problems for some people and disturbs the natural coherence of ecosystem [4]. The restrictions in tourism due to corona virus contributed positively in reduction of noise [7]. Basically, this pandemic has created positive impacts on environment due to maintenance of social distancing and lock down thereby producing less pollution and limited use of natural resources.

The trade consequences of the tourism sector

Several features of the tourism sector make it uniquely vulnerable to the COVID-19 pandemic. First, unlike other services (e.g. insurance, finance and telecoms), tourism and its related activities require physical proximity for the service to be delivered and utilised [6]. Constrained mobility measures in the context of the pandemic affect three modes of supply under the General Agreement on Trade in Services (GATS): consumption abroad, commercial presence and movement of natural persons [7].

Global travel restrictions, border closures and other contingency measures to contain COVID-19 have had an immediate negative impact on tourism and related sectors because fewer people are travelling [6]. Secondly, unlike goods, which can still be produced, stored and consumed at a later stage, a halt to services trade means that lost revenues and income cannot be recouped later on. Furthermore, capacity and infrastructure along the tourism supply chain, once lost, are almost impossible to reinstate, particularly for smaller, vulnerable economies [6].

Tourism is a critical sector for many countries because it generates employment and foreign exchange. It is also one of the most dynamic economic sectors, with important backward and forward linkages and multiplier effects across many productive sectors and activities in the tourism value chain [5]. Its labour intensity offers vast opportunities for consistent employment, skills development and entrepreneurship, especially for women and youth,

marginalised populations living in rural areas and small and medium enterprises (SMEs). In particular, it enables the informal unskilled sector to become services exporters: from retailing craft items and offering tour guide services or community, heritage and cultural experiences to providing home lodging [7].

Risks to tourism capacity and infrastructure

The potential risk of valuable tourism skills, capacity and infrastructure, and concomitant tourist revenue being lost, including with respect to related, ancillary services that support the tourism value chain, is potentially catastrophic for small states. In the Pacific, the pandemic portends the imminent risk of skills and local ownership losses, affecting core tourism infrastructure in the sector overall [5]. Furthermore, the linkages of the tourism sector with vital conservation and biodiversity efforts are being compromised, resulting in losses of critical natural and wildlife resources. In Africa, there are potential catastrophic consequences for wildlife conservation and eco-tourism, with increased reports of environmental crime, including wildlife poaching and illegal bush meat harvesting. Rural communities, previously reliant on the revenue from national and private safari parks and conservation tourism for both preserving natural resources and guaranteeing livelihoods, are now severely compromised as a result [6]. Similarly, tourism is a key source of income for marine protected areas, and conservation plans in these areas are further being affected.

Impact of Covid-19 on Tourism in Nigeria

The severity of the impact of covid-19 varies transversely. Air transport is a very vital part of the Nigerian economy. There are more than 404 aircraft registered in Nigeria and 64% of these are used for commercial operations [7]. The covid-19 outbreak led the governments of many countries to impose restrictions on non-essential travel to countries affected by the disease, indefinitely suspending tourism travel, work visas and immigrant visas [8]. The federal government of Nigeria on

the 26th March, 2020 declared closure of airports and its borders to all forms of movement and transportation. The airline operators also cooperated with the Federal government directives and suspended their operations in a bid to protect the lives of its staff and reduce the further spread of the disease. It is believed that the travel restrictions cost the tourism industry alone a loss of over \$200 billion globally, excluding other loss of revenue for tourism travel [9].

Travel agencies are business outfits whose functions include ticket sales outlets to book the airlines traffic, promote the business of the airline through intensive campaigns, use of effective media outlets to communicate innovations in the industry to the public and assisting the airline customers with information about desired flight information and reservation [8]. It is important to note that some airlines sponsor these agencies by helping them to do their work of producing simple and pre-printed tickets as the case may be. The airline gives some commission of a certain percentage to these travel agents [9]. In Nigeria, the activities of Travel Agencies are regulated by the Nigerian Civil Aviation Authority (NCAA). With recent technological development, most of their activities are now automated and they are now required to use Computer Reservation Systems (CRS) in booking and confirming seat reservations to prospective customers. Thus, the travel agencies are key players in the tourism sector and have been recording decline in ticket sales and reservations for international and continental flights during this period of covid-19 lockdown [10].

The hotels and hospitality sector is a major revenue earner, with potential of creating thousands of jobs annually. The hotels and hospital subsector of the tourism industry have also had their

own share of the challenges from the covid-19 lockdown policy of the government of Nigeria. With government announcement of “stay-at-home policy” and “social distancing” movement restriction, most restaurant businesses were greatly affected [11]. This led to rapid shutdowns in cities and states to control the spread of the covid-19 disease, which threw many restaurants and hotels across the country into sudden shock. Many hotels have recorded decline in bookings due to the health scare, while restaurants in major towns in the country are now restricted to offering only delivery services. Since most restaurants operate with fresh food products, which are difficult to keep in stock as demand fluctuates, they are bound to incur losses [12].

Although the tourist inflow into Nigeria has reduced in recent times owing to increasing security challenges in the country such as the Boko Haram insurgency, armed banditry and kidnapping among others. The recent outbreak of covid-19 and lockdown policies that follows has only exacerbated the challenges of reduced tourist inflow into the country [12]. Covid-19 pandemic has greatly affected the Nigerian entertainment industry by distorting the Nigerian Film Industry (NFI) 2020 revenue projection beginning with an unprecedented disruption of the global films calendar [13]. Other aspect of tourism sector that will equally be affected by the covid-19 pandemic is the transport, hospitality and trade sectors in Nigeria. The government policy of social distancing and stay at home restrict movement within the country and most urban centres. This also led to stoppage of interstate and inter-town travels, culminating in loss of revenue to operators in the transport sector for the period of non-operation [14].

CONCLUSION

As the spread of the virus is likely to continue in disrupting social-economic values of tourism in developing and developed countries. Governments around the world should not only be

working on curtailing the pandemic but also on the ways to improve the social-economic impacts of COVID-19 on tourism.

REFERENCES

1. WorldHealthOrganization. *Coronavirus Disease 2019 (COVID-19): Situation Report 100*. Geneva (2020).
2. Le TT, Andreadakis Z, Kumar A, Román RG, Tollefsen S, Saville M, et al. The COVID-19 vaccine development landscape. *Nat Rev Drug Discov.* (2020) 19:305-6. doi: 10.1038/d41573-020-00073-5
3. Dey M, Loewenstein M. How many workers are employed in sectors directly affected by COVID-19 shutdowns, where do they work, and how much do they earn? *Monthly Labor Rev.* (2020). doi: 10.21916/mlr.2020.
4. Castles S. Migration, crisis, and the global labour market. *Globalizations.* (2011) 8:311-24. doi: 10.1080/14747731.2011.576847
5. Food and Agriculture Organisation of the United Nations. *Migrant workers and the COVID-19 Pandemic*. Rome (2020).
6. IMF. (2020). World Economic Outlook, April 2020: The Great Lockdown, International Monetary Fund
7. Kim, J., Lee, C-K. & Mjelde, J. W. (2018) Impact of economic policy on international tourism demand: the case of Abenomics, *Current Issues in Tourism*, 21(16), 1912-1929.
8. Nonthapot, S., & Lean, H.H. (2015). International tourism market analysis in the Greater Mekong Sub-Region: a panel data approach. *Pertanika journal of social science and humanities*, 23, 945-966. Journal homepage:
9. Tang, C. F. & Tan, E. C. (2016). The determinants of inbound tourism demand in Malaysia: Another visit with non-stationary panel data approach, *Anatolia*, 27(2), 189-200.
10. Tang, C. F. & Lau, E. (2017), Modelling the demand for inbound medical tourism: The case of Malaysia, *International Journal of Tourism Research*, 19(5), 1-10
11. Ali, I.; Alharbi, O.M.L. COVID-19: Disease, management, treatment, and social impact. *Sci. of the Tot. Env.* 2020, 728, 138861.
12. Andersson, T.D.; Lundberg, E. Commensurability and sustainability: triple impact assessments of a tourism event. *Tour. Manage.* 2013, 37, 99-109.
13. Backer, E.; Ritchie, B.W. VFR travel: A viable market for tourism crisis and disaster recovery? *Int. Jour. of Tour. Res.* 2017, 19(4), 400-411.
14. Bremer, S.; Schneider, P.; Glavovic, B. Climate change and amplified representations of natural hazards in institutional cultures. *Ox. Res. Enc. Nat. Haz. Sci.* 2019.