

**AN EXPLORATION OF GOVERNMENT FINANCIAL SUPPORT  
TOWARDS THE SUSTAINABILITY OF ACCOMMODATION  
FACILITIES DURING COVID 19 IN NAMIBIA**

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**MARTHA PENEYAMBEKO SHIKANGALA**

**200421697**

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**SUPERVISOR: PROF TAFIRENYIKA SUNDE (NUST)**

## ABSTRACT

This study was conducted to explore government financial support towards the sustainability of accommodation facilities during Covid-19 in Namibia. The objectives of the study were to ascertain measures that the government has put in place to improve cash flows of accommodation facilities, identify challenges towards obtaining suitable financial support for accommodation facilities during the pandemic from the government and to evaluate the factors government takes into account in deciding to support the accommodation sector. The study used an exploratory research design utilising a qualitative research approach for data collection and analysis. Data was gathered from 30 participants (26 B & B and Lodges and 4 officials from the Ministry of Environment and Tourism). Data was collected using a semi-structured interview guide and the data was analysed using thematic analysis. The study found that there was a drastic decrease in both room occupancy and annual turnover for the year ended 2020, compared to the same period in 2019, hence the need for government financial support to sustain the hospitality industry. The results revealed that the available financial support and stimulus packages are not effective for the tourism sector. The available funding programs include government guaranteed loans, facilitated through the Development Bank of Namibia (DBN) and other commercial banks, and are meant to boost production. However, the B & B and Lodges rely on local and international visitors who may require accommodation, hence these loans cannot do much to boost production but rather leave the owners in more debt. Therefore, this study recommends for the government to provide financial support suitable for the tourism industry. Also, currently grants are recommended to sustain the industry. The government is also encouraged to promote domestic tourism. It is recommended for the B & B and lodge owners to diversify their businesses in this current environment.

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## DEDICATIONS

This research is dedicated to my sisters who have been a pillar of support in my entire life!

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# CHAPTER 1: INTRODUCTION

## 1.0 Introduction

COVID-19 the acronym for coronavirus disease 2019—is an infectious disease caused by the SARS-CoV-2 virus (WHO,2019). It was first detected in Wuhan, Hubei province, China, at the end of 2019. Given its rapid global expansion, the World Health Organisation (WHO) declared a state of sanitary emergency on the 30<sup>th</sup> of January 2020, then a month and a half later, specifically on the 11<sup>th</sup> of March 2020, when the disease had surpassed the epidemic situation, the WHO declared a state of pandemic (United Nations (UN), 2019). Since both the virus and the disease were unknown until then, there were no known drugs to stop the disease or vaccines to protect people against the virus, so the health authorities focused their greatest effort on recommending distance, wearing of masks and social isolation (Ministry of Health and Social Service, 2020).

Since its detection, the spread of COVID-19 has been unstoppable and has reached practically all the countries of the world, affecting millions of people and causing hundreds of thousands of deaths (WHO, 2021). As of the 29<sup>th</sup> of September 2021, COVID-19 has affected more than 33 million people and caused more than a million deaths, and the world is still counting (WHO, 2021). At the time of writing, Namibia had recorded 134 000 infections and 3 579 deaths (WHO, 2021). The spread of the virus has not been homogeneous nor has its intensity been the same in all affected countries. As of October 2020, the five countries with the highest infection rates were the United States, with more than seven million and 21 281 per million

inhabitants, followed, at a long distance, by India, Brazil, Russia and the UK (with 34.7, 22,2m and 11.1m infections, respectively) (WHO, 2021).

The pandemic has affected many economies worldwide. Hence, it is important for governments to develop sustainable recovery and business continuity strategies to sustain their economies and preserve the health of their citizens.

On the 17<sup>th</sup> of March 2020, President Hage Geingob declared a state of emergency in Namibia, which introduced measures such as the closure of all borders, suspension of gatherings and economic related resolutions (UN, 2020). The Ministry of Health and Social Services also established an Emergency Response team, operating 24/7. The team aimed to intensify the surveillance of COVID-19 in the country, especially at the borders of Namibia. On the 28<sup>th</sup> of March 2020, the country went into a full lockdown, affecting mainly the travel and tourism industry. There were major restrictions on accommodation facilities that rely more on visitors and these were affected immensely in terms of business (Higgins-Desbiolles, 2020).

The tourism industry is experiencing its worst period because of the COVID-19 prevalence in most cities of the world, but experts believe that the same land-based industry will be the strongest option for the economy of the crooned countries after the current crisis (Fernandes, 2020; Barbhuiya, & Chatterjee, 2020). According to the IMF (2020) the Corona virus (COVID-19) has had fundamental effects on the economic, social, cultural, tourism, religious, political and security industries in different countries. One industry that has been seriously affected by the COVID-19 pandemic is the

tourism industry, specifically the accommodation facilities (United Nations World Tourism Organisation (UNWTO) 2020).

Anxiety caused by the prevalence of this virus in the World (for example in the European countries) has also affected travelling as many have cancelled domestic and foreign trips (World Travel & Tourism Council, (WTTC) 2020). This situation has caused a crisis in the tourism industry as a whole with accommodation facilities almost non-operational while travel agents laid off a number of their employees, which, in the absence of a solution, is a cause for concern imposing huge costs to this industry (WTTC, 2020).

The reduction of traffic of people in the tourism industry, mainly the hotel and accommodation industry, handicrafts, airlines and even domestic transportation system has therefore negatively affected the business of the industry as a whole (Yeh, 2020). The United Nations World Tourism Organisation estimated that global international tourist arrivals might decrease by 20–30% in 2020, leading to a potential loss of US\$30–50 billion (UNWTO, 2020). In many of the world's cities, planned travel went down by 80–90%.

Conflicting and unilateral travel restrictions occurred regionally and many tourist attractions around the world, such as museums, amusement parks, and sports venues closed (UNWTO, 2020). This has negatively affected tourism business establishments especially the accommodation facilities, with owners having no revenue, hence no money to pay their staff and lay-offs have resulted as a consequence (WTTC, 2020). Therefore, the purpose of this study was to explore how government in Namibia has intervened to financially

support Bed and Breakfast (B&Bs) and Lodge accommodation facilities during the pandemic in order to ensure sustainability.

## **1.1 Background of the Study**

Before COVID-19, travel and tourism had become one of the most important sectors in the world economy, accounting for 10 percent of global GDP and more than 320 million jobs worldwide (United Nations World Tourism Organisation (UNWTO), 2021). The global pandemic, the first of its scale in a new era of interconnectedness, has put 100 million jobs in the tourism sector at risk worldwide (UNWTO, 2021). The Government of Namibia has long recognised and prioritised tourism development in various legislative and policy documents such as the fifth National Development plan (NDP5).

However, for a sector and business model so dependent on attracting visitors and tourists, since the arrival of COVID-19 in March 2020, the economic impact has been catastrophic (Bank of Namibia, 2021). During the second and third quarters of 2020, statistics showed a year-on-year drop of over 80% in hotel occupancy and daily accommodation rates fell from an average of N\$600 per night to N\$250 per night in average bed and breakfast lodgings (Bank of Namibia, 2021).

According to the Labour Resource and Research Institute, the number of job-losses in 2020 due the COVID-19 virus was approximately 12 000. This loss of employment can be directly linked to the very few international tourist arrivals, given the COVID-19 restrictions imposed (Bank of Namibia,2021). Further concerns are that tourism is projected to recover much slower than

other sectors (Bank of Namibia, 2021) which then exerts further pressure on loss of income to Bed and Breakfast (B&B) facilities. Rogerson and Rogerson (2020) conducted a study in South Africa that focused on the response by both the South African tourism industry and government to the crisis and its unfolding impact for the tourism sector. The study stressed the weakness by highlighting the government of South of Africa's efforts in supporting the tourism industry towards its recovery and fighting its crippling consequences.

Another study conducted by Dube, Nhamo and Chikodzi (2020) focussed on the impact of COVID-19 on the global restaurant industry. This study was conducted in developed countries like Australia, the USA, Canada, Ireland, Mexico and the United Kingdom and emphasised mainly on how COVID-19 affected restaurant bookings. In Dube *et al.* (2020)'s study, no response strategies by government were highlighted in the study. The researcher is unaware of any research done in this area in Namibia. The purpose of this research is to therefore to explore how government in Namibia has intervened to financially support Bed and Breakfast (B&B) and Lodge accommodation facilities during the pandemic in order to ensure sustainability of the sector.

## **1.2 Statement of the problem**

In countries, for example the Caribbean, the government successfully established the COVID-19 Caribbean Tourism Task Force, comprising the Caribbean Public Health Agency (CARPHA), Caribbean Hotel and Travel Association (CHTA), Caribbean Tourism Organisation (CTO) and the Global Tourism Resilience and Crisis Management Centre (GTRCMC). These were established in order to keep the tourism industry ready to receive visitors

during COVID-19. This was done through the dissemination of support tools, training, and sharing of best practices (CHTA, 2020c cited in Mulder, 2020). During COVID-19, tourists to Namibia who are biggest the customers, stopped visiting the country as international travel was banned due to lockdowns (NTB, 2021). Many players with accommodation facilities could not sustain their employees and this led to liquidation and temporary closure of several businesses (Dube *et al.*, 2020).

In addition to loss of employees and closures, about 70 percent of businesses in the hospitality sector recorded bookings below 60 percent of normal bookings (Bank of Namibia, 2021). Globally, 58% of accommodation establishments failed to service their debts and were therefore faced with closure as well (United Nations World Tourism Organisation (UNWTO), 2021).

Rogerson and Rogerson (2020) states that if the tourism sector is not supported by the government, there will be huge losses of employment and the sector might not recover even after the pandemic. This, as tourism establishments continue to lose revenue and they subsequently cannot sustain their businesses. This study explored how and what government intervention is put in place to support the accommodation industry from a financial perspective in order to ensure sustainability of the sector.

### **1.3 Research Objectives**

#### **1.3.1 Main Objective**

The main objective of the study was to explore government financial support towards the sustainability of the accommodation industry during COVID-19 in Namibia.

### **1.3.2 Sub-Objectives**

The sub-objectives were:

- To assess the viability of government measures put in place to ensure cash flow in accommodation facilities.
- To identify challenges towards obtaining suitable financial support for accommodation facilities during the pandemic from the government.
- To evaluate the factors government takes into account before deciding to support the accommodation sector.

### **1.4 Significance of the Study**

This study will be significant to the government of Namibia in formulating the right financial interventions to the accommodation sector and in solving challenges caused by COVID-19. To the literature, this study will contribute to the gap in knowledge from studies done by Rogerson and Rogerson (2020) in South Africa on the subject of financial intervention during the pandemic. To the researcher, it will provide a broader understanding of government financial interventions and processes.

### **1.5 Delimitations**

The study focuses on the accommodation sector and only entities registered with the Namibia Tourism Board (NTB) in the Khomas region as well as the Ministry of Environment and Tourism. The study covers the period 2020 to 2021, a period where strict lockdowns were effected due to COVID-19.

## **1.6 Limitations**

The strongest objection to qualitative research is that the quality of the research depends too greatly on the individual researcher (Creswell, 2014). Results of qualitative research cannot be verified because the approach doesn't carry a statistical representation. However, the research will strictly follow guidance of qualitative research, for example from the Creswell (2014)'s research textbook that focuses on the strengths of qualitative research to allow non-structured questions that will give people room to explore the topic in depth, rather than to quantify information.

## **1.7 Chapter Summary**

Chapter 1 of the study has provided a detailed discussion on the background to the study, statement of the problem and an outline of how the research will be conducted going forward. The next chapter, reviews existing literature.

## **1.8 Thesis Outline**

The research is composed of a total of five chapters. Chapter 1 of the study provided the introduction of the study, a detailed discussion of the background to the study, statement of the problem, objectives and an outline of how the research will be conducted going forward. Chapter 2 provided a review of the literature guided by the research objectives. The chapter also explores gaps existing in current literature to correctly position this research. The diverging and complementary views of different authors are reviewed.

Chapter 3 dealt with the research methodology that was used to answer the research questions. In this section, the researcher focused on the research philosophy, research design, population sampling techniques, data collection, presentation, and analysis procedures that were employed in the study.

Chapter 4 summarised the research findings and discusses these findings in line with the research objectives of the study. The chapter incorporates themes and content analyses that was presented in themes. Chapter 5 of the thesis summarises the findings and makes conclusions and recommendations noting the main points in the analysis of the primary and secondary data before highlighting areas for future research.

## **CHAPTER 2: LITERATURE REVIEW**

### **2.0 Introduction**

Chapter 2 provides a review of the literature on the COVID-19 pandemic and the steps the Government of the Republic of Namibia (the government) has taken to ensure the sustainability of the tourism sector. This is done to fully understand the research topic and identify any existing gaps in the literature. This is an important section as it provides detailed evidence of theories relating to knowledge management and empirical support of the phenomenon in line with the research topic.

### **2.1 Theoretical framework related to government business support during crises.**

The existence of different coronaviruses has been known to humanity for more than fifty years (World Health Organization, 2020). In the past, WHO has already managed to successfully limit the spread of the infectious diseases caused by different coronaviruses, such as the Severe Acute Respiratory Syndrome (SARS-CoV-1) and the Porcine Epidemic Diarrhea V (PEDV), also known as the “Swine flu”. As the spread of SARS-CoV-2 currently presents a global threat to human health, humanity will have to adapt to the new reality of re-emerging threats caused by coronaviruses. In particular, the tourism industry will have to find a way to adjust to this new reality. In addition, governments across the globe have implemented various models to sustain business during crisis. Hereunder, various government financing and supporting models during crisis will be reviewed.

### **2.1.1 Business grants model**

Governments have given direct grants to businesses to tide them over through the worst of the crisis such as Spanish flu, or the great depression and – in some cases, to help them restructure. Grants have been used to help firms meet unavoidable fixed costs or to encourage and enable them to adapt their processes to operate more effectively while the crisis continues to affect daily operations (De Santis, & Van der Veken, 2020). During the Spanish Flu era, in Canada, Germany, Japan, Norway, Singapore and Sweden, specific grants were used to help businesses meet unavoidable fixed costs, particularly rent, during the peak of the crisis (Galletta, & Giommoni, 2020). The value of the grant was linked to firms' loss of turnover during the period. Canada offered grants equivalent to up to 50% of rent, while Japan and Sweden also had schemes to subsidise rent for firms affected worst by the crisis. The grants in Sweden that compensated landlords who reduced commercial tenants' rent were administered on a county level (Karlsson, Nilsson, & Pichler, 2012). Other schemes have been less targeted, with the value of grants not tied to any specific fixed costs. These sorts of general grants tend to have been used to help SMEs during Covid 19. For example, during this coronavirus pandemic, in France small firms, with an annual turnover below €1 million (£920,000), and self-employed people were eligible for central government grants of up to €1,500 (£1,400) a month if they could show they had lost half their revenue or were at risk of bankruptcy. That scheme has been extended until the end of the year for the hotel, tourism and events sectors, and expanded to cover businesses in those sectors with annual turnover between €1m and €2m (£0.9m–£1.8m) (The Economist, 2021). France's regional

governments also handed out one-off grants of up to €10,000 (£9,200) to each of the worst affected businesses in the hardest hit sectors (The Economist, 2021). In Ireland, businesses with fewer than 250 employees were eligible for grants of up to €25,000 (£23,000) from county councils if their revenues had dropped by more than 25%. The Canada Emergency Business Account (CEBA) scheme offers loans of CA\$40,000 (£24,000) to Canadian SMEs, with a quarter of the loan being forgiven if paid back in full by the end of 2022 – essentially making it a CA\$10,000 (£5,900) grant. Meanwhile, the Japanese government offers a ¥2m (£15,000) grant to SMEs whose revenue falls by more than half in any month in 2020 (Quaas, Meya, Schenk, Bos, Drupp, and Requate, 2021).

These more general grants are similar to the approach taken by the UK government (for businesses in England) and the Scottish and Welsh governments, providing grants to business rates payers. For example, the Scottish government has granted £10,000 each to recipients of Rural Relief and other relief schemes, and £25,000 each to retail, hospitality and leisure businesses occupying property with a rateable value between £18,000 and £51,000. Some governments have also used grants to encourage and enable businesses to adapt to new, Covid-safe ways of working (Barro, Ursúa, & Weng, 2020). The Singaporean government has offered grants to cover up to 80% of the cost of projects to make workplaces socially distanced and to shift to e-commerce platforms\* and also introduced a Construction Restart Booster to help construction firms meet additional compliance costs. The Quebec government has a scheme in place that pays the costs of training, including the wages of workers engaged in training, for underutilised employees during

the crisis. The Japanese and French governments have also offered subsidies to companies adopting new IT solutions, while in Germany, Ireland and New Zealand small grants have been made available for businesses to hire consultants to manage business change. In Japan, grants have also been offered to help companies diversify their supply chains, particularly encouraging the building of facilities within Japan to create more resilient supply chains in case of another crisis, (Barro et al, 2020).

### **2.1.2 Tax cuts and deferrals model**

During the Spanish flu pandemic, governments also used tax cuts and deferrals to support and cushion businesses from collapsing. Most countries in Europe cancelled some tax payments to alleviate businesses' cash-flow problems (Alfani, 2020). In general, these policies covered social security contributions (in order to incentivise firms to retain workers), taxes on business property (to help businesses facing fixed rent costs) and loss carry-back arrangements for taxes on business profits (allowing firms to receive a rebate on the previous year's tax payment, helping this year's cash-flow) (Cram, Blitz, Monto, & Fendrick, 2001). The UK government (acting for England) and the devolved administrations also took this approach for example, offering business rates holidays (Galletta, & Giommoni, 2020). In addition, some countries have allowed firms to defer or reduce other tax payments, including tax on their profits and consumption taxes (such as VAT and duties). Firms have been allowed to defer tax payments by anything from three months (in the case of social security contributions in France and Germany, and tax on business profits in Singapore) to up to a year (in the case of all taxes owed by businesses in Japan and the VAT and social security

contributions owed by some of the worst affected firms in Sweden) (Galletta, & Giommoni, 2020). During Covid 19 pandemic, governments has taken similar approach to help businesses during the crisis. For example, the UK government has taken a similar approach, allowing businesses to defer any VAT payments due between 30 March and 30 June 2020 to the 2021/22 (Barro, et al, 2020). In Norway, Singapore and Sweden (as in the UK), all businesses are automatically eligible for deferred payment of some taxes; this is also true for corporation tax owed by businesses in Canada to provincial governments. In the other countries, firms must apply for permission to defer their tax payments, and in Germany and Japan must (respectively) have been directly and significantly impacted by coronavirus or have lost at least a fifth of revenue. Apart from Canada, all the countries we look at have offered some form of tax cuts to some businesses. Several countries have offered firms reductions in social security contributions, either to all firms or else tied to use of government wage subsidy schemes (Alfani, 2020). For example, in Norway social security contributions were cut from 14.1% of earnings to 10.1% for all firms; in Sweden, businesses have been exempted from paying social security contributions for the first 30 workers on salaries up to SEK25,000 (£2,200). The national governments of Ireland and Singapore and local governments in Japan have all offered reductions in business property taxes, with these being focused on the firms most adversely affected by coronavirus (Schmelzing, 2020). The Irish government has let businesses off paying business rates between March and September if they were forced to close or suffered severe disruption. Japanese local governments have cut property taxes for SMEs. In Singapore, taxes on non-residential property have

been cut by 30% in 2020, and by 100% for those businesses most badly affected by Covid-19, like hotels, serviced apartments, tourist attractions, shops and restaurants. In Norway, Ireland, New Zealand, Germany, Sweden and Japan businesses have also been allowed to carry back their losses from 2020 into previous tax years (within certain limits), thus earning a rebate on taxes paid on previous years' profits (Alfani, 2020). The OECD suggests this as a useful option for increasing liquidity and focusing government support on previously profitable but now loss-making businesses; it has the additional advantage of being possible to implement using the existing tax system. However, if these rebates were only received at the end of this financial year, it would do little to help firms with immediate cash-flow concerns. To counteract this problem, the German government has provided an initial loss carry-back grant to businesses that are expecting to make major losses in 2020 (Schmelzing, 2020). The Japanese government has also sought to improve targeting of their scheme by limiting eligibility only to companies with less than ¥1bn (£7.5m) in cash reserves – this restriction should reduce the deadweight cost of the policy, by excluding firms that already have sufficiently large cash reserves to tide them over (Alfani, 2020).

### **2.1.3 Government-guaranteed loans model**

One of the models that was used during the previous economic depression was to put in place measures to increase firms' access to credit. Various governments provided government-guaranteed loans to curb the effects of the Spanish flu pandemic. But the exact mechanism used varied significantly between countries, with this variation being driven by differences in the structure of their banking sectors and existing state institutions

(Taubenberger, & Morens, 2006). The same model (bank guaranteed loans) was also implemented during the Covid-19 by many countries to support small businesses. The loans that have been made available for larger companies typically offer higher borrowing limits but less generous terms than those available to SMEs (Alfani, 2020). The loan schemes on offer in different countries vary in four ways. First, they differ in terms of how much money firms can borrow. Second, they differ in how extensive the government guarantees are ranging from guaranteeing 70% to 100% of the loan amount. Third, the institutions that administer them differ – with some being issued through private banks while others are issued by a state-owned bank. Fourth, while in most of the countries all the government-backed loan schemes are designed and funded by central government, in France, Japan and Germany there are also locally designed and funded schemes (Galletta, & Giommoni, 2020). All these governments have created or extended programmes to provide government guarantees to lending by private financial institutions. These guarantees have been provided, either directly through government departments (Norway, New Zealand, Ireland, Singapore), government agencies (Canada, Sweden) or state-owned banks (Japan, Germany, France, Ireland). If a business is unable to repay one of these loans, the government will cover between 70% and 100% of the loan amount (Alfani, 2020). The UK government followed a similar approach – providing businesses with access to three different loan schemes, which were administered by private banks and offered government guarantees of 80% (Coronavirus Business Interruption Loan Scheme and the Coronavirus Large Business Interruption Loan Scheme) or 100% (Bounce Back loan scheme).

Offering government guarantees to private bank loans has several attractive features. Limiting the losses banks face encourages them to lend more than they might otherwise. By channelling the money through private banks, governments were also able to use banks' extensive customer networks to ensure credit was distributed quickly and ensured the administration of the loans and assessment of firms' creditworthiness remained the responsibility of the banks (Quaas, *et al* 2021). These are tasks that banks do better than government agencies that do not ordinarily carry out these tasks. However, there are trade-offs in the design of these schemes. If the government guarantees a lower fraction of the loan, banks will be more concerned about firms' creditworthiness and are likely to take longer to extend loans and make fewer of them. If, on the other hand, the government guarantees the full loan, banks have less incentive to check the creditworthiness of firms, risking that more loans go bad, but may, as a result, be able to process loans more quickly (Alfani, 2020). An alternative way of leveraging private lenders' knowledge and insight into firms' creditworthiness is to make use of co-lending schemes, as the Canadian government has. Business Development Canada, the state-owned development bank, 'co-lends' with private financial institutions, providing up to 50% of the capital for loans to firms of up to CA \$60m (£35m). Japan and Germany also offer similar schemes. In Japan, France (on a regional level) and Ireland, state-owned development banks have also lent directly to businesses: Japan Finance Corporation (JFC), the Banque Publique d'Investissement (Bpifrance) and the Strategic Banking Corporation of Ireland (SBCI), respectively. The New Zealand government has a small-scale scheme providing direct loans of up to NZ\$100,000 to businesses through its

tax office, and Business Development Canada and Microfinance Ireland offer similar direct lending schemes (Quaas, *et al* 2021).

Some governments also have funds aimed at helping strategic companies through the purchase of bonds, subordinated debts or hybrid equity-like instruments. Ireland, through the Ireland Strategic Investment Fund (ISIF), Sweden and New Zealand have some provision for support of this sort which is offered on an ad hoc basis. Germany's Economic Stabilisation Fund (ESF) has access to a €100bn (£92bn) recapitalisation fund for large businesses, which may be used to purchase subordinated debts and equity like hybrid bonds, as well as a €400bn (£370m) fund for guaranteeing new debts and liabilities, which is intended to help companies refinance themselves through private banking and capital markets (Alfani, 2020).

## **2.2 Restarting Tourism & Challenges Encountered**

The COVID-19 pandemic is currently a public health and humanitarian emergency, and institutions across all industries are fast adjusting (Barbhuiya, & Chatterjee, 2020). While the situation settles down, leaders should think about what is next rather than settling for an 'average' position (Benjamin, Dillette, & Alderman, 2020). Since the term "average" has lost its meaning for us, and "business as usual" has become even less so. In order to adapt and prosper, businesses must move quickly to become more robust and adaptable (Carr, 2020).

The international tourist organisation also calls on governments around the world to provide a clear and definite roadmap, giving businesses enough time

to ramp up their operations in order to recover from the pandemic's effects (World Travel & Tourism Council (WTTC), 2020). Several European countries have taken the initiative to implement new particular legislation aimed at reviving the industry. According to the most recent UNWTO study, 33 percent of locations in the area have implemented strategies to promote tourism. For example, in Asia and the Pacific, 25% of top locations have stated that they are revitalizing tourism procedures, whereas in the Americas, this figure is 14%, and in Africa, it is 4%. (United Nations World Tourism Organisation (UNWTO), 2020).

Due to the complexity, confusion, and possibilities businesses are encountering in Coronavirus times, the new phase of reality confronts businesses and changes their judgments. The latest World Annual Economic Impact Report (EIR) findings show the complete overwhelming impact of a pandemic that has affected the worldwide tourism sector in 2020, causing a massive loss of nearly US\$4.5 trillion (WTTC, 2020).

After months of unprecedented devastation, the UNWTO - World Tourism Barometer reported that the tourism industry is returning to average in some regions, most notably in Northern Hemisphere destinations. Simultaneously, travel restrictions remain in effect in most worldwide capitals, and tourism remains one of the most severely impacted industries (Carr, 2020). Furthermore, the UNWTO has reaffirmed its demand for governments and international organisations to assess and provide guidance in order to restore tourism's growth, which serves as a lifeline for millions of people and the backbone of many nations' economies (UNWTO, 2020d).

This, despite the fact that organisations working in areas prone to future disasters should research how to prepare for such crises and respond to their consequences (Wahyuningtyas, Tanjung, Kodir, & Wijanarko, 2020). It emphasises the importance of separating organisational knowledge from factors in disaster preparedness and recovery in order to reduce company vulnerability and increase organisational flexibility in response to the event. Furthermore, a precise understanding of the relationship between the occurrences of disastrous events, their driving hazards, and substantial outgrowths is required (Bhaskara & Filimonau, 2021). According to the preceding statement, the COVID-19 pandemic could be a precursor to a sequence of fatal events.

The projected many waves of its predominance, which can be translated to a variety of factors, including seasonal infection variations, inadequate national public health systems, foreign flights, and many others, plays an important part (Xu & Li, 2020). Despite being far away, such problems are linked to the pandemic's harmful effects on human behaviour and economic endeavour. For example, in the United Kingdom, the COVID-19 resulted in reduced domestic tourism by 59 percent in 2020, with popular tourist destinations such as London and Edinburgh being particularly hard hit (Visit Britain, 2021).

This over-dependence on specific sites for international tourists, implies a series of negative entanglements for inhabitants in 2020 and 2021, as a result of lower income and layoffs for many tourism workers. The cascading impacts of the prevalent coronavirus should serve as key impetus for tourist

organisations and destination management professionals to create more reliable solutions (Bhaskara & Filimonau, 2021).

Meanwhile, when it comes to the hospitality industry, visitor objections are almost certain (Yeh, 2020) since it is still unclear how settlement businesses can verify that rooms for newly arrived visitors are safe and sanitary. Furthermore, how would individuals with COVID-19 situations be dealt with? The majority of hotels are indicating shut-downs or a drop in travel numbers (STR, 2020a). Different types of crises techniques can have a variety of effects on visitor behaviour. In this case, it plays a critical part in making one's decisions from the time one makes their travel arrangements to one's pre-confrontation, during-confrontation, and post-confrontation preparatory activities. During a financial crisis, for example, Song, Witt, & Zhang (2011) state that travelers prefer economy hotels and low-cost rooms taking into consideration the guest's bargaining power.

### **2.3 Positive Adoption of Covid-19 in the Tourism Industry**

The discussion on the beneficial results of the COVID-19 pandemic will be highlighted in the literature. Consumers profit in several ways from a significant drop in tourism demand in several industries such as airlines, hospitality, and restaurants. For example, the airline sector has been compelled to phase out, obsolete and inefficient aircraft and limit ticket flights as a result of the negative impact (Simple Flying, 2020). Most airports are already carrying out their business preparation plans, which details how the service area and critical operations were kept in good working order throughout the COVID-19 pressures.

Simultaneously, airport managers have been forced to reconsider their usual commercial and operational practices. Meanwhile, the airport operators are finding it difficult to maintain their investment because the rehabilitation phase is expected to take longer (Simple Flying, 2020).

Self-service and a plethora of other technology for every process at the terminal will aid airports' recovery. This type of innovation proposal would be able to reduce operating costs, improve passenger service, and decrease viral spread. Biometric solutions (facial/fingerprint/iris recognition) which includes the paperless method, are also among the standard technology/I.T. tactics that airports might use and in this scenario (Serrano & Kazda, 2020).

Videoconferencing is one of the most effective ways to reduce transportation demand, as it allows others to enter a new market (Banister & Stead, 2014). Home-working employees have been extensively adopted for years, with students enrolling in online learning and business travellers avoiding non-essential air travel. According to Cohen, Hanna, & Gössling (2018) many business travellers will take advantage of the wonderful opportunities to fly less. Many organisations have undertaken high-level switches, such as the G20 Leaders Meeting on March 26, 2020, which was the first of its kind to be organised digitally as a video conference rather than an actual face-to-face meeting (European Council, 2020a).

Due to the unprecedented restrictions imposed by the government on their sectors, several restaurants are having difficulty staying in business and are opting to close their doors in numerous places. The restaurant's tactic of social separation is a common appropriate practice to take under these

circumstances (Gössling, Scott, & Hall, 2021). It was envisaged that a vital procedure for developing COVID-19 would continue in multiple countries for specific months. Furthermore, those restaurants would likely experience difficulties in recovering, owing to their frequent restrictions on liquidity and low profit margins.

Food shops, on the other hand, are allowed to continue providing orders just to take away customers because it will require less staff members. However, social distance exploitation is seen as a two-edged sword that favours fast food over elegant dining (Gössling *et al.*, 2021). Several institutions and workers will notice continuing or partial permission benefits, a few months after these new work patterns are implemented. More often than not, citizens' movement ideals may affect changes in everyday situations.

Countries that do not implement comprehensive lockdown responses see a considerable increase in cycling and outdoor activities (Gössling *et al.*, 2021). Rather than seeking "growth" as a theoretical notion benefiting the few, those individual ongoing good adjustments may serve as forerunners for change on a larger scale, leading to the global tourist system recreation towards the Sustainable Development Goals (SDGs) (Piketty, 2015).

## **2.4 Sustainable Tourism**

The present time is ideal for promoting sustainable tourism and social equality (Benjamin *et al.*, 2020). Historical-cultural settings represent joy, natural health, sustainable development, and traditional conservation knowledge, as articulated by (Carr 2020, p. 19). These are the "culture

preservation" places of the future. For the country's economic progress, following the outbreak, it's vital to handle them correctly. The tourism industry must be transformed through actual development planning rather than paperwork. The presence of reasonable people such as state officials, visitors, SMEs, and the government is required to alleviate the current deplorable situation in order to create more tourism experiences. The industry's service providers must explore how to generate new demand by enhancing their stagnant product offerings (Sharma, Thomas, & Paul, 2020). Such actions would link, encourage, and provide for the entire tourism industry, which will benefit everyone.

Members of the market should also oppose the tools and processes that might deter and alter unsafe and ineffective tourism (Higgins-Desbiolles, 2020). A charter is required for the development of a healthy and long-term tourism sector. What the UNWTO (World Tourism Organisation) preaches (sustainable) and what is practiced (growth expansion) are at odds (Sharma *et al.*, 2020). The tourism sector has been presented with a once-in-a-lifetime opportunity to rebuild resilience by ignoring the "dark sides" of recent years, such as environmental deprivation, economic exploitation, and traffic congestion (Niewiadomski, 2020). Sustainability is a method of achieving positive outcomes that is characterised by changing values, wishes, knowledge, abilities, and public awareness (Galvani, Lew, & Perez, 2020).

## **2.5 Financial intervention to the Tourism Sector**

The government of Namibia instituted several measures to contain COVID-19 (MICT, 2020) of these, it included giving small amounts of funding to

individuals that are not employed and those with small businesses (MTI, 2021). Overall, the immediate and first response from governments consisted of cross-cutting fiscal and monetary measures to mitigate the economic impact of the crisis, with a special focus on SMEs' liquidity, and protect jobs in the most severely affected sectors. As the situation evolved, countries increasingly adopted tourism specific measures as well as measures to reopen and restart the sector (Mulder, 2020). This is particularly noticeable for countries in which tourism is a significant contributor to the national economy, such as Barbados, Mauritius and the Bahamas (Clarke, 2020).

By far the most common measures adopted by countries including Namibia (see table 2.1 below) are economy-wide stimulus packages targeting the most impacted sectors (Nicola, Alsafi, Sohrabi, Kerwan, Al-Jabir, Iosifidis, Agha, & Agha, 2020). Of these, undeniably tourism is one of the most directly affected. Fiscal stimulus packages most commonly in place refer to exemptions or deferrals of Value Added Tax (VAT) and corporate income tax, emergency economic funds and economic assistance, especially to SMEs and self-employed and investment programmes aiming at mitigating the immediate effects of the pandemic (Niewiadomski, 2020).

As for monetary policies, these generally include the creation of special credit lines at reduced, subsidised or zero rates, moratoria on loans and the introduction of measures to facilitate access to credit and finance, and less frequently, measures to ensure the stability of national currency and consumer prices. As in the case of fiscal measures, all these programmes aim to provide financial support to businesses and address liquidity shortages. In Africa and

also in some countries in other regions, governments have also received economic assistance in the form of loans, grants, special lines of credit, from international organisations, international financial institutions, such as the IMF, the World Bank, the European Commission and regional development banks (Sharma *et al.*, 2020).

As per fiscal and monetary measures supporting tourism directly, these range from economic relief to tourism businesses, especially SMEs, such as the exemption or postponement of taxes, loan payments, and tourism related fees, to the introduction of financial instruments such as special lines of credit, new loan schemes, and investment programmes. Other tourism specific measures include, credit guarantees for tourism businesses and incentive programmes to support airlines (MICT, 2020)

The fiscal and monetary policies are complemented with a third pillar to protect the millions of jobs at risk through specific packages to sustain jobs, income and livelihoods. In many countries, flexibility mechanisms have been put in place such as special incentives and relief funds for companies that retain their workforce, including the exemption or reduction of social security contributions, wage subsidies, special support schemes for self-employed workers such as exemptions, delays or reduced social security and fiscal payments (UNWTO, 2020c).

As travel and tourism, a labour-intensive sector, is one of the most affected with jobs at risk through the whole of the value chain, several measures to protect tourism workers and ensure employment retention have been swiftly adopted. In addition to furloughs and strengthening of unemployment

benefits, other measures include training and skills development, particularly digital skills, assisting tourism businesses' digital transformation and access to innovative tools, as well as covering traineeship expenses, reskilling workers, exempting and reducing training levies (WTTC, 2020).

Although up until now, the overwhelming response involves the adoption of fiscal, monetary and employment measures, it is important to gradually observe steps towards data and intelligence systems to monitor trends and better respond to the impact of COVID-19 in tourism (UNWTO, 2020).

To this end, internal crisis mechanisms such as tourism coordination committees and task forces are created, together with monitoring systems, preparation of studies and surveys to gather information and adjust marketing strategies and future plans (Ying, Wang, Liu, Wen, & Goh, 2020). In such quickly evolving situations, the establishment of communication channels to disseminate information and guidelines with industry stakeholders has also been prioritised in some countries, such as the Caribbean Islands (Zenker, & Kock, 2020). Additionally, a few countries are investing in access to real time data to provide timely and reliable information and guidance to stakeholders.

Similarly, collaboration and partnerships between the public and private sector and public to public coordination are increasing. A common measure under this category is launching solidarity and recovery funds engaging private sector stakeholders in the mitigation and recovery of the sector. The importance of collaborating with the private sector has been recognised by governments with the creation of joint committees and platforms in a number

of countries. Moreover, it is likely that as countries focus on accelerating recovery, public-private partnerships will be reinforced (Fernandes, 2020).

The most recent measures announced indicate that some countries, mostly in Europe and Asia and the Pacific, are moving forward with initiatives to restart tourism and promote domestic demand. The establishment of health and sanitary protocols, certifications and labels for clean and safe practices and establishments is a crucial step to restore trust and confidence in the sector.

With domestic tourism as a priority at the moment, marketing and promotional campaigns, product development initiatives and special discounts begin to emerge in a few countries. Providing vouchers and other types of support and special conditions to domestic travellers, tour operators, travel agents and other tourism businesses emerges as a common measure to stimulate demand and subsequently cash flow to the sector (Zhang, Song, Wen, & Liu, 2020).

## **2.6 COVID-19 stimulus policies implemented by various countries to sustain tourism the industry**

Many countries have moved quickly to mitigate the pandemic's impact on the tourism industry. Though the immediate responses differed, the majority of policy solutions were salary aid and support to help resurrect tourism demand (Table 2.1). Certain big hotel companies have implemented flexible work hours, paid vacations, shortened work weeks, employment rotations, and, in some circumstances, provided furloughed employees opportunities

(Clarke, 2020). Smaller businesses have been unable to provide as much support due to a lack of money and liquidity.

**Table 2.1: Covid 19 response measures by various countries**

<b>Country</b>	<b>Response measures</b>
<b>Cyprus</b>	From October 2020 to March 2021, Cyprus approved a fund for activities to encourage tourism in collaboration with airlines and travel operators, as well as efforts to boost tourist demand.
<b>Mauritius</b>	Mauritius implemented a 600-million-rupee monthly wage assistance program for hospitality workers and announced that the training levy for tourism operators will be temporarily reduced from 1% to 0.5 percent. Singapore has implemented a similar reduction in training fees.
<b>Antigua and Barbuda</b>	Antigua and Barbuda's Nomad Digital Residence program, which began in September 2020 and allows successful applicants and their dependents to live and work in the country for up to two years on a temporary visa, was launched at the end of September 2020.
<b>Bahamas, Barbados and Botswana</b>	The fiscal policies of the Bahamas, Barbados, and Botswana included increased financing for self-employment income support, grants to help with payroll expenses, wage subsidies, and, in the case of Barbados, a tourism sector stimulus. Reduced the bank rate, provided deferred payments on credit, and debt restructuring were among the monetary policy and macro prudential measures implemented.
<b>Vanuatu</b>	Employers could get up to 30,000 Vt (262 USD) per employee for four months under Vanuatu's Employment Stabilization Payment scheme. The overall cost of this program was 26 million dollars, or 2.6 percent of the country's gross domestic product.
<b>Australia</b>	The government unveiled a Stimulus Package, which included support for badly afflicted areas as one of four primary pillars. This included AUD 1 billion to support industries, regions, and people that have been disproportionately impacted by the Coronavirus' economic effects, such as tourism. Fees and charges for tourism firms operating in the Great Barrier Reef Marine Park and Commonwealth National Parks would be waived as part of the aid package. Additional assistance will be provided to enterprises to help them explore alternate export markets or supply networks. To increase domestic tourism even more,

	targeted measures were devised. More recovery strategies and actions will be developed and implemented in collaboration with the affected industries and communities.
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*Source: (IMF, 2020b)*

At the macro level, many governments' first course of action has been to execute traditional fiscal bailouts, and central banks have been accommodating in order to help the economy recover. (UNWTO, 2020b) More than 144 nations have enacted fiscal and monetary policies. The Bahamas, Barbados, and Botswana, for example, have increased money for income support for the self-employed, grants to help with payroll expenses, wage subsidies, and, in the case of Barbados, a tourism sector stimulus. Barbados, reduced the bank rate, provided deferred payments on credit, and debt restructuring were among the monetary policy and macro prudential measures implemented (IMF, 2020c). Larger countries, which have used various tax structures to boost their economies, can also teach us something. Individual tax filing deadlines have been postponed in Canada, and tax deferrals have been granted in Australia (IMF, 2020c).

Some policies are proving to be quite effective. Barbados' Welcome Stamp Visa, for example, has received 1,693 applications (a mix of groups and individuals) by the end of October 2020, amounting for 2,796 people in total (Hosie, 2020). The visa alone is bringing in much-needed income that may be used for government spending, with a US\$2,000 application cost for individuals and \$3,000 for persons bringing their families. Namibia's Emergency Income Grant has also been a success, allowing those who are unemployed or informally employed to receive direct cash support from the

government for the first time (IPPR, 2020). Because many of the policies are new or recently adopted, the real impact of each will be established in the months ahead.

## **2.7 Tourism Recovery Strategies**

In recent years, the globe business has been hit by multiple economic and financial crises, including those in 1997–1998 and 2007–2008, which have wreaked havoc on the tourism sector in various countries and regions (Law, 2011). In various local ecosystems, this sector requires fast necessary recovery in order to reopen and rebuild commercial businesses such as restaurants, malls, and tourist attractions. Simultaneously, popular tourist attractions faced a difficult period due to over-tourism prior to the pandemic, which was exacerbated by short-term service availability.

During the curfew, cities such as Paris, Barcelona, Venice, and Amsterdam experienced unanticipated relief from visitor overcrowding and congestion. As a result, the COVID-19 outbreak may serve as a catalyst for bringing much-needed solidity and stability to the accommodation sharing game (Zenker & Kock, 2020). WTTC promotes the continuance of safe global travel in June 2021 if governments follow its recovery policies. To reduce quarantines, the recommended technique incorporates a comprehensive, synchronized global testing system for all non-vaccinated passengers upon leaving tourists.

Individual traveller risk evaluations, rather than national risk estimations, are being replaced by increased health and hygiene obligations, as well as

enhanced sector support, including financial liquidity and operator protection, with the possibility of delay. The group planned to implement digital health passes, such as the recently released 'Digital Green Certificate,' to aid its recovery (WTTC, 2020). The goal of this Digital Green Certificate document is to digitise paper proof that a person has been vaccinated against COVID-19, tested negative for COVID-19, or recovered and treated from COVID-19. During the pandemic, make it easier for citizens to travel freely inside the EU (European Commission, 2020).

It provides enterprises with alternative economic help and relief through monetary measures such as unconventional credit lines with low lowered rates, new loan plans, and state banking contracts, all of which are aimed at alleviating cash flow shortages. With a flexible mechanism approach, these policies help many countries protect millions of jobs that are at jeopardy. Small enterprises account for 80% of tourism in many countries, thus the targeted support is primarily focused on them. Furthermore, by looking up to overview authorities and displaying case examples of financial and monetary measures, it was proposed to keep jobs and encourage training and skills, market communication schemes and public-private partnerships, and restart tourism strategies (UNWTO, 2020).

Nonetheless, due to the tourism and hospitality industry's elasticity (Biggs, Hall, & Stoeckl., 2012). Several governments believe they should begin to unlock their cities in the hopes of reviving the industry by implementing the best strategies to ensure that people can travel safely. At a macro level, officials are working together to deal with the situation and encourage the

tourism sector to recover (Barbhuiya & Chatterjee, 2020). The tourist ministries of Israel and Greece, for example, have taken a step toward boosting future tourism relations by signing a pact. This agreement covers data and practice exchange, tourism investment, and sustainable tourism in the post-COVID-19 era (Greek Travel Pages, 2020).

The unanticipated and rapid outbreak of the Coronavirus in China has resulted in a large number of overburdened patients and a shortage of hospital staff. As a result, many countries devised new recovery strategies. Wuhan Hongshan Stadium, for example, has been transformed into a robot-led innovative field hospital (O'Meara, 2020). COVID-19's appearance, according to (Zeng *et al.*, 2020) has provided robotics a boost in its current sensible instances. Travel and tourism scientists should seize this opportunity to examine new areas where robotics might improve the quality and sustainability of the travel and tourism experience. Some of these traits are mentioned above in the Journal and may include:

- Superior detection and conservation of sensitive environmental and cultural assets.
- Navigation services re-routing visitors autonomously to avoid traffic congestion and mass tourism.
- Public data programs that monitor misconduct and guide visitors, if possible, on legally acceptable behaviour.

Taiwan's use of a new understanding to limit COVID-19 from China within agile intensive care and report sharing aids in the outbreak's eradication. They are frequently cited as an example of what an ordinal democracy policy may

achieve. Researchers usually acknowledge and support the use of androids in tourism and hospitality, since it improves job productivity, quality service, and lowers financial costs (Ivanov & Webster, 2019a). Throughout the COVID-19 epidemic, robots have proven to be useful in assisting and maintaining a social distance that is addressed to the general population. Furthermore, robots can do a lot more; for example, they can handle logistics, disinfection, and providing COVID-19 data to people, as well as overcoming infection fear (Zeng *et al.*, 2020).

Robots could potentially assist local communities in observing the negative impact of tourism on natural and cultural resources and preventing over tourism. Current assumptions, for example, state that robotic bits will continue to evolve and achieve adequate plan oversight policies. In this regard, a stunning industry projection predicts that by the 2030s, about 400 to 800 million present worldwide occupations would be automated (Bowen & Morosan, 2018).

## **2.8 Chapter Summary**

Chapter 2 provided a review of the literature on government financial intervention to the tourism sector. This was done to fully understand the research topic and identify any existing gaps in the literature. More specifically, the section mainly reviewed literature relating to COVID-19 effects and government intervention. The chapter was structured into two main sections namely: the theoretical literature review and empirical literature review sections. Chapter 3 provides a narration of the research methodology used in the study.

## **CHAPTER THREE: RESEARCH METHODOLOGY**

### **3.0 Introduction**

This chapter provides a narration of the research methodology that was used in the study. The research onion as was developed by Saunders, Lewis & Thornhill (2019) was used in order to describe the stages through which the researcher passed to answer the research question (Saunders, Lewis, & Thornhill, 2007).

First, the research design was defined. This created the starting point for the appropriate research, which was adopted in the second step. In the third step, the research strategy and methodology was specified, and the fourth layer identified the time horizons. The fifth step presented the data collection instruments used. The chapter further presented how data was analysed. In addition, the chapter also provides a narration of how ethical issues were addressed in the study. Finally, chapter 3 ends with a summary while at the same time immediately introducing chapter 4.

### **3.1 Research Design**

This study employed an exploratory research design. This exploratory approach seeks to describe the essence of a phenomenon by exploring it from the perspective of those who have experienced it. This type of study is mostly done where there is not much data available on the subject matter (Creswell, 2014). The purpose of exploratory research was to illuminate the effects of the pandemic and identify whether and how the government has taken steps

to support the tourism sector. This design was best suited for the study because COVID-19 is still considered a new phenomenon and not much data is available, on how businesses can be supported in times of economic distress. Therefore the research design chosen enabled exhaustive analysis of the situation in relation to government support models described in chapter 2 (2.1.1, 2.1.2 and 2.1.3) as it attempts to determine, describe and report the way things are (Cooper & Schindler, 2014).

### **3.2 Research Methodology**

This study used a qualitative research approach. The use of qualitative research methods for data collection and analysis is becoming increasingly widespread (Babbie, Mouton, Vorster, & Prozesky, 2015). Qualitative scholars emphasise reality's social construction and they look for solutions to concerns about how social experience is generated and given meaning (Berg, 2019). In contrast to quantitative inquiry, which uses numerical symbols to represent the world, qualitative inquiry uses primarily verbal symbols to represent the world (De Vos, Strydom, Fouche, & Delpont, 2016). As a result, qualitative researchers seek to analyse behaviour in context, and some would even argue that the interpretation of the context is the most important process to investigate.

### **3.2 Target Population**

According to McLeod (2019) the target population is the total group of individuals from which the sample might be drawn (McLeod, 2019). The research population is generally a large collection of objects that is the main

focus of a scientific query (Kumar, 2019). It is for the benefit of the population that research is done. However, due to the large sizes of populations, researchers often cannot test every individual in the population because it is too expensive and time-consuming (Sileyew, 2019). This is the reason why the researcher relied on sampling techniques.

The total number of registered B & B and lodges in Namibia is 150 000 (NTB, 2020) but since the study only focused on the Khomas Region, on the demand side, the total number of registered tourism facilities registered with the Namibia Tourism Board is 67 480 in the Khomas Region (NTB, 2021). However, the study only took into consideration the owners or managers of Bed and Breakfast (B & B) and lodges making a target population of 467.

On the supply side, the study took into consideration the Ministry of Environment and Tourism as the target population. From the supply side, only the department responsible for financial support to the tourism sector that the government offers was interviewed.

### **3.3 Sampling methods and sampling techniques**

Sampling may be defined as the selection of some part of an aggregate or totality on which a judgement or inference about the aggregate or totality is made (Kumar, 2019). In other words, it is the process of obtaining information about an entire population by examining only a part of it (Kumar, 2019). In most of the research work and surveys, the usual approach happens to make a generalisation or to draw inferences based on samples about the parameters of the population from which the sample is taken. So, one can now

define a sample as any number of persons, units or objects selected to represent the population according to some rule or plan. Convenience sampling was used to purposively select B&Bs and lodges as these are mostly affected in terms of occupancy and visitors, which in turn affected their revenue (Rogerson and Rogerson, 2020).

### **3.4 Sample size**

Using a method of convenience sampling and for phenomenological studies, Creswell (2014) recommends 5 – 30 and this study used a sample size of 26 for the demand perspective. On the supply perspective, four (4) officials from the Ministry of Environment and Tourism from the finance department were interviewed. The purpose of interviewing the officials from the Ministry of Environment and Tourism was mostly to ascertain if the players in the hospitality industry have utilised the business support programs and if they were useful in sustaining the industry. Therefore, the total sample was 30.

### **3.7 Research Instrument**

Data was collected using semi-structured interview guides. Semi-structured interviews present an opportunity to probe and further explore topics that participants bring up when answering the interview questions and allows broader discussion (Creswell, 2014). The first sub-objective focused on sourcing data from both the Ministry of Environment and Tourism and from B&Bs and lodges in Windhoek. The second sub-objective focused on sourcing data from B&Bs and lodges in Windhoek while the third objective of the study focused on collecting data from the Ministry of Environment and

Tourism. The primary data collected from the B & B and the Ministry of Environment and Tourism was meant to explore the government financial support in the hospitality accommodation industry as well as examining if it was viable. The government's financial support programs were explored against its effects on cushioning employment as well as sustaining the businesses from collapsing due to the effects of coronavirus pandemic. In addition, secondary data in the form of Namibia Tourism Board reports, government reports, B&Bs and lodges was used for data collection.

### **3.9 Data Collection Procedure and Administration**

Due to the current situation posed by the Corona virus, some of the interviews were conducted telephonically and some face-to-face. The participants were contacted by email first to request for their willingness to participate in the study. The researcher attached a letter that explained the purpose of the study as well as the respondents' rights. Before the interview, the researcher asked for approval from the participants by asking them to sign the consent form.

During the interview process, the researcher recorded notes of all the responses. Moreover, the researcher also used audio recording in case she missed some information during the interview process. Before the interview, the respondents consented to the interview being electronically recorded. After the interview the data collected was transcribed and grouped into themes.

### 3.10. Validity and Reliability of findings

In quantitative research, “reliability is referred to as whether a researcher’s approach is consistent across different researches and different projects” whereas, validity is when a researcher uses certain procedures to check for the accuracy of the research findings (Creswell, 2014, p. 201). However, in qualitative research, the right term that is used to cover aspects of validity and reliability is “trustworthiness”.

Trustworthiness has four components which are: credibility, transferability, dependability and confirmability. Transferability (vs. viability) refers to the extent to which the reader is able to generalise the findings of a study to her or his own context and addresses the core issue of “how far a researcher may make claims for a general application of their theory” (Pandey, & Pandey, 2015, p. 167). Dependability (vs. reliability) deals with the core issue that “the way in which a study is conducted should be consistent across time, researchers, and analysis techniques” (Heale, and Twycross, 2015). Finally, confirmability (vs. objectivity) is based on the acknowledgment that research is never objective. It addresses the core issue that “findings should represent, as far as is (humanly) possible, the situation being researched rather than the beliefs, pet theories, or biases of the researcher” (Showkat and Parveen, 2017, p. 173).

As such, the researcher, used the same data collection instrument in data collection, i.e., all respondents in each category were asked the same question to ensure dependability. Whereas, credibility was assured in the designing of

the data collection instrument to ensure that the interview guide was aligned with the research questions and objectives of the study.

### 3.11. Ethical considerations

The goal of ethics in research is to ensure that no one is harmed or suffers adverse consequences from research activities (Babbie *et al.*, 2015). Central to the concept of research is the safeguarding of respondents' rights. After obtaining approval from UNAM to conduct the research, the researcher did the following to ensure that the respondents' rights were protected.

- **Informed consent:** The researcher asked for permission from the management of B & Bs and lodges as well as the Executive Director of the Ministry of Environment and Tourism to allow, where necessary, their staff to take part in the research. In addition, the participants were requested to voluntarily sign a consent letter to indicate their willingness to participate in the study.
- **Information given to participants:** Participants were not subjected to any deception, and therefore, the researcher explained the purposes of the study and the role of participants in the research study.
- **Confidentiality and Anonymity:** The participants' confidentiality and anonymity were protected by the use of pseudonyms in place of their real names.
- **Voluntary Participation:** Respondents were selected for their willingness to participate without compulsion, and no risks to the respondents could be identified at any stage during the research.

- **Right to withdraw:** Participants in this study were informed of their right to withdraw, if they wished to, from the study at any time during the interview process.
- Participants were given the opportunity to decide on the time of the day suitable for them for interviews.

With regards to storage and disposal of the research study, a copy will be given to UNAM and be stored in its library. A soft copy of the research has been submitted to the UNAM library for posting on their repository and on Google Scholar. The data is being stored in an external hard drive and after 5 years' data will be destroyed by formatting the drive and all hard copies which are currently being stored under lock and key and accessible only to the researcher will be destroyed by shredding and burning. All literature used in this study was correctly referenced.

### **3.12 Data analysis and presentation tools**

Data analysis starts with the collection of data, followed by data processing (Kumar, 2019). This processing of data was done using various data processing methods and sorting. Processed data helped in obtaining information from it as the raw data was non-comprehensible in nature. Presenting the data included the pictorial representation of the data by content analysis in themes and codes. These methods helped in arranging the themes and data in order to do some analysis. Data was analysed using thematic analysis.

After transcribing data, using codes, the data was sorted into themes, which were then analysed using ATLAS.ti 9 software. The themes gathered from the data will be given a structure by grouping the information as per the objectives in a particular order for presentation. It will also use narrative account to aid a diagrammatic structure to give meaning to analytical work through evidence and detailed interpretation of data extracts (Babbie et al, 2015). The process will be deductive and inductive, as it will require proving and disapproving of propositions.

Thomas (2003) states that the primary purpose for inductive and deductive approach is to allow research findings to emerge from the frequent, dominant or significant themes inherent in raw data without the restraints imposed by structured methodologies. The themes were used to generate new knowledge and answer the research questions (Du Plooy-Callier, Davis & Bezuidenhout, 2014).

### **3.13 Chapter Summary**

Chapter 3 dealt with the research methodology that was used in the study. The chapter specified the methodology used and how data was collected? In the chapter, evidence was gathered from 30 participants. An interview guide was used. The interview guide was designed in such a way that it captured all the four-research objectives. The next chapter, Chapter 4 presents and discusses the results of the study under literature control to come up with the findings.

## CHAPTER FOUR: RESULTS AND DISCUSSIONS

### 4.1 Introduction

This chapter presents results of the data collected from participants through interviews. The data was collected from 30 participants which composed of 26 lodges, and bed & breakfast owners as well as 4 officials from the Ministry of Environment and Tourism. The chapter is divided into 3 sections. The first section presents information about the company, section B presents the results on financial interventions which was collected from both group of participants. Section C discusses the findings of the study.

### 4.2 Section A: Company Profile

#### 4.2.1 Type of Accommodation facility

#### TYPE OF ACCOMMODATION FACILITY

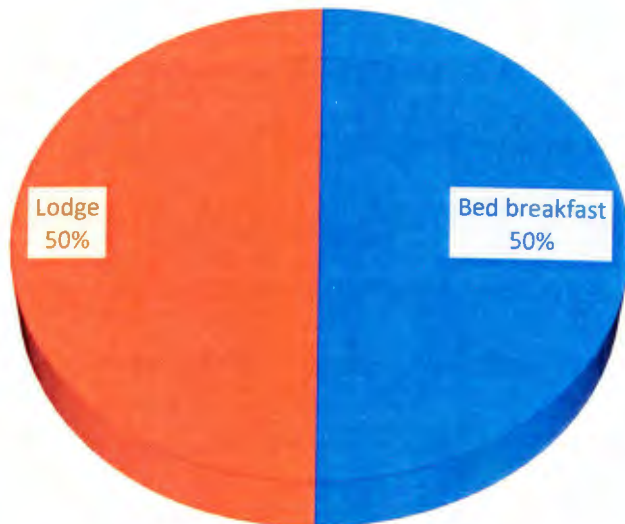
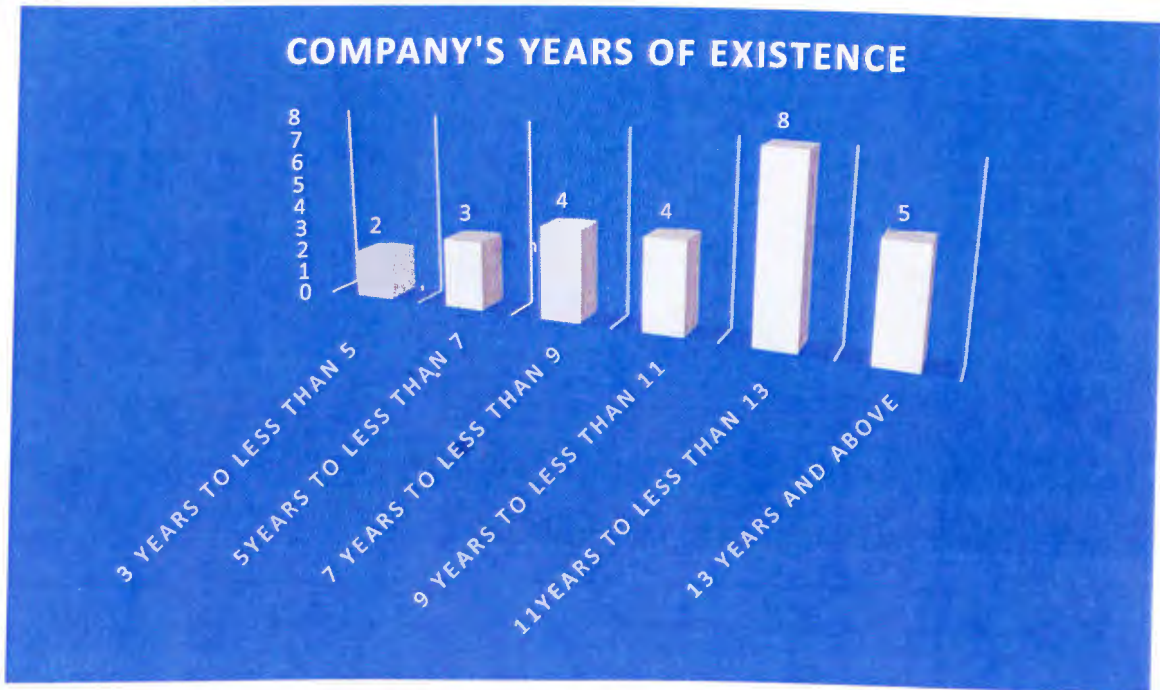


Figure 4.1 Type of accommodation facility

As shown in figure 4.1 data was collected equally from lodges and bed and breakfast accommodation facilities. This helped to find out if both type of facility is equally affected by COVID-19 drawbacks.

#### 4.2.2 Company's years of existence

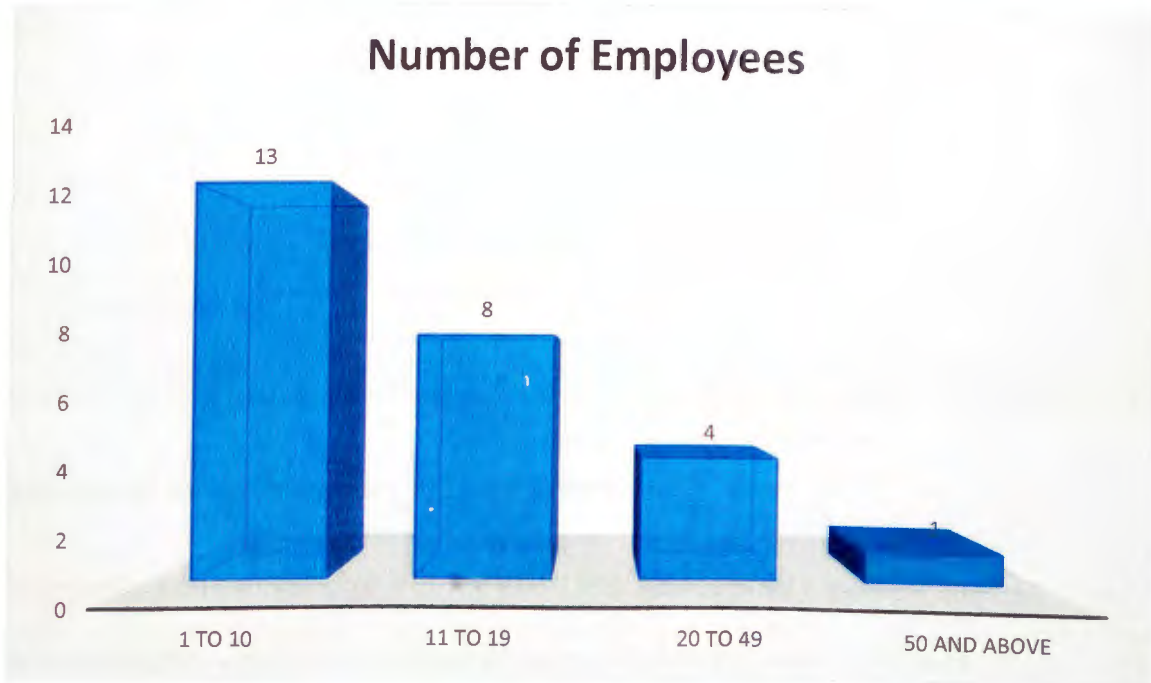


**Figure 4.2 Company's years of existence**

Figure 4.2 shows most of the companies that participated in this study have been in operation for 7 years or more. Those who existed for 11 to 13 years were the majority with 8 entities, followed by those above 13 years with 5 and those with 7 and less 9, and 9 but less 11 years both had 4 entities. There was a total of 5 start-ups ranging from 3 years to less than 7 years. Most importantly all the companies that participated in this study been in existence before the outbreak of the coronavirus pandemic, hence they have experiences before and after COVID-19 outbreak. This information helped

the researcher to understand how these companies were affected by the pandemic and why government assistance is necessary.

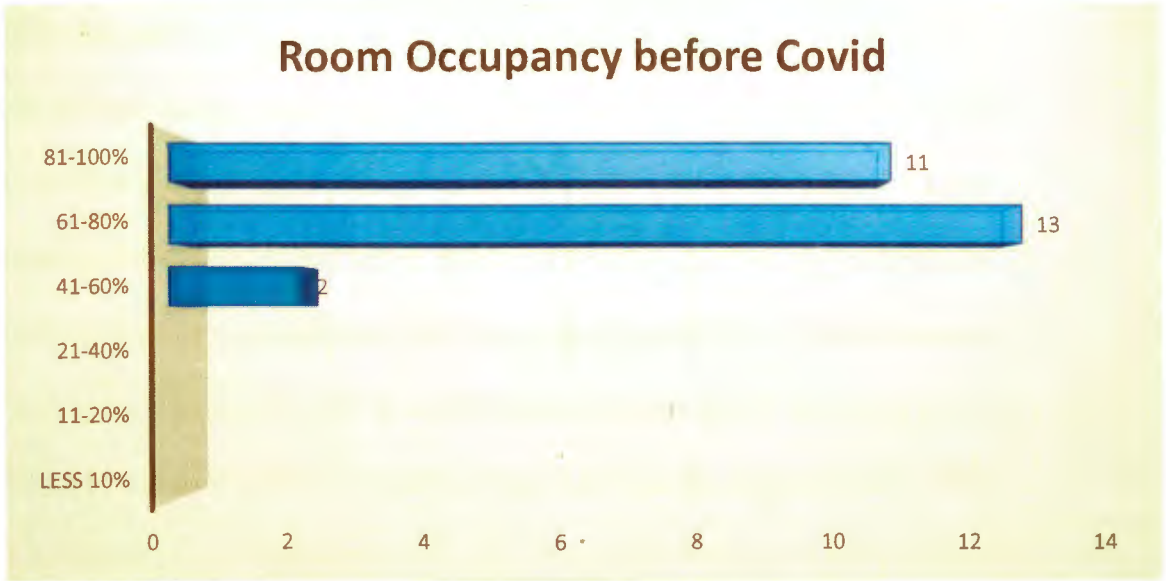
### 4.2.3 Number of Employees



**Figure 4.3 Number of employees**

The labour market was extremely affected by the pandemic and many downsized their labour force. Hence it was important to document the number of employees each establishment has. As shown by figure 4.3, the majority of companies (13) have 1 to 10 employees, followed with 8 with 11 to 19 employees. Those with 20 to 49 employees were only 4 and only 1 company have 50 or more employees. Further probing with the company owners revealed that the low staffing was as a result of retrenchments caused by economic hardships caused by the pandemic. All participants expressed that it was not sustainable to maintain the standard number of employees due to lack of business caused by COVID-19. Moreover, it was revealed that there was no work for the employees since their accommodation was mostly empty.

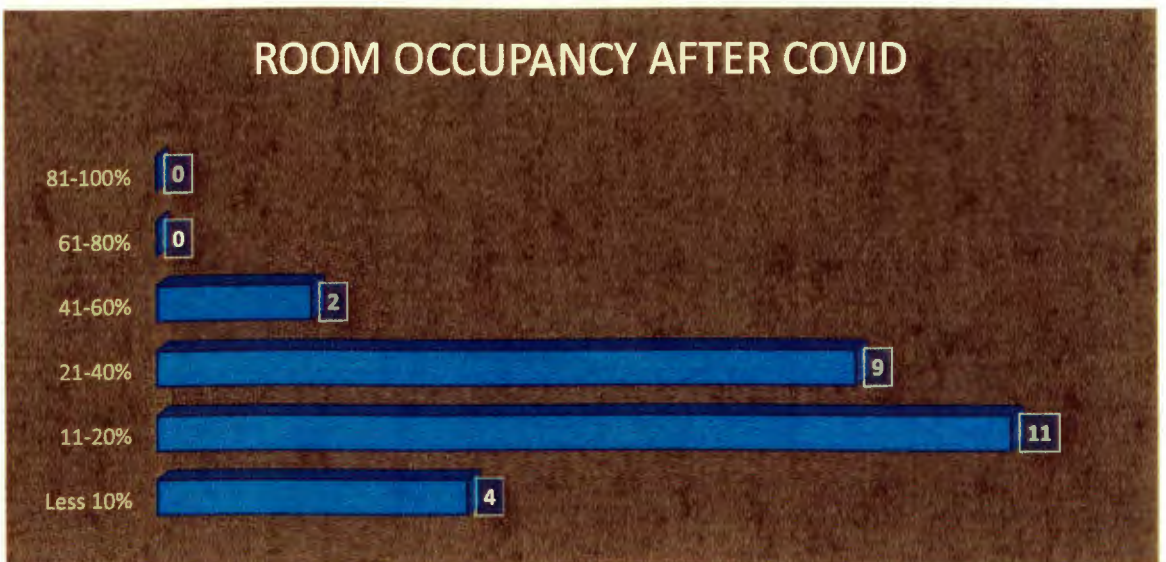
#### 4.2.4 Room Occupancy before COVID-19



**Figure 4.4: Room Occupancy before COVID-19**

In order to establish the impact of COVID-19 in the hospitality industry, the research made a comparison on room occupancy before and after COVID-19. As shown in figure 4.4, accommodation was highly demanded with most outlets operating above 61% room occupancy.

#### 4.2.5 Room Occupancy after COVID-19



**Figure 4.5 Room Occupancy after COVID-19**

As shown in in figure 4.5, there was a drastic decrease in the room occupancy with the majority not reaching not more than 20% room occupancy. All the companies participated in this study never reached room occupancy of more than 60% as it was before the pandemic. This shows that the industry was hit hard by the pandemic and hence external support to survive. A further probe with the participants indicated that there was a huge decline of both domestic and international guest due to travel restrictions and health measures put in place by the government. A report by Namibia Statistics Agency (NSA, 2020) shows that in the hospitality sector, on 15% were operating at full capacity, 25% of businesses continuing to trade partially, 33% of businesses that has permanently ceased trading and 17% of businesses that has temporarily closed. This shows that the guest accommodation industry was highly affected by the pandemic and need government support to revive.

#### 4.2.6 Company Annual Turnover before COVID-19

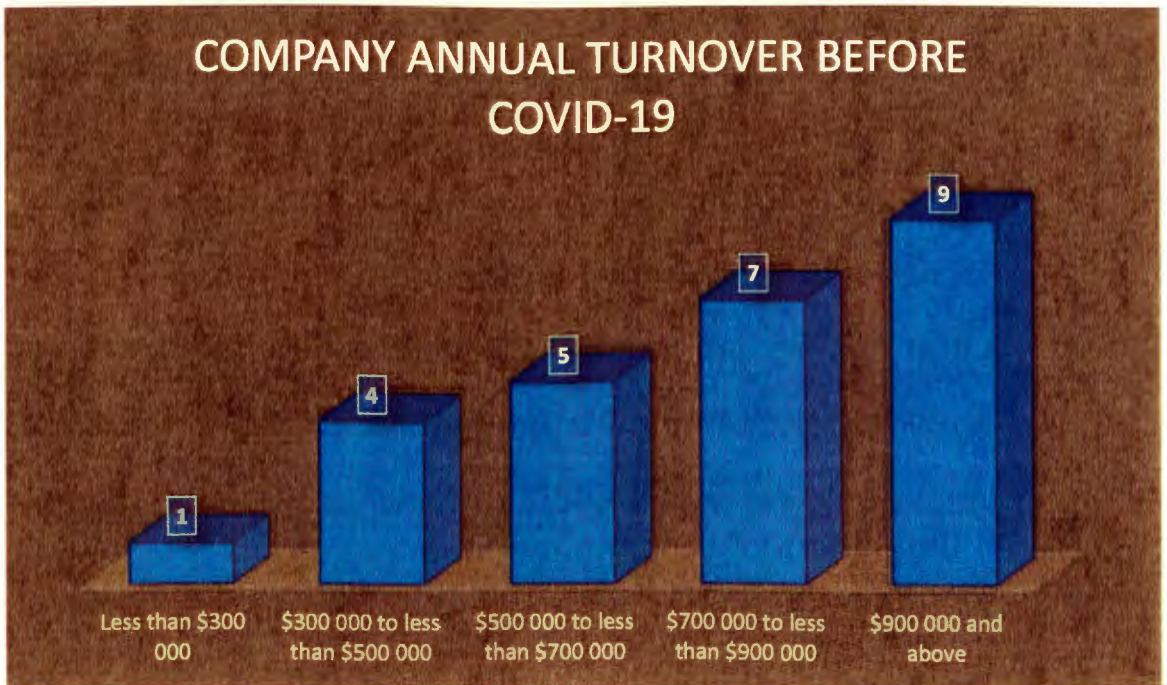
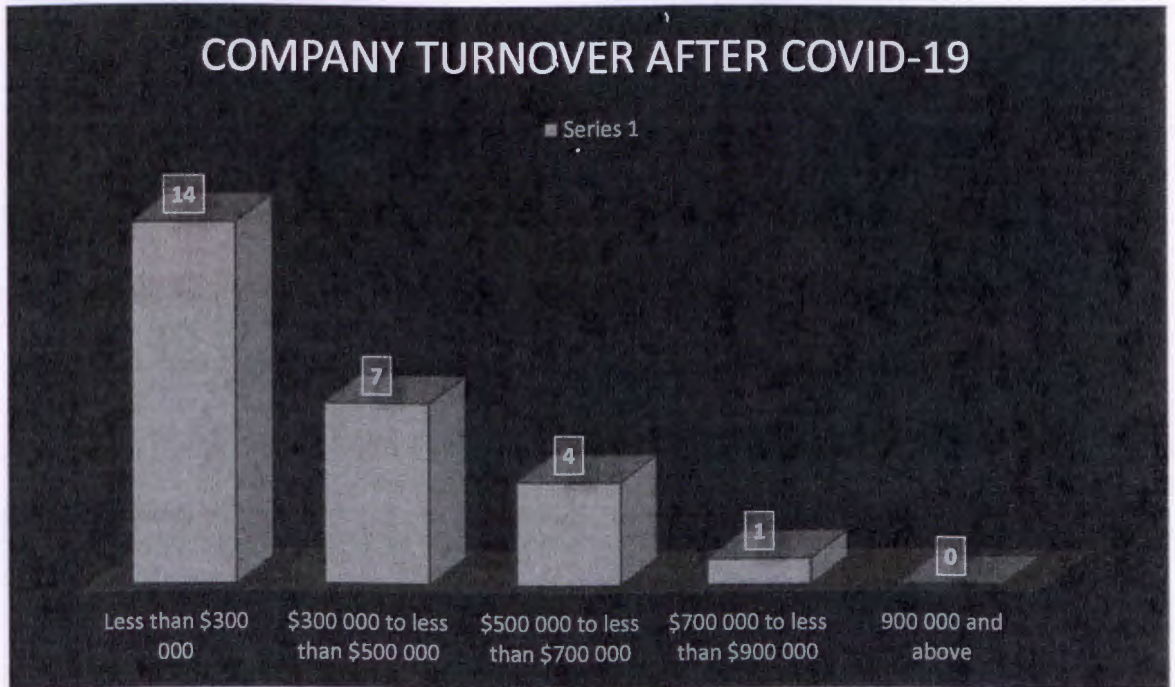


Figure 4.6: Company Annual Turnover before COVID-19

Figure 4.6 shows that the majority of the companies had annual turnover of N\$500 000 and above with 9 companies earning more than N\$900 000 before COVID-19. This shows that the accommodation business was booming before COVID-19.

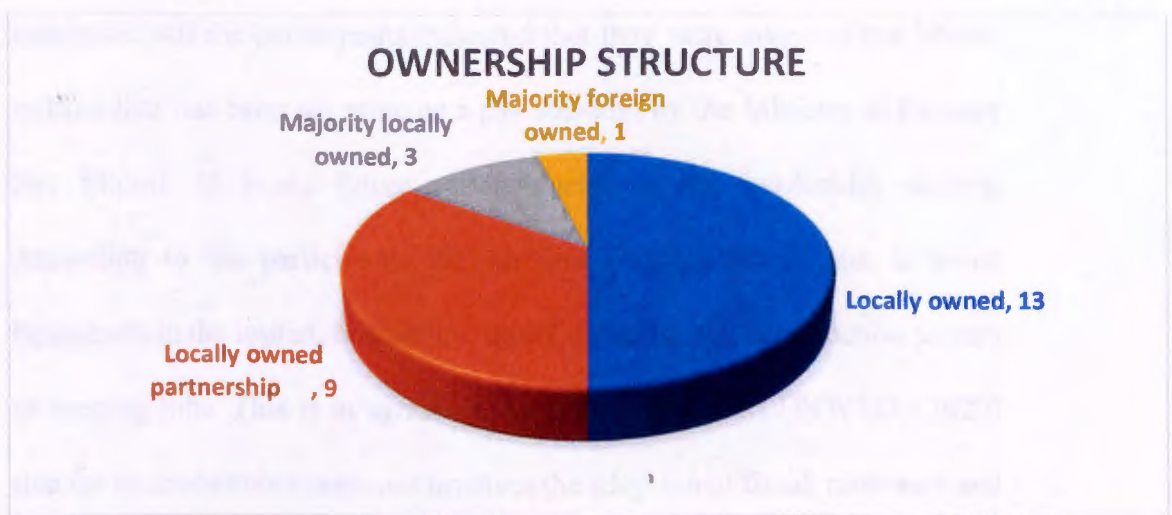
#### 4.2.7 Company Annual Turnover After COVID-19



**Figure 4.7: Company turnover after COVID-19**

As shown by in figure 4.7, the hospitality business was heavily affected by the pandemic with more than 50% earning less than N\$300 000 annual turnover. This is a huge fall since the majority had a turnover of over N\$500 000. The results were consistent with the survey that was done by the Hospitality Association of Namibia (HAN) (2020) that indicated that 84% of hospitality companies lost more than 50% of their revenue during Covid period. This shows that for the companies to survive there is need for the government to intervene and assist with some stimulus packages.

#### 4.2.8 Ownership Structure



**Figure 4.8: Company Ownership Structure**

Figure 4.8 shows that the majority of the companies who participated in this study are locally owned with only 1 company which has a foreign majority ownership. It is important for local people to participate in tourism business for it will benefit many local people directly or indirectly in terms of per capita income.

### **4.3 Section B: Investigative research questions with accommodation owners**

This section discusses government financial support towards the accommodation or hospitality industry. In this section, three themes were identified and discussed which are government tourism financial support programs, access to financial support, (opportunities and challenges), and sustainable business strategies for the tourism business.

#### **4.3.1 Government tourism financial support programs**

The participants were asked if they had received any financial support towards their industry to help them to curb the impact of the coronavirus

pandemic. All the participants indicated that they were aware of the N\$400 million that has been set aside as a pay subsidy, by the Minister of Finance Mr. Shiimi, to avoid future retrenchments in the hardest-hit sectors. According to the participants the stimulus package would aim to assist businesses in the tourist, hospitality, travel, aviation, and construction sectors in keeping jobs. This is in agreement with the findings of UNWTO, (2020) that the overwhelming response involves the adoption of fiscal, monetary and employment measures, it is important to gradually observe steps towards data and intelligence systems to monitor trends and better respond to the impact of COVID-19 in tourism. Similarly, UNWTO, (2020c) found that in many countries, flexibility mechanisms have been put in place such as special incentives and relief funds for companies that retain their workforce, including the exemption or reduction of social security contributions, wage subsidies, special support schemes for self-employed workers such as exemptions, delays or reduced social security and fiscal payments.

In addition, the participants indicated that the government supported their businesses by deferring the settling of value added tax (VAT) returns in order to help businesses with cash flow. All (100%) the companies that participated in this study benefited from this initiative. This initiative is supported by Alfani, (2020), who indicated that during the Spanish flu pandemic, governments also used tax cuts and deferrals to support and cushion businesses from collapsing. Most countries in Europe cancelled some tax payments to alleviate businesses' cash-flow problems. In addition, some countries have allowed firms to defer or reduce other tax payments, including tax on their profits and consumption taxes (such as VAT and duties) (Galletta,

& Giommoni, 2020). Furthermore, the government paid overdue and uncontested invoices for goods and services delivered to the government more quickly. For those companies that participated in this study only 30% indicated that they had outstanding invoices with the government and they benefited from this program.

The participants further explained that the government rolled out some funds through the Development Bank of Namibia, where the government would guarantee a N\$500 million concessional rate loan plan for non-agricultural small firms. Businesses that are experiencing or are projected to experience cash-flow strains as a result of revenue loss due to COVID-19 will be eligible for the loans.

Moreover, the results show that the government gave the employers room to negotiate with their employees for a pay cut in order to save employment and livelihoods. The parties were allowed to negotiate up to a 50% salary cut.

#### **4.3.2 Access to financial support, (opportunities and challenges)**

The study further asked the participants if they have benefited from these government initiatives to VAT pay outs. However, it was revealed that even if the government had paid the outstanding VAT, the money was not enough to sustain their businesses.

Some of the participants indicated that they had applied for the subsidised loan through the DBN. However, of all the participants who applied for the have indicated that their loan was not yet approved by the DBN, resulting with most businesses lacking the much-needed cash flow. Those who did not

apply for the loan indicated that the current business environment cannot sustain a loan that will require a loan. The delay in approving loans by DBN makes the government financial support program ineffective. The impact of the Covid 19 was much felt in 2020 by most businesses as lockdown measures were implemented by various governments to curb the spread of the disease, hence immediate action was required to sustain businesses (UNWTO, 2020).

They further indicated that a loan is suitable when there are clients who brings in cash. However, unlike other sectors, the greatest challenge that the tourism sector is currently facing is lack of clients or business caused by travel restrictions, lockdowns and closure of borders. Thus, a loan can put them in another difficult situation since it is still uncertain when the tourism business will fully recover. The government subsidised or guaranteed loans are supported by (Galletta, & Giommoni, 2020; Alfani, 2020; Taubenberger, & Morens, 2006) who articulated its use during the Spanish flu pandemic to hedge businesses from collapsing. The same model was also implemented and was instrumental to revive businesses during Covid 19 pandemic and was used in countries such as France, Japan, Germany, Norway... (Alfani, 2020).

Therefore, even though there are these available government financial support programs they are not accessible to the hospitality business in the sense that they are not relevant to the industry. The participants indicated that even if the tourism industry is now open, tourists are still sceptical to travel. In addition, the participants are concerned that even if the borders are open, the countries where the majority of tourist come from, especially the European countries still have travel restrictions to countries mainly in Southern Africa.

Therefore, the participants are of the opinion that the tourism industry requires government grants other than loans sustain their businesses.

According to HAN (2020), businesses in the tourism sector benefited partly from the fiscal and monetary relief measures. The Namibia Government rolled out an economic stimulus and relief package to support businesses that were hit hard by the COVID-19 pandemic. This included amongst others a wage subsidy, tax-back loan scheme as well as speedier VAT refunds. In this regard, 24 percent of the businesses have accessed the government stimulus support packages, with 44 percent of the businesses having accessed the government wage subsidy whereas 27 percent received speedier VAT refunds and payment from Government for invoices. A handful of businesses raised ongoing concerns regarding delays in VAT refunds, with a few indicating that the outstanding VAT refunds due to them have been outstanding for several years. Moreover, about 33 percent of all businesses indicated they were not eligible for government support, while over 30 percent of the businesses tried to access government support, but their applications were rejected. This could be attributed to the conditions<sup>4</sup> that businesses needed to fulfil to participate in schemes such as the wage subsidy. On another note, 9 percent of the businesses indicated no interest at all in government support. Regarding the regulatory relief measures introduced and facilitated by Bank of Namibia, 24 percent of businesses managed to get repayment holidays on their loans with the commercial banks.

#### **4.3.3 Sustainable government financial support and business strategies for the tourism business**

All the participants have expressed that the nature of the pandemic is still new to the industry and they are still failing to cope with its impact. Another participant further indicated that even the government and the world at large have no solution or viable recovery plan yet to deal with such a situation. The virus is mutating and new variants are coming that threaten proper strategic planning. Therefore, the participants said they are uncertain on what strategic and recovery plans they can put in place to revive their businesses. It was said that the external forces are playing a major role in decision making, such as government health regulations, hence it is difficult for them to put in place sustainable turnaround strategies of a business plan.

However, it was suggested that the government should reserve some funds through the Tourism Board of Namibia that is meant to help tourism players in difficult times like this. Some also proposed a tourist levy that can be collected from international and local tourist that can also be administered through the Tourism Board or the Ministry of Environment and Tourism. This sustainability levy should be used to develop the industry as well as a relief fund in times of crisis like this. Sharma et al (2020) suggest that the tourism industry regulators and policy makers must be transformed through actual development planning rather than paperwork.

In addition, the participants alluded that the problem at hand is inter-sectoral, i.e., the challenges at hand are as a result of a problem in the health sector. The participants were much concerned about the poor state of the health system in Namibia, especially the lack of research and development in the sector. It was argued that our country is at the receiving end it terms of

information and research on the disease. Therefore, it was argued that it is difficult to reach economic recovery if our health ministry is not proactive to the pandemic and wait for other countries to research on their behalf. As such the government is requested to invest in research and technology to ensure that they are proactive in times of pandemics such as this. This is supported by Wahyuningtyas, et al (2020) who suggested that organisations (including government organs) working in areas prone to future disasters should research how to prepare for such crises and respond to their consequences.

#### **4.4 Section C: Investigative research questions with the Ministry of Environment and Tourism**

An interview with the Ministry of environment and tourism officials have indicated that there is no government financing support program that is rolled through its ministry other than the financing programs announced by the Minister of Finance. According to the Ministry officials, the available financing programs include a loan agreement between the Development Bank of Namibia (DBN) and the Development Bank of Germany (KfW) that was signed on December 17, 2020. DBN's non-agricultural small business loan plan, which is part of the Ministry of Finance's "Economic Stimulus and Relief Package to Mitigate the Impact of COVID-19," is refinanced by KfW.

The interest-free loan totals around N\$455 million (or 25 million EUR). The real loan is provided by DBN to non-agricultural SMEs that have suffered considerable income losses as a result of the COVID-19 epidemic. The relief solution aims to keep cash flows flowing and economic productive activity going. The loans can also be used to invest in new business areas that will

help companies become more resilient to future shocks. The loan is backed by a government guarantee, demonstrating the Government of the Republic of Namibia's commitment to facilitating access to inexpensive credit for SMEs, particularly in these challenging times. This strategy is similar to various support strategies used by various countries during Spanish Flu as well as Covid 19 pandemic as indicated in chapter 2. Taubenberger, & Morens, (2006), said that countries used government guaranteed loans to curb the effects of Spanish flu on businesses. This strategy was seen to be viable. The participants indicated the credit facility is a good shot in the arm for the SME sector and it is complimentary to the array of support packages offered to the SME sector as the engine of economic recovery, growth, jobs, and wealth creation.

According to the participants, the investment provides much-needed financial relief to about SMEs in the tourism sector. It was further indicated that the DBN will tailor the loans to the specific needs of each business. Contrary to what was said by the B & B owners, 45% of companies in the hospitality industry across the country benefited from the DBN government subsidized loans. Tourism, hotel, and transportation and logistics industries, which have suffered the greatest revenue losses as a result of lock-down-related repercussions on a national, regional, and worldwide scale, will be emphasized.

In addition, the highly appreciated support will contribute to preserving the continuity of tourism business activities and building a platform for recovery. Although the DBN will give startups preference through its normal SME

lending window, the overwhelming goal for these COVID-19 relief measure loans is to maintain business continuity and, hopefully, save jobs.

In addition, enterprises who are cash-strapped can borrow a 1/12th of their prior tax payment from commercial banks, which must be repaid after one year. According to the minister, the interest rate will be low, below prime, because of the government guarantee, which will be capped at N\$470 million. Tax cut and deferrals was also used during Spanish flu as well as during the current Covid 19 pandemic. According to Alfani, (2020), during the Spanish flu pandemic, governments also used tax cuts and deferrals to support and cushion businesses from collapsing. Most countries in Europe cancelled some tax payments to alleviate businesses' cash-flow problems. During the Covid 19 pandemic, firms have been allowed to defer tax payments by anything from three months (in the case of social security contributions in France and Germany, and tax on business profits in Singapore) to up to a year (in the case of all taxes owed by businesses in Japan and the VAT and social security contributions owed by some of the worst affected firms in Sweden) (Galletta, & Giommoni, 2020)

Labour regulations were also relaxed in order to protect jobs. Employers, including the government and business owners, are able to negotiate a temporary 20% decrease in salary and wages during the crisis phase, and a 50% drop for the worst-affected industries, to avoid large layoffs and business closures. Employees and labour unions are consulted during the bargaining process, according to the Ministry Environment officials.

The participants from the Ministry of Environment indicated that they are not aware of how many benefited from the stimulus financial support rolled out by the Ministry of Finance because they are not involved in administering the loans. They also indicated that even if they understand the plight of the hospitality industry with regards to financial support, they are very much limited in assisting since the financial support is done through the Ministry of Finance. Hence, they recommend the Minister of Finance to allocate a budget to each Ministry that is meant for the COVID recovery plan. These funds should be administered through the relevant ministry who will first take an audit of the current situation in the ministry. It was emphasised that in consultation with other stakeholders, the Ministry of Environment and Tourism should develop a COVID-19 recovery plan which is currently not available. This would be used by the sector to mitigate the effects of COVID-19.

A review of a HAN (2020) the strategy most businesses took to mitigate the impact of COVID-19 pandemic was largely through a reduction in fees and rates. In an effort to ease the impact of the pandemic, most companies opted to cut their rates as well as undertaking increased advertising. The focus shifted to attracting local tourist by lowering prices. Many of the tourism enterprises also significantly cut their operational costs while a few temporarily closed their businesses. A moderate number of enterprises indicated that they do not have strategies in place but are rather relying on Government policy and prefer to wait until the impact of COVID-19 pandemic has faded.

## **4.5 Chapter Summary**

The results presented in this chapter show a drastic decrease in room occupancy of lodges and Bed & Breakfast facilities. There was also a drastic decrease in annual turnover after the Coronavirus outbreak. All the participants agree that there are some stimulus packages provided by the Ministry of Finance that are meant to resuscitate the tourism industry and other sectors of the economy. However, it was found that the financial support, especially the loans are not effective in addressing the challenges of the tourism industry or the lodges, and Bed & Breakfast facilities. The sector requires recovery programs that will bring them to business again.

## **CHAPTER FIVE: CONCLUSIONS AND RECOMMENDATIONS**

### **5.1 Introduction**

This chapter provides the conclusions and recommendations of the study. The conclusions are drawn from the findings drawn from the previous chapter and they answer the research objectives presented in chapter 1.

### **5.2 Conclusions of the study**

This study can conclude that the hospitality or accommodation industry was hard hit by the effects of the coronavirus pandemic. Room occupancy declined as well as annual turnovers. Jobs were lost in the industry and currently the industry cannot sustain itself. Even though the government has relaxed the public health restrictions, unlike other sectors, the hospitality industry has not yet been revived.

This is because it mainly relies on international tourists who at the moment are still very few. Moreover, the discovery of new variants like the omicron and the fourth wave presents more threats to the industry because a few visitors will be expected. The current economic situation is also not viable to rely on local tourists who normally constitute a very small percentage. This calls for the government to provide financial support specifically meant to revive the industry.

Currently, the government of the Republic of Namibia has rolled out multi-sectorial stimulus packages to mitigate the challenges presented by the COVID-19 pandemic. Among these policies are government guaranteed

loans that are available through the development bank of Namibia. These loans are meant to boost production and to hedge against the effects of COVID-19. However, this study found that the nature of this financial support does not boost production in the accommodation sector and it is not relevant to the sector. This has caused the players in the industry to hesitate to take loans because they may leave them in debt. Rather one can conclude that industries such as accommodation or hospitality require grants that are meant to cater for operational costs.

### **5.3 Recommendations**

The crisis identified in this study highlights the need to restructure tourism economies, and introduction of a revamped value chain approach, including harmonised safety and health protocols, effective government financial support as well as innovative and digital solutions. These could indeed lead to increased resilience, competitiveness, a more favourable business environment in the hospitality industry, and a reduction in leakages.

#### ***5.3.1 Providing financial support to the most vulnerable***

Scaling up fiscal support and bailout packages, particularly for the tourism or hospitality industry, is critical to preventing future job losses. Lodges and B&Bs have borne a disproportionate percentage of the expenditures connected with COVID-19-induced lockdowns, and they account for a sizable portion of the tourism sector in Namibia. Vickers *et al.* (2020) proposes that such businesses receive liquidity support at both national and

global levels. This may help to prevent local populations from sliding into poverty and from collapsing (UNESCAP, 2020).

These efforts should be complemented by rent and tax vacations or extensions, such as those used in St Kitts and Nevis (2020)'s study which provided temporary exemptions and extensions for corporate income tax payment to help businesses survive (Observer, 2020). Furthermore, public-private partnerships (PPPs) could be investigated to help small-scale tourism and tourism infrastructure and facilities.

The study confirms that many B & B are at the verge of collapsing as evidenced by the discrepancies between the annual turnover, as well as room occupancy before and after Covid 19. Therefore, this study recommends that financial assistance interventions should be rolled to hospitality companies to enable them to sustain and maintain their status quo.

A reduction in room occupancy and annual turnover will lead firms to downsize and cut cost to survive. One of the biggest cost in hospitality industry is wage bills. Hence, to enable the B & B to retain their skilled workers the government should provide direct income support, in addition to cash transfers, for people who are at risk of losing their jobs due to the prolonged lockdown measures. The government must work to adopt large-scale and tailored measures, such as wage subsidies and public employment programs, to solve the growing young unemployment crisis (ILO and ADB, 2020). These assistance programs cannot simply be linked to formal employment, as this would leave many young people unprotected and under-

served. Countries could divert funding from crisis mitigation initiatives to stabilise livelihoods to free up funds for these programs (IMF, 2020a).

### ***5.3.2 Investing in domestic tourism***

Domestic tourism is more likely to recover quickly than foreign tourism, therefore increasing marketing for domestic tourism could deliver the immediate benefits needed to keep the tourism business alive (OECD, 2020a). This endeavour can also get around tourism's seasonal nature: in the peak season, international tourism may be pushed, while in the low season, more domestic-focused and price-sensitive options could be presented (UNWTO, 2020a). The government could offer residents vouchers to encourage them to stay in local hotels or other hospitality and tourist businesses. The government might also lower the VAT on domestic flights and other tourism-related services to make them more affordable.

Namibia has done less in promoting domestic tourism. Moreover, it was not viable due to continuous countrywide lockdowns. The success of domestic tourism depends on digital marketing, as well as traditional promotions for less connected communities. For example, in Fiji, the “Love Our Locals” campaign, which was launched after COVID-19, encourages Fijians to support local restaurants, tour operators, and hotels, as well as buy Fijian-made products, while on vacation at home (ibid.). It has increased hotel room occupancy and has led to the return of over 200 employees at one resort (Tuimaisala, 2020). Domestic tourism, on the other hand, may be limited in some tiny states and would have to be used in conjunction with other

precautions such as travel bubbles and COVID-19 immunity passports (Kampel, 2020).

### ***5.3.3 Stimulating demand***

Further, efforts will need to be made to re-establish cross-border travel and restore traveller confidence in order to boost demand. The Namibian government must ensure that measures affecting international traffic are risk-based, evidence-based, coherent, proportionate, and time-limited, in accordance with WHO guidance; harmonisation and coordination of risk assessment criteria, such as the European Union's color-coded system; and harmonisation and digitalisation of protocols and documents related to international travel, whether these are related to testimonies or not. COVIDPASS, an app that indicates whether or not a passenger is COVID-19 negative, is used in some countries. Using block chain technology, this serves as a digital health passport (Broom, 2020). Travel insurance will also become more important.

Travellers will be able to arrange their journeys with greater certainty using these technologies, especially in the face of constantly changing transit corridors and quarantine limitations. In essence, the governments must work to improve the tourism industry's competitiveness and resilience. This means making innovations, as well as safety and health precautions and protocols, more accessible.

#### ***5.3.4 Protecting local businesses***

The results presented in the previous chapter shows that there were less interventions by the Namibian government to protect local hospitality businesses from collapsing and survive competition from established international counterparts. Increased local content in foreign-owned tourism businesses should likewise be a priority. To help make the entire economy more resilient, the current activity halt should be used to increase the absorption of local infrastructure, products, businesses, and skills in the tourism industry (Zarrilli and Aydiner-Avser, 2020). Foreign-owned businesses should consider incorporating more domestic production into their supply chains, as well as incorporating local crafts, produce, and materials into their offerings. To reduce income leakage and keep tourism profits, governments must aggressively cultivate socioeconomic ties and networks throughout the tourism value chain (Kampel, 2020). These programs must take a gendered approach, with a goal of involving local women manufacturers and craftswomen in product redesign. This may require more broad support measures to help local suppliers satisfy the norms and requirements imposed by foreign-owned tourism businesses.

This break also provides an opportunity to retrain tourism workers so that they can pursue alternative opportunities in the event that many businesses close permanently. Workers displaced from the tourism industry should be able to improve their skills through educational and training programs sponsored jointly by the public and private sectors, providing them more mobility in terms of economic possibilities. For example, in Vanuatu, one of

the hardest-hit Pacific SIDS, where the pandemic has wiped out tens of thousands of jobs, one resort owner has converted adjacent land into a farm rather than building new accommodation facilities (Graue, 2020). While waiting for tourists to return, this has kept resort employees employed while also producing fresh produce for the resort and the surrounding areas.

Finally, for companies wanting to diversify their economic opportunities beyond tourism, it's crucial to remember that traditional livelihoods, such as subsistence farming, are just as important now as they were in the past. Small businesses do not need to reinvent the wheel; instead, they should turn to what they have been doing for centuries: figuring out how to monetise this and better incorporating it into their businesses' offerings in general. Due to social distancing concerns, education and reskilling must also focus on digitalisation and training of staff in SMEs on how to use digital technologies like touchless options for tourism facilities. Finally, there is a need to improve SMEs in the tourism industry's digital capabilities and give necessary support in order to do this.

### ***5.3.5 Scaling-up of marketing***

Long-term efforts to boost tourism demand must focus on making travel simple, safe, and efficient. The creation of regional visas for Africa and SADC similar to Europe's Schengen Visa, would be one such tool. Improving regional infrastructure will also make it easier for travellers to travel between countries, spreading visitor flows in these areas. As a result, more people will go to numerous nations during a single vacation rather than seeing only one before returning home. Countries will be more willing to work together to

promote their joint success as a tourism destination if minor states have stronger connections.

#### **5.4 Areas for Future Studies**

This study explored on government financial support towards the sustainability of accommodation facilities during Covid 19 in Namibia. However, enterprises should not always look to the government to assist them during the time of crisis, but rather learn to be self-sustaining. Therefore, it will be important to explore how companies in the hospitality industry can hedge their investments/businesses against uncertainty risks similar to Covid 19 pandemic.

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## **APPENDICES**

### **Appendix A: Interview guide (B & B and Lodges)**

**TITLE OF RESEARCH:** An Exploration of Government Financial Support Towards Sustainability of Accommodation Facilities during COVID-19 in Namibia

**STUDENT NAME:** MARTHA PANEYAMBEKO SHIKANGALA  
+264 81 XXXX

**SUPERVISOR:** DR. ELINA M. AMADHILA  
+264 81 XXX

### **CONSENT FORM**

#### **Invitation to Participate and Study Description**

You are invited as one of accommodation facilities operator or owner-managers in the town of Windhoek, to participate in a research study on the Exploration of Government Financial Support Towards Sustainability of Accommodation Facilities during COVID-19 in Namibia. This study will help in creating a better understanding of the problems experienced and support that was rendered by the government. By agreeing to participate in this study, you are agreeing to be interviewed. The interview will take about thirty minutes to complete and will be recorded. Information about you will be kept anonymous and will never be disclosed. Also note this information is for study purposes only.

### **Purpose of the study**

The study seeks to explore government financial support that was put in place and should be implemented towards the sustainability of accommodation industry during COVID-19 in Namibia. It will also identify challenges faced by accommodation facilities and evaluate the factors that the government takes into account when deciding to offer support to accommodation sector

The results of this study will also be made available to interested research participants after the publication of the thesis sometime in 2022. Participants are welcome to contact the student and the Supervisor.

### **Confidentiality**

The information you provide will be kept strictly confidential. To protect your privacy, your responses to the interview questions will only be identified with a code number and will be kept by the student and the research Supervisor. Your name will not be associated with the research findings. The information obtained in this study may be published in scientific journals and presented at conference proceedings, but only group patterns will be described and your identity will not be revealed.

### **Upholding individual rights**

As an individual you have the right to decide when, where, to whom, and to what extent your attitudes, beliefs, and behaviour will be used. Your rights will not be violated by the unauthorised use of one-way mirrors, microphones and cameras.

### **Your Right to know**

You have the right to ask questions about this study and to have those questions answered by the student before, during or after the research. If you

have any other concerns about your rights as a research participant that have not been answered by the student, you may contact the supervisor.

### **Consent**

Your signature below indicates that you have decided to participate voluntarily in this study and that you have read and understood the information provided above. You will be given a copy of this form to keep.

Signature of Participant: \_\_\_\_\_ Date: \_\_\_\_\_

Name of Participant (PLEASE PRINT): \_\_\_\_\_

### **Introduction**

The study seeks to explore government financial support that was put in place and should be implemented towards the sustainability of accommodation industry during COVID-19 in Namibia. It will also identify challenges faced by accommodation facilities.

## SEMI-STRUCTURED INTERVIEW GUIDE

SN: \_\_\_\_\_

Date: \_\_\_\_\_

Place: \_\_\_\_\_

Starting Time: \_\_\_\_\_

Finishing Time \_\_\_\_\_

Duration: \_\_\_\_\_ (Hrs.)

Minutes \_\_\_\_\_

### SECTION A: COMPANY PROFILE

#### I. Type of Accommodation facility:

- Bed and Breakfast (B&B)     Lodge

#### II. Company's years of existence:

- 3 years to less than 5             5 years to less than 7  
 7 years to less than                 9 years to less than 11  
 11 years to less than 13             13 years and above

#### III. Number of Employees

- 1-10                                     11-19  
 20-49.                                  50 and above

#### IV. Room Occupancy before COVID-19

- Less 10%                                 11-20%  
 21-40%.                                 41-60%  
 61-80%.                                  81-100%

#### V. Room Occupancy after COVID-19

- Less 10%                                 11-20%  
 21-40%.                                 41-60%  
 61-80%.                                  81-100%

**VI. Company Annual Turnover before COVID-19**

- Less than \$300 000
- \$300 000 to less than \$500 000
- \$500 000 to less than \$700 000
- \$700 000 to less than \$900 000
- \$900 000 and above

**VII. Company Annual Turnover After COVID-19**

- Less than \$300 000
- \$300 000 to less than \$500 000
- \$500 000 to less than \$700 000
- \$700 000 to less than \$900 000
- \$900 000 and above

**VIII. Ownership Structure**

- Locally owned
- Locally owned partnership
- Majority locally owned
- Majority foreign owned
- If others, please specify \_\_\_\_\_

**SECTION B: Investigative research Questions.**

1. What financial support did you ever get from the government previously?
2. Was there any financial package mooted for the industry to elevate the industry from COVID-19 effects?
3. If yes what where these?
4. Where there any measure taken to support your cash flow during the COVID-19 pandemic from the government?

5. What challenges did business (yours specifically) encounter when accessing government financial support during the pandemic?
6. Looking towards the future, what do you think the government must do in order to assist businesses like yours during such difficult times?
7. In terms of the business plan, what measures have you put in place to ensure that the business will survive in a situation like this in future without having to resort to government assistance?

*Thank you for your valuable time in participating in this research.*

## **Appendix B: Interview guide (Ministry of Environment and Tourism Officials)**

**TITLE OF RESEARCH:** Exploration of Government Financial Support Towards Sustainability of Accommodation Facilities during COVID-19 in Namibia

**STUDENT NAME:** MARTHA PANEYAMBEKO SHIKANGALA  
+264 81 XXXX

**SUPERVISOR:** DR. ELINA M. AMADHILA  
+264 81 XXX

### **CONSENT FORM**

#### **Invitation to Participate and Study Description**

You are invited as the Programme Director of the Ministry of Environment and Tourism, to participate in a research study on the Exploration of Government Financial Support Towards Sustainability of Accommodation Facilities during COVID-19 in Namibia. This study will help in creating a better understanding of the problems experienced and support that was rendered by the government. By agreeing to participate in this study, you are agreeing to be interviewed. The interview will take about thirty minutes to complete and will be recorded. Information about you will be kept anonymous and will never be disclosed. Also note this information is for study purposes only.

## **Purpose of the study**

The study seeks to explore government financial support that was put in place and should be implemented towards the sustainability of accommodation industry during COVID-19 in Namibia. It will also identify the factors that the government takes into account when deciding to offer support to accommodation sector

The results of this study will also be made available to interested research participants after the publication of the thesis sometime in 2022. Participants are welcome to contact the student and the Supervisor.

## **Confidentiality**

The information you provide will be kept strictly confidential. To protect your privacy, your responses to the interview questions will only be identified with a code number and will be kept by the student and the research Supervisor. Your name will not be associated with the research findings. The information obtained in this study may be published in scientific journals and presented at conference proceedings, but only group patterns will be described and your identity will not be revealed.

## **Upholding individual rights**

As an individual you have the right to decide when, where, to whom, and to what extent your attitudes, beliefs, and behaviour will be used. Your rights will not be violated by the unauthorized use of one-way mirrors, microphones and cameras.

## **Your Right to know**

You have the right to ask questions about this study and to have those questions answered by the student before, during or after the research. If you have any other concerns about your rights as a research participant that have not been answered by the student, you may contact the supervisor.

### **Consent**

Your signature below indicates that you have decided to participate voluntarily in this study and that you have read and understood the information provided above. You will be given a copy of this form to keep.

Signature of Participant: \_\_\_\_\_ Date: \_\_\_\_\_

Name of Participant (PLEASE PRINT): \_\_\_\_\_

### **Introduction**

The study seeks to explore government financial support that was put in place and should be implemented towards the sustainability of accommodation industry during COVID-19 in Namibia. It will also identify and evaluate the factors that the government takes into account when deciding to offer support to accommodation sector

### **SEMI-STRUCTURED INTERVIEW**

**SN:** \_\_\_\_\_

**Date:** \_\_\_\_\_

**Place:** \_\_\_\_\_

**Starting Time:** \_\_\_\_\_

**Finishing Time**\_\_\_\_\_

**Duration:** \_\_\_\_\_ (Hrs.)

**Minutes** \_\_\_\_\_

**SECTION A: Investigative research Questions.**

1. Does the government provide any financial support to accommodation facilities towards the sustainability of their business?  
When did government start providing this support? What financial support the government give to accommodation facilities during COVID-19?
2. What factors did the you take into account when approving these financial supports)?
3. Was there a specific amount the government was spending or was it unlimited funding? What budget did government avail for this exercise?
4. Did you assist all the applicants? If No, why not? Is there any reason; is it perhaps to do with that they do not qualify for this assistance?
5. What challenges did you encounter with businesses when applying for this government financial support?
6. Looking towards the future, do you think the government will still avail such financial support to business?

***Thank you for your valuable time in participating in this research.***

## Appendix C: Language Editing Certificate



The Rev. Dr. Greenfield Mwakipesile

ThD, MBA, HBS | [mwakipg@outlook.com](mailto:mwakipg@outlook.com)

### CONTACT

PO Box 99539,  
UNAM,  
Namibia

### LANGUAGE & COPY-EDITING CERTIFICATE

22<sup>nd</sup> December 2021

**RE: LANGUAGE, COPYEDITING AND PROOFREADING OF MARTHA PENEYAMBEKO SHIKANGALA'S THESIS FOR THE MASTER OF BUSINESS ADMINISTRATION DEGREE OF THE NAMIBIA BUSINESS SCHOOL OF THE UNIVERSITY OF NAMIBIA**

This certificate serves to confirm that I copyedited and proofread **MARTHA PENEYAMBEKO SHIKANGALA'S** Thesis for the **MASTER OF BUSINESS ADMINISTRATION DEGREE** entitled: **AN EXPLORATION OF GOVERNMENT FINANCIAL SUPPORT TOWARDS THE SUSTAINABILITY OF ACCOMMODATION FACILITIES DURING COVID 19 IN NAMIBIA**

I declare that I professionally copyedited and proofread the thesis and removed mistakes and errors in spelling, grammar, and punctuation. In some cases, I improved sentence construction without changing the content provided by the student. I also removed some typographical errors from the thesis and formatted the thesis so that it complies with the University of Namibia's guidelines.

I am a trained language and copy editor and have edited many Postgraduate Diploma, Masters' Thesis, Dissertations and Doctoral Dissertations for students studying with universities in Namibia, Zimbabwe, Eswatini, South Africa and abroad. I have also copy-edited company documents for companies in the region and abroad.

Please feel free to contact me should the need arise.

Yours Sincerely,

The Rev. Dr. Greenfield Mwakipesile



[greenfield.mwakipesile](mailto:greenfield.mwakipesile)



[@mwakipg](https://twitter.com/mwakipg)



+264813901701



Dr. Greenfield  
Mwakipesile