



Victoria Falls curio sector analysis: Insights through the lens of a dollarized economy

Zhou Zibanai

Midlands State University

Tourism & Hospitality Management Department

P. Bag 9055, Gweru, Zimbabwe

zhouz@msu.ac.zw or zhou.zibanai@gmail.com

Abstract

This study analyses the state of the informal curio sector in Victoria Falls in the obtaining multi-currency trading dispensation. The study sought to address a lacuna in the curio trading literature in the context of Zimbabwe's re-calibrated economic environment. The study envisaged to broaden the private and government's comprehension of curio trading and resultantly help policy shifts and the public narrative of curio business as a significant entrepreneurial activity in need of support. In-depth interviews and focus group discussion of 200 participants were used to gather the data. A thematic approach was used for data analysis. Results revealed that the curio business in Victoria Falls is at its lowest ebb due to a dwindling clientele base, and pittance curio prices amongst a host of other attendant factors. Findings further established that incessant harassment from municipal police coupled with an opaque allocation system of market stalls that are far flung from tourist hotspots riled traders. A dormant local market, poor signage of curio stalls and exorbitant monthly rentals levied by council were bemoaned as Achilles Heels of the informal curio business.

The study recommends curio traders to form trade associations and social co-operatives to bolster their bargaining powers and access cheap financial resources. To ameliorate the rampant entrepreneurial skill deficiency amongst the rank and file of curio traders, they should enrol for night and weekend schools to upgrade their skills. The study lacks external validity hence it is necessary to replicate it at national level using a different methodological approach.

Keywords: Curio traders, Victoria Falls, Multi-currency system, Zimbabwe tourism industry, economic environment.

Introduction

This paper analysed the state of indigenous curio sector in Victoria Falls in a dollarized economy. Globally, curio business trade is deemed as the only sector with very low entry barriers hence many Zimbabweans are into this kind of business (Nyahunzvi, 2015). Curio business provides the much needed employment and income that can sustain many households. In Zimbabwe curio business is largely an informal activity which is an off-shoot of the main stream tourism industry, and is dominated by indigenous people. This sector has been riding on an impressive growth in inbound international tourists to Zimbabwe who have been on the rebound up until the late 1990s. Tourism curio business generates income for the informal traders who sell curios in tourist resort areas. Richard (2007) posited that curio business in developing countries contributed immensely on the national purse, and provide vast employment opportunities to many people. The hallmark of the curio sector at global level is that most of the curio traders are licensed and registered at a local level.

Walonzi (2014) argued that in Tanzania, a developing country like Zimbabwe, curio traders lack the requisite entrepreneurship skills, have scant knowledge on how to successfully run



such informal curio micro enterprises, they also lack cutting edge practical skills in critical areas such as pricing, marketing, costing, funding, and creating rapport with customers.

This indeed is a sad state of affairs. In addition, Mahoney (2014) highlighted that the curio traders in Kenya grapple with high concentration (flooded) of people in the craft industry which eventually eat into the revenue earned. Another challenge faced by curio traders relates to the cyclical nature of curio sales which have a strong connection with the levels of tourist inflows. A study by McLachlan and Binns (2014), on curio traders at Victoria Falls established that over the last five years curio business had declined owing to a number of factors chief among which were increased competition from hotels and shops, and the Global Financial Crisis (GFC). Fewer tourists were visiting the craft markets, and those who were continuing to visit the city were reportedly less willing to spend money on bigger and more expensive curio items. It was documented that the average monthly wages for craft stalls in the growth period were around US\$429, compared with US\$54 from 2008 to 2010 when the peak effects of the GFC were being felt.

The current study seeks to build on Richard (2007), Walonzi (2014), McLachlan and Binns (2014) which were conducted in a totally different economic set up, that is, what I regard as a `normal economic environment`. However, the current study was done in an economic set up characterized by what I deem as `abnormal economic fundamentals`. To be precise, this study came in the wake of a land mark economic development in the Zimbabwean economy in the mould of the dollarization of the economy. The study sought to ascertain the extent to which the multi-currency regime impacted on the curio sector in Victoria Falls given the interconnectedness between the circulation of liquid money and the propensity for visitors to expend on curio items. The official dollarization of the Zimbabwean economy in early 2009 brought about a whole new set of challenges to the business community in the way of liquidity crunch, over value of the American dollar, so many currencies affecting the pricing of curio wares and exchange rate uncertainties. Therefore the present study is done in a unique and re-configured operating environment wherein the multi-currency trading regime is broadly impacting on the levers of the Zimbabwean economy. The dollarization of the Zimbabwean economy heralded the unprecedented demise of many informal and formal micro enterprises across the economy since most of them could not re-tool or adapt to the new economic landscape (Confederation of Zimbabwe Industry, 2015). The curio sector was naturally not spared. Amid this, the Zimbabwean government was pushing ahead with its economic empowerment and indigenisation policy with renewed vigour. It is the contention of the writer that ascertaining the state of the curio sector can prompt the powers that be to come up with mitigating interventionist measures to cushion the vulnerable informal curio trader and stem further job losses.

In terms of objectives, the current study envisages to establish the state of indigenous curio business in Victoria Falls in the dollarized economic environment, determine the challenges being faced by indigenous curio business, and providing recommendations on mitigating the challenges in the indigenous curio business. The study is relevant to the government as it will offer insights on remodelling pricing policies aimed at supporting local curio entrepreneurs.

Literature review

Overview of curio business trading in the hotel industry

The curio sector has been promoted to foster economic development, reduce unemployment and it has become a means of livelihood to many disadvantaged communities (Nyahunzvi,



2014, Walonzi, 2014, Richard, 2007, Lewis, 2005, Namu, 2005, Ngunjiri, 2014). In Zimbabwe formal employment is increasingly becoming elusive, after decades of de-industrialisation, and massive retrenchments with unemployment rate officially standing at over 80 per cent. Third world countries like Zimbabwe face colossal challenges of eradicating poverty since a huge percentage of their population live below the poverty datum line (PDL). Given the increasingly dire economic environment most Zimbabweans sought to eke out a living from curio sale business riding on the back of the peaking tourist arrivals.

The curio trade has the potential to create employment to an otherwise idle population, can empower individuals, households and communities and hence help in alleviating endemic poverty. One hallmark of the curio sector is that it does not require extensive capital investment as start up expenses, hence many people can easily engage in this sector in order for them to gain an income as posited by Peach (2007). Notwithstanding the contribution of the curio sector to the economies of third world countries especially Zimbabwe and the curio trade entrepreneurs, what is not known is the state of this sector given a change in the economic operating environment-post dollarization. There was a radical change in the Zimbabwean economic landscape which came about as a result of the adoption and use of the multi-currency trading regime. Literature is abound with studies showing that curio traders at global level are neglected by governments and private institutions, and they grapple with numerous challenges which stifle the realisation of the sector's potential, such challenges as dearth of entrepreneurial skills, capital and heavy competition (Beck *et al*, 2000; Bins and Nel, 2002).

Gaylard (2004) posited that the tourism curio sector is one of the potential sectors that can generate income with low barriers to entry for the economically marginalised population and it empowers large numbers of both men and women. Barber and Krivoslykova (2006) noted that despite the flourishing of the curio sector in most developing countries people working in this sector are among the poorest, despite working 10-12 hours a day, and the benefits derived from handicraft sales are not reflected in their livelihoods. Tourism can therefore be used to benefit poor handicraft producers as the number of international tourists increase.

The International Conference on Tourism and Handicrafts, held in Tehran in 2006, was a first for UNWTO, and was also the first international conference ever held with specific focus on the linkage between tourism and handicrafts (UNWTO, 2008). The conference noted with concern that the linkage between tourism and handicrafts has not yet been fully explored, understood or developed, with a resultant loss of valuable revenue and job creation opportunities. In response to this, the UNWTO decided that, although there have been many conferences on tourism and many on handicrafts, there was now a pressing need for a conference to develop the synergy between the two and to raise awareness about the importance of handicrafts for tourism and vice-versa.

Qattan (2009) posited that the global market for handicrafts was estimated to be a whopping \$100 billion. The U.S. was singled out as the largest importer of the handicrafts with a value of \$67 billion. The other significant curio markets are the E.U, Japan and Hong Kong. A recent study of India's handicraft sector allayed fears that the risk that handcrafted products would be phased out due to competition from mechanized industries as overblown. In fact, demand for handmade global and cultural goods has and would continue to grow with increased international and domestic tourism, growing interest in interior decoration, greater spending on home furnishings, and as a reaction (especially in upscale markets) to the homogenization of mass-produced goods.



Curio trading world wide

Tourism is becoming a flourishing industry and curio trading is one of the fastest growing off-shoot entrepreneurial activities which is quite impactful on the social and economic life of many citizens. Curio trading is inter-twined to the performance of the main stream tourism industry. In tourist destinations where the tourism industry is thriving and unemployment rate is high local people employ them self in curio sector since it is cheap and an easy craft business (Croes and Vanegas, 2008). In Ethiopia \$12.7 million is generated every year from tourism related handcrafts sales. Tourism curio trading is a mechanism for poverty reduction and for improvement of livelihoods of the poor with minimal barriers of entry into the business (Nyahunzvi, 2014, Richard 2007). Curio sector is a highly informalised business sector punctuated by a very small scale of production. In Morocco, the curio sector aggregately generated more than \$1.5billion which benefited a third of the country's population, money spent on crafts spreads instantly and undiluted into the local community (O'Brien and Feist, 1995). Wherry (2006) bemoaned that most curio traders are in search of survival and therefore produce curio based on their customers' preferences and not based on cultural meaning. In Zimbabwe the formal sector is incapacitated to provide jobs to the entire economic active group hence many people turn into curio trading. A large number of people from disadvantaged backgrounds engage in production and selling of curios to tourist to gain income and reduce dependence as well as to become economically active in the society. Ngo (2005) notes that most banks and other financial institutions do not provide loans to small scale traders like curio vendors because these traders do not own any collateral and they do not have any existing banking history.

The analysis of the curio sector in Zimbabwe is envisaged to help government and monetary authorities, and donours to gain information on the socio-economic impacts of the sector at micro level and provide policy recommendations to ensure the growth of the sector and all activities involved. This may eventually lead to a change in private sector and government's narrative regarding curio traders so that they can support them financially in the absence of collateral. Engagement in the curio sector provides opportunities for urban dwellers in Victoria Falls to gain more reasonable access to income streams. This is because the western parts of Zimbabwe suffer from lack of agricultural opportunities because the region is generally dry (Matose, *et al*, 2014). Structural adjustment programs (SAPs) embarked upon by the Zimbabwean government in the late 1990s led to the loss of formal jobs for a lot of people. The impacts of recurrent droughts in Zimbabwe due to climate change led to the rapid growth of the curio sector as an alternative livelihood opportunity. Victoria Falls is one of the biggest tourist hub in Zimbabwe.

It is argued that the driving force behind the growth and emergence of a curio sector in Victoria Falls is the presence of a ready market demand necessitated by the influx of tourists in the resort town. Victoria Falls is proximal to Hwange National Park. Victoria Falls municipality issues an operating licence at a fee of \$50 per year. Curio traders pay rentals and operating licences to the Victoria Falls municipality who in turn provides facilities that include sheltered stalls, toilets and tapped water as posited by Matose *et al* (2014).

To this end, micro-entrepreneurs face various problems which include lack of capital, space and premises, inadequate profit, transport, lack of managerial skills, police harassment, and the ever increasing regulations. The common problems facing micro-entrepreneurs are therefore well documented. Mostly problems faced by curio sellers broadly fall under shelter, licences, crime, council regulations, lack of access to loans, low profit, and harassment from municipal police (Fapohunda, 1985; Sullivan, 1987; Snyder, 1995; 1988, Chickering and Salahdine, 1988, Rogerson, 2005).



Generic challenges facing informal micro curio entrepreneurs

Literature is abound with several challenges which have been identified as scuttling the growth of tourism handicrafts related business, which in turn impede the growth of the tourism industry at large, more so in developing countries. These obstacles stifle the goal of transforming the economies of third world countries through the growth of tourism and its related sectors (Walonzi, 2014). Lyons and Snoxwell (2005) posit that curio traders have difficulties in marketing their products both locally and internationally due to lack of capital, poor advertising skills and low knowledge of information and communication systems. There are no proper marketing channels and most traders are oblivious of social networks and websites which can be exploited as new marketing strategies. Bhat, *et al* (2013) outlined the major challenges faced by handicraft sellers as of infrastructural nature, raw materials supply and power shortage.

The sector has attracted a large number of internal immigrant workers from rural into urban centres in most developing countries as it gives them an opportunity to engage in informal craft selling as a means of surviving. By engaging in curios business, rural folk workers generate enough income that they can send some of their profits to the countryside through remittance flow. Rauner *et al* (2010) further posited that the unfettered informal trading with low status products as well as unregulated business environment is another challenge facing the industry, which has resulted in diminishing the reputation of the curios industry.

De Beer (2005) observed that owing to lack of capital, curios traders fail to meet large demand during the peak seasons, they do not keep enough stock of their products and production is based on low quantity to meet minimal demand. Russouw (2005) added that most of craft traders start curios business with their own small capital, therefore supplying to huge demand market at the introduction phase is still a challenge to these traders. Most banks and other financial institutions do not provide loans to small-scale traders like informal handicraft traders because these traders do not own any collateral and they do not have any existing banking history. Environmental challenges are also regarded as serious barriers to the growth of curios sector in third world countries due to increase of craft productions that damage the environment (Binns and Nel, 2002 cited in Walonzi, 2014). There is high harvesting of materials to produce craft products due to unregulated business environment. There are no proper regulations that bind traders in the harvesting of these production materials. De Beers (2005) cautioned that though the sector minimizes unemployment rate on the one hand, on the other hand its growth causes more damage to the environment and to ensure sustainability a balance between environment, community and economic growth needs to be established.

With increased level of globalization and liberalization, there has been an increase in a modern market system that destroys the traditional market system. Jena (2010) highlighted that curio traders depend on intermediaries for their products to be sold in the world market. However, with the high illiteracy rate of traders, it makes them more vulnerable regardless of their hard working. Traders encounter challenges in handling a modern market, and therefore they require assistance from intermediaries who would gain more benefits than traders. Intermediaries have become the issue of concern in tourism handicrafts related business, since they are more powerful and in control over the marketing and by virtue of them occupying the top position of the production ladder. For example, in India, artisans are reportedly becoming increasingly dependent on middle men like petty merchant capitalists who pay the artisans in wage; therefore, artisans do not gain the full potential from their hard



working though their products are on demand in both local and international market (Jena, 2007).

Curio traders have access to human capital, natural capital, and social capital as alluded to by Scoones (2000). On financial capital, it has been noted that most curio traders in third world countries do not have access to funding institutions which provide them with capital to promote, market and expand their businesses (Morse *et al*, 2009). On human capital curio traders lack entrepreneurial skills, low creativity and poor communication with their customers, that is, language barrier. Social capital entails networking with each other to build trust and opportunities on the marketplace (Lynos and Sonxell, 2005). Reciprocity among curio traders in the form of informal collective saving scheme, and sharing of storage facilities. Natural capital refers to access to good air and water and the use of the forests. It entails the exploitation of natural forest to make their products. The dependence on natural capital to make craft products foster peace and security on their community. However, shocks like floods, veld fires and drought expose curio traders to more vulnerability. Finally, the physical capital is the tools and equipment owned by the households including transport, secured shelter and buildings, adequate water supply and sanitation, clean and affordable energy and access to information and communication (Aronson *et al*, 2007).

The economic and social significance of curio business

The curio handicrafts business is both economically and socially significant to both the developed and developing world. The socio-cultural importance of handicrafts is that it leads to the preservation of the heritage, traditional skills and the art. Its economic importance lies in high employment potential, low capital investment, high value addition, and potential for export/foreign exchange earnings (Richard, 2007, Lyons and Snoxwell, 2005). The curio industry has proven in many developing countries as a poverty reduction sector mainly for the reason that it has managed to improve the economic and social status of the individuals involved in this industry. This is quite significant in third world countries whose population live below poverty datum line.

A study by Eiligmann, (2010) graphically illustrated this. It was established that tourism-related handicraft sales in Ethiopia were estimated to be as high as US\$ 12.7 million per year. 55% of these expenditures, that is, US\$ 6.9 million, were deemed to be pro-poor income that went to poor craftsmen, traders or raw material suppliers. Besides the income earned from providing accommodation and selling food and beverages, handicrafts were among the most important tourism sub-sectors with regard to generating pro-poor income (Eiligmann, 2010).

It has been documented (Mustafa, 2011) that there is a direct relationship between employment in the curio handicraft and the economic development of the state. This is buttressed by the fact that the curio sector is a labour intensive sector with great potential of employment opportunities both in the rural and built up set -ups. The importance of this sector lies in it requiring low capital investment, high value addition, and negotiable import content and high potential for export earnings. Since this sector is equipped with these features, employment opportunities could well be created through the establishment of organized handicraft centres and channelizing the already working units so that proper wage



rates plus incentives could be maintained and more employment could be provided. According to Wherry (2007), in Malaysia, tourism related handicraft business is regarded as a fulcrum that balances economic growth and distribution, poverty reduction and minimize rural to urban migration. To make this a reality, the government of Malaysia deliberately provides formal support to the handicrafts sector by raising competent entrepreneurs and generate employment at the grassroots level, and promoting the use of local materials and community involvement in the craft industry. The government also engaged young unemployed people by providing incentives that would motivate their engagement.

The Vietnamese Government for example, has issued a number of regulations to support the development of the handicraft sector, from the development of the raw material supply and location to investment and trade encouragement. The government provides capital assistance for infrastructure investment (road building, water and electricity supply, environment guarantee) and factories to those residents who want to join in handicrafts production in rural areas, handicraft producers can rent land with the lowest rate, and they are also exempt from land rental fees for 3 years if they move their factories out of the area and training centres. Government gives priority to the training activities of the handicraft sector. The Government also assists participants with VND 200,000 per person per month for attending any handicraft training course (Embassy of Denmark, 2012). SIPA consulting team, (2005), established that, the curio sector was identified by the Malagasy government as an area of high-growth potential which could stimulate business development and job creation. The handicrafts industry employs roughly 1.8 million people and contributes approximately 10%-15% to the country's GDP. Thus from the study by the SIPA consulting team, (2005) , it was established that, the curio sector has been identified by the Malagasy government as an area of high-growth potential which could stimulate business development and job creation.

The multi-currency trading regime

Noko (2011) explained multi-currency system as a software that enables trading in more than one currency, which facilitates buying and selling of goods. Many European countries have had to adapt to dealing with the Euro as well as their domestic currency. The use of multi currency system is therefore not new. Kabote *et al* (2013) pointed out that dollarization has been used to describe the adoption of the USD or other major advanced countries' currency of choice. However, in general any country using a foreign currency as its own can be said to be dollarized, for example, in Zimbabwe there are eight currencies which are officially in circulation, that is, American dollar (USD), South African Rand (ZAR), Botswana Pula (BWP), Euro, British Sterling Pound (GBP), Japanese Yen, Indian Rupee, and Chinese Yuan. The three basic forms of dollarization are unofficial, semi-official, and official dollarization. Zimbabwe went through these three basic forms, and has now officially dollarised.

The state of the curio sector in the aftermath of the dollarization of the Zimbabwean economy is not known, and for this reason there may be an over-estimation of the economic significance of this sector in the context of eradicating poverty and empowering the economically disadvantaged people. This study sought to analyse the curio sector at a local, small scale level to gain an in depth understanding of the curio sector which is a microcosm of the national curio sector.

Zimbabwe is currently under the radar of the International Monetary Fund (IMF) through the latter's staff monitored program. IMF and World Bank (WB) economic policies are notorious for their adverse ramifications on the opportunities for informal curio traders. Since these



policies require governments to cut back on expenditure in some 'non critical' sectors, and therefore naturally informal traders are the ones bearing the worst brunt due to the unavailability of government support in form of loans (Duy can *et al*, 2002).

The adoption of the multi-currency in Zimbabwe

Zimbabwe's lack lustre political and economic history took a heavy toll on the country's population and economy. Between 2000 and 2007 GDP declined by about 40 per cent (Noko, 2011). Hyperinflation in 2007/8 peaked to stratosphere fuelled by the Reserve Bank of Zimbabwe (RBZ)'s quasi-fiscal activities, leading to the collapse of the national currency in early 2009. The Zimbabwean dollar virtually disappeared from circulation, and was replaced by the USD and ZAR. Following the years of economic stagnation and decline, company closure, significant improvement in economic policies since 2009 seemed to be turning the situation around. The multi-currency system adopted in February 2009, which set the ZAR as the main transaction currency, has helped stabilise the economy and restored price stability, enforced greater financial discipline by eliminating the government's ability to resort to budget deficit monetisation and help revive financial mediation (Chigora, 2013).

Despite the proximity of South Africa, the USD was adopted as the currency in which the government would conduct all its transactions. Other currencies, mentioned were also allowed to circulate in the country. Initially, the USD and the ZAR competed equally across the country as the primary currencies in use. It is easy to characterise the emergence of a multi currency system in Zimbabwe as the country's saving grace after a difficult decade of the currency devaluations and record breaking inflation that came with a waning economy and a contentious political environment (Chigora, 2013). After attempting everything from price controls to printing bearer cheques that continued to accumulate zeros, the country finally sanctioned the use of the USD, ZAR, BWP and the GBP in 2009. Since then, the country has recorded GDP expansion every year.

Economists suggested that dollarization brought superior macro-economic performances, price stability, and reduced transaction costs in foreign exchange, increased FDI, trade and stronger balance of payment (BOP) (Edward and Mangezo, 2006). Nkomazana (2014) asserted that Zimbabwe in Feb 2009, the then minister of Finance officially announced the use of other currencies. After registering an 18 per cent contraction in 2008, real GDP grew 6 per cent in 2009 and 9 per cent 2010, while projections place GDP growth at 7 per cent and 5 per cent for 2011 and 2012 respectively (Chigora, 2013). However, Zimbabwe's economy still faces several important challenges as recent wage increases, increasing vulnerability in the banking sector and weaknesses in the country's business climate, poor financial positions of several state owned enterprises and weak governance at the RBZ.

Methodology

The study was done in Victoria Falls, which, in tourism parlance is regarded as the Mecca of Zimbabwe's tourism industry, thus the main prime tourist destination. It is Zimbabwe's tourism flagship notorious for the natural '*mosi-oa-tunya*' spectacle. The study site is justified on the strength that is where curio trading business is most popular hence ultimately constitutes a richer source of information. The Falls were firstly discovered by David Livingstone who re-christened them after the then Britain Queen Victoria in her honour. There is a fully blossomed tourism industry in the resort town with the highest concentration of hotels, tour operators, lodges, travel agents and the highest concentration of informal and formal curio traders. Tourism is the major economic activity driving the resort town. The



Victoria Falls is also home to the rain forest which is protected by the UNESCO protocol as a World Heritage Site, the Falls are touted as one of the Seven Wonders of the World. The study setting was therefore chosen on the basis of its potential to provide a rich source of valid data. The study population was 200 street curio vendors, handicraft shop owners, curio traders from designated market stalls in Victoria Falls.

In this study in-depth interviews and questionnaires were used to gather the current and recent information. Interviews were done to 200 curio traders, Victoria Falls Publicity Association, council officials, ZTA Area manager. The study adopted and used face to face interviews as once used by Mahoney in Kenya (2014), since it was tested and tried. A total of ten in-depth interviews and four focus group discussions were conducted with curio traders in Victoria Falls, at the following curio stalls: Dingani tours, Sinathankau market, Rainforest curio market and Thokozani art and craft curio market. These curio stalls were selected on the basis of the sizes and superb range of curio items.

Study Findings and Discussion

Results of the study are presented in line with the fourteen themes which emerged: current state of curio business, running battles with municipal police, exorbitant fees on curio stalls, overcrowding of vendors on street pavements, competition between licensed and unlicensed traders, lack of support from the Small and Medium Enterprises and Cooperative Development ministry, cyclic nature of curio business, invisibility and lack of marketing, corruption in the allocation of market stalls, payment of taxes to government, poor signage of curio stalls, reasons for venturing into curio vending, challenges faced by curio traders, and effects of dollarization on curio trading. These are presented and discussed below.

Current state of curio business

Respondents intimated that curio business in the resort town of Victoria Falls is currently very low to such an extent that one can go for months without recording a single sale. Despite this, people still continue to have faith that one day they will get customers. Curio vendors continue visiting their market stalls as a meeting place to discuss and exchange ideas on how to navigate the not so pleasing trading economic environment. On average most curio traders indicated that they last had a significant sale some three years back during the ATA congress, UNWTO General Assembly and also during last year's presidential birthday celebrations which were held in the resort town. Other events like the Victoria Falls marathon sponsored by the giant mobile network Econet and the Victoria Falls Cultural festival which have become a permanent feature on the calendar bring some much needed relief as it is during such events that substantial curio sales are recorded. There is now a pattern that when there is a major event that is when significant sales are recorded. Curio trading used to be so enticing that some people abandoned professional jobs to get into curio vending. By then, it was so rewarding that most people shun working for the government in favour of curio trading. One respondent had this to say:

"The multi-currency trading regime brought a lot of misery to us in that it is increasingly becoming elusive, money is not circulating and it's really a blow to us as vendors".

This finding sits in well with literature Richard (2007); Walonzi, (2014) which indicate that curio business is cyclical in a nature and is dependent upon the influx of visitors to a destination. Low business is attributed to a dwindling client base. The decrease in the number of international visitors to Zimbabwe especially from the key traditional markets also explains the depressed curio business activity. During its prime, curio business could



generate over \$1000 per month which is quite significant given that the average monthly income for professionals in Zimbabwe is \$250 whilst the poverty datum line (PDL) is pegged at USD550 according to the Zimbabwe Statistical Agency. The majority of respondents indicated that they were earning an average income that was way below \$100. The reason why the bulk of respondents were earning low income was because there was lack of customers.

This really concurs with the study by Walonzi, (2014) in Tanzania where the indigenous curio traders were earning so much little that they could not be able to sustain their livelihoods. Respondents revealed “ ..There is no money in the economy, sometimes we do barter trade with food stuffs, clothes, shoes with our merchandise”. Other respondents indicated that they accept everything as long it makes their life to go on, therefore one may presume that the curio business in Victoria Falls is in a wall of shame to such an extent that these traders are living far below the poverty datum line.

This study differs with the study by USAID Cluster Competitiveness Assessment, (2007) which propounded that on average artisans and ceramics business are able to achieve \$300,000-\$500,000 in a fortnight and can spend the whole month using the money without going to work. Therefore it's a pity to note that the art and craft industry in Victoria Falls are living a hard life every day is a working day.

Running battles with municipal police

Both registered and unregistered curio traders always fight running battles with the municipal police. Those that are registered argue that the location of the market stalls is far removed from where business is, hence they move to what they call `hotspots` frequented by visitors where they can make a quick sale. Such `hotspots` were identified as the rainforest, the heart of the CBD, and right at the door steps of popular hotels patronised by visitors especially Elephant Hills and the Boma Place of Eating. So for purposes of maintaining order and also to protect the visitors' municipal police descend heavily on curio traders. This causes psychological trauma, insecurity and a bleak future for all curio traders in that if they decide to stay put on the officially designated market sites then they will not have a sale. If they move to the so-called hotspots they risk being pounced upon by municipal police and also in worst circumstances will have their wares confiscated. They are 'caught between a rock and a hard place'.

Exorbitant fees on curio stalls

Respondents bemoaned very high market stall fees that they pay as monthly rentals for the small spaces allocated to them by the council. The fees of \$30 per month per stall are deemed too high considering that business is subdued. Some curio traders last had a sale in 2013 yet they have to fork out the monthly fee so that the market stall is not repossessed or given to those on the waiting list. In view of this, curio traders ended up incurring losses through out, some even go to an extent of borrowing money to pay for the stalls yet there was a time when they used to have sales which could pay for rentals spanning the whole year from a single sale. As a survival strategy, some curio traders voluntarily surrender back to council their official market stalls resorting to sharing with friends after contributing half of the monthly rentals. If one defaults to pay the rentals, the market stall is given to another trader. What irks curio traders is that the monthly rental fee is constant irrespective of whether one is having business or not.



Overcrowding of vendors on street pavements

Due to low business, most vendors swarm the street pavements in search of tourist vehicular traffic. Street pavements are not only occupied by curio vendors, but also by those selling air time, fruit and vegetables, and beggars hence creating a menace. This has become a hall mark and permanent feature of towns in Zimbabwe given the biting economic challenges. One can hardly find an unoccupied space as people jostle to eke a living out of vending per se.

Competition among and between licensed and unlicensed vendors

Respondents highlighted that there is so much competition between and among curio traders such that prices for curio products are not fixed. One can negotiate prices up to the lowest possible give away figure as traders seek to out-do each other and are very determined to have a sale at whatever cost. This finding corroborates what was established by Mahoney (2014) in Kenya wherein curio traders grappled with flooding of people in the sector. McLachlan and Binns (2014) also noted that curio business was declining due to increased competition from hotels and lodges that had opened their own curio shops. Unlicensed curio traders have the habit of knocking down prices because they do not have any extra fee to pay or no expense to worry about since they do not pay the \$30 monthly rental serve for the spot fines that they pay when they are caught selling in undesignated spaces without a valid vending license. However, some respondents were quick to point out that in most of the cases curio traders seldom pay the spot fines but rather bribe the municipal police and change the street and continue with vending. Some curio traders do barter trade just as a coping strategy of depressed business. No more price tags as was traditionally the case on all curio products. Putting price tag was now a taboo as it was tantamount to revealing one's strategy to the next competitor. Besides, price tags were now viewed as scaring away potential customers. Prices are therefore negotiable depending on how deep one's pocket is.

Lack of support from the SMEs ministry

Respondents revealed that they did not get support from the SMEs ministry. It was apparent that in theory micro enterprises like curio trading business should get funding from the SMEs ministry, however, on the ground nothing of that sort is happening. It was established that most of the curio traders started business using personal funding from savings and start up capital from family members. One elderly woman retorted:

“ I started curio business from the money sent to me by my daughter who is in South Africa. Even if my business falters I will not pay back the money unlike if I had taken a loan”

The SME ministry is not visible on the ground to assist curio traders. This finding is in harmony with what Walonzi (2014) regard as funding constraint that confronts most curio traders in Tanzania. Beck *et al* (2000) and Binns and Nel (2002) long bemoaned curio traders' level of neglect by government at global level in terms of funding. Most curio traders professed ignorance with regard to the form of help they could get from such a ministry. Only a few confessed that they just hear about the ministry in the newspapers but lack adequate information as to how they can access the funds if ever they are available. The researcher's further follow up with the SMEs ministry revealed that the ministry is not well resourced financially and has a huge back log of application of projects seeking funding. It is hoped that the newly formed national building society owned by the national pension funder



(NSSA), should also consider funding micro enterprises since the SMEs ministry is overwhelmed with applicants. Given the fast shrinking fiscal space the SMEs ministry has of late not been able to get adequate budgetary support from treasury hence not much is being done to support the curio traders.

Respondents however, pointed out that whilst they do not get financial help from the SMEs ministry they enjoy tax exemptions and protection through the indigenisation policy if they operate in designated sites. This finding concurs with the study by Brokaw, (2006) which indicated that the craft sector in Palestine has been largely neglected, it has never featured on any list of priorities and government have given little attention to this sector. However, this study differ from the study by Wherry,(2007) when he mentioned that in Malaysia the government formally supported the handicrafts sector by raising competent entrepreneurs and generate employment for the economy.

Cyclic nature of business

All respondents were unanimous that they record brisk business during events that are held in the resort town. Since curio sector is an off shoot of the main stream tourism industry it reflects the seasonality nature of tourism. Significant sales are made when there is a huge influx of visitor to Victoria Falls and the reverse is true. Victoria Falls curio traders reportedly had life time sales during the ATA congress, UNWTO General Assembly, Victoria Falls Marathon sponsored by the mobile network provider Econet, presidential birthday bash and during the Victoria Falls Festival. During such busy periods ridiculously high mark ups are added to the curio arti- facts prices and once a sale is made, huge profits are realised. This ostensibly compensate for the lean periods. This bodes well with literature that tourism related products are seasonal (Cooper *et al*, 2008), Kotler *et al*, 2001).

Invisibility and lack of marketing

Respondents indicated that they are very much keen to market themselves at such platforms as the annual tourism premier- Travel expo but are hamstrung by limited financial resources hence they remain invisible to potential buyers. A perusal of the exhibition stands charged by the ZTA showed that the authority charges \$15 per square metre which is out of reach to all curio traders. Such rates that are on the high side permanently exclude enterprising curio traders from participating at such an international marketing forum. In a way one can say that the ZTA should at least provide free stands to struggling micro enterprises as a way of supporting them otherwise they will remain locked in their cocoons. Walonzi (2014) established that curio traders lacked marketing prowess buttressing what Barber and Krivoshlykova (2006) documented that curio traders in developing countries are the poorest and cannot afford to market themselves. This finding vindicates Lewis (2005) whose study concluded that curio traders have difficulties in marketing their products.

Manipulation and corruption in the allocation of market stalls

Most respondents expressed bitterness with the allocation of curio market stalls, which they alleged, is not transparent. Some curio vendors pointed that they have been on the waiting list for the past 5 years with council officials arguing that they have run out of curio space to give away. Facing such a dilemma people just end up selling their wares illegally, that is, without a properly constituted curio stall. On the one hand it seems there is too much corruption in that only those who grease the palms of the council officials responsible for



the issuance of licences are the ones who get registered and get licences on time. One respondent had this to say:

“How can one have three or four curio market stalls when some of us have been on the waiting-list. That smacks of corruption of the highest order”.

Respondents also revealed that allocation of stalls is done along partisan lines, with other cases in which one is asked to produce cards from a certain political party. It seems curio stalls are now used to reward loyalty instead of helping needy people who seek to eke an honest living since poverty knows no political affiliation.

Payment of taxes to government

Curio traders revealed that they do not pay taxes directly to government but they pay through the local council authority. The \$30 rental fees they pay every month to the local authority somehow contribute to the country at large. Given the fact that most of the economic activities in Zimbabwe have become informal government should come up with ways through which these informal traders can contribute to the fiscus. It is documented that government is strained in meeting its obligations due to a reduced tax base. The curio trading sector is a potential sector that government can tap into to expand its revenue collection base.

Poor signage of curio stalls

Curio vendors complained about the lack of proper signage for their market stalls. They argued that this is contributing to their misery in the sense that no customers come to buy when no proper directions are given by way of signage. Information is power. Signage of the curio market stalls is the responsibility of the council but should be paid for by the curio traders. This is a bone of contention among curio traders as they feel that the \$30 monthly rental they pay to council should cater for that. Since curio traders are barely managing the thought of forking out a few extra dollars to erect billboards is the last thing to come to their minds. It was reported by some traders that council has a habit of diverting the monthly rentals paid by curio to meet council employees` salary obligations at the expense of improving signage of the curio stalls.

Reasons why vendors are into curio business trading

Respondents indicated that they were pushed into the curio business mainly because there were limited employment opportunities despite them having excellent educational qualifications, they were retrenched from their jobs, that is, they were victims of the job retrenchment which is taking place in Zimbabwe. Others cited that they were driven by perennial poor yields from fields, whereas some wanted to fulfil personal ambitions of running their own businesses one day in their life time, and back then in 2010 curio trading was a lucrative business. This is in line with Wherry (2007) who established that curio handicrafts are a key component in the Malaysian economy that provides numerous employment opportunities. The finding bores well in Zimbabwe given that the country experienced de-industrialization for close to two decades now hence most people are finding it increasingly difficult to secure jobs in the formal market. In addition, Matabeleland is traditionally a dry region characterised by erratic rainfall with very limited agricultural



opportunities. At the inception of dollarization the average salary in the civil service was \$100, so it made economic sense for one to engage in curio trading back then.

It is evident that most of the respondents in Victoria Falls have devoted themselves into the art and craft industry mainly because there is no employment opportunities in the country, therefore the art and craft industry was the only industry which had low barriers to entry. Most of the population indicated that they were the victims of the massive job retrenchment in Zimbabwe.

“I was laid off in 2007, and ever since then I could not get employment so I have been surviving on selling these artefacts”, said one respondent.

Hence one may conclude that the curio business is filled with individuals who were left with nowhere to go after the economic melt-down. Although an insignificant number pointed out that they were engaged in the art and craft industry mainly because they wanted to fulfil their ambitions to be an artisan. The findings concurred with the study by Wijngaarde, (2014) in India who indicated that most of the individuals involved in the art and craft industry is mainly because the art and craft industry is the major employer in the country both in rural and urban areas.

Challenges faced by the curio traders in Victoria Falls

Respondents outlined that the main challenges they were facing include very low business, competition from fellow traders who are now selling the same merchandise in countries like South Africa and Botswana, unsuitable location of stalls, lack of support from the SMEs ministry, low opinion from the general public owing to the vendor tag, lack of transparency in the allocation of curio stalls, one has to bribe local council officials to secure the curio stands, absence of running water and ablution facilities, and liquidity crunch. These challenges cut across all the sectors of the economy of Zimbabwe. Curio vendors attribute the multi-currency regime as the author of these challenges.

Effects of the dollarization of the economy to the curio traders in Victoria Falls

Respondents expressed mixed feelings on the impact of the dollarization of the economy on their business. Some indicated that the dollarization of the economy brought about some benefits like stabilisation of prices, putting inflation on check, hence vendors could properly plan in the craft and art industry, whilst others felt that the over valuation of the \$US made their wares very uncompetitive. Overall, the dollarization of the economy was a double edged sword for curio traders in that it brought to an end the hyperinflation, stabilised the prices but the joy was short lived as the USD firmed thus rendering curio items uncompetitive despite the huge input expenses, and liquidity crunch.

Prior to ‘dollarisation’, some respondents indicated that they could spin and burn money after a sale which they could no longer do after dollarization. They were no able to spin or nor burn the money into US dollars like what they used to do with the Zimbabwean dollar wherein they could sell items in the Zimbabwean dollar and spin the money into US and could get an amount of US \$100 considering the fact that the US dollar was not yet fully recognized. One hundred dollars could sustain their livelihoods and they indicated that by that time the curio industry was a better paying off sector, however, when the economy was dollarized there were no more opportunities to spin the money.



An important note is, that when there are important events like the UNWTO General Assembly, curio traders are not given the opportunity to maximise sales since they are not allowed anywhere near the venues of such events. Vendors feel that by so doing the Zimbabwean government does not encourage and support indigenous curio traders, which is an affront to its much vaunted indigenisation policy.

Conclusions and practical implications

The curio business in Victoria Falls is more like a pastime activity because of a very few number of buyers both locally and internationally. There is very little business for these traders in Victoria Falls mainly because there is low traffic in the tourism sector as a whole. Curio traders have resorted to a survivalist approach, selling airtime, vegetables, and some operating eco-cash kiosks, which proved that curio trading is no longer lucrative.

The indigenous curio traders are living far beyond the poverty datum line and are caught in a vicious cycle of poverty since they struggle to pay market stall rentals yet they realize next to nothing from sales. Such a bad state of affairs is not peculiar to the Victoria Falls curio sector but cut across the Zimbabwean economy. In fact the scenario at Victoria Falls is a microcosm of a bigger picture of the challenges attendant to the Zimbabwean dollarized economy.

There was also a notable trend in the demographics of respondents in that there was a fair sprinkle of vendors who were degree holders; which speaks volumes about the extent to which the Zimbabwean economy has deteriorated over the past few years. It was unheard of to find people with formal education engaging in curio vending. It is also a cause of concern that some of curio traders do not have proper sanitation facilities despite being up to date with their payment of market stalls. This is a human rights issue that flies against the government's empowerment drive.

The craft industry is now flooded that there is much competition amongst craft traders and this has also led to the deterioration of nearby environments like the Jambesi. The study discovered that the most population involved in the curio business is not by choice but was pushed by lack or poverty and unemployment in the country therefore the curio industry was the only option as by 2010 there was a recognizable traffic of international tourists who could buy these products. The indigenous curio traders in Victoria Falls are living a tough life since they are surviving with debts throughout and have no other option to such an extent that they exchange their products with items like mealie-meal and soap, also they can negotiate for items selling for twenty dollars to five dollars or to second hand shoes or clothes just for them to survive.

Recommendations

The study recommends that Victoria Falls curio traders invest in training and development during this lean economic environment. They should enroll for evening and weekend classes so that they acquire or upgrade their entrepreneurial skills. Handicraft producers need much



more training in product design and development in order to successfully enter and compete in the global market provided the economy turns around.

The other recommendation is for curio traders to form trade associations in order to gain a competitive edge in the export destinations through enhancing togetherness in marketing and producing in bulk thus enjoying the advantages of economies of scale. In a study by Amin (2006) it was established that after Malaysia launched its online portal and mobile application which allowed customers around the world to purchase Malaysian handicrafts online saw an increase in revenue gained from handicrafts sector for the Malaysian economy.

The inclusion of curio wares into tourism packages can also be cited as a recommendation that may enhance the curio industry and encourage tour operators to expand itineraries to destinations in Zimbabwe like Victoria Falls curio markets. This was done at Mwenge handicraft center in Kenya where the curio wares were included in the tourist packages and it improved tourist visitor ship and revenue to the curio traders. The ZTA should give complementary exhibition stands to curio traders so that they can market themselves during the Travel expo, and curio traders should also improvise and pool resources together and start exhibiting at shows held at provincial levels such as the Harare Agricultural show and thus that they obtain exposure to the market outside Victoria Falls.

Suggestion for further research

The study recommends that future researchers replicate this study at a macro level using a different methodological approach. Another line of research, could be to explore policy interventions and government incentives as a way of cushioning indigenous curio traders from a myriad of challenges they are facing at the national level.

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African Journal of Hospitality, Tourism and Leisure, Volume 6 (1) - (2017) ISSN: 2223-814X Copyright: © 2017 AJHTL - Open Access- Online @ [http://: www.ajhtl.com](http://www.ajhtl.com)

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