



Indirect Impacts of the Tariffs on Women in the Informal Sector in Zimbabwe

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Abstract

Zimbabwe's informal sector, one of the largest globally, is dominated by women. This case study shows that even countries with minimal US trade exposure experience US tariff impacts, albeit indirectly. Zimbabwe faces second-order effects through trade with South Africa, where tariff impacts and rising prices cascade, given the sizeable formal and informal trade between the two countries. Focusing on informal vendors and cross-border traders, this study examines how women in the informal sector – already lacking social protection – are especially vulnerable to macroeconomic shocks. It also contextualises these developments within Zimbabwe's history of externally imposed trade liberalisation and its current policy of seeking re-engagement with the US after decades of sanctions.

1. Introduction

Zimbabwe is an unusual suspect through which to analyse the impacts of US tariffs. Its trade with the US is limited: Exports to the US consistently account for less than one per cent of total exports (ZIMSTAT, 2026), due to over 20 years of US sanctions and Zimbabwe's exclusion from the African Growth and Opportunity Act (AGOA). These dynamics are illustrated in Figure 1, which shows that trade flows with the US are minimal and did not shift significantly following the initial 18 per cent tariff imposed by the US in April 2025 (later revised to 15 per cent in August 2025) (ZIMSTAT, 2026).

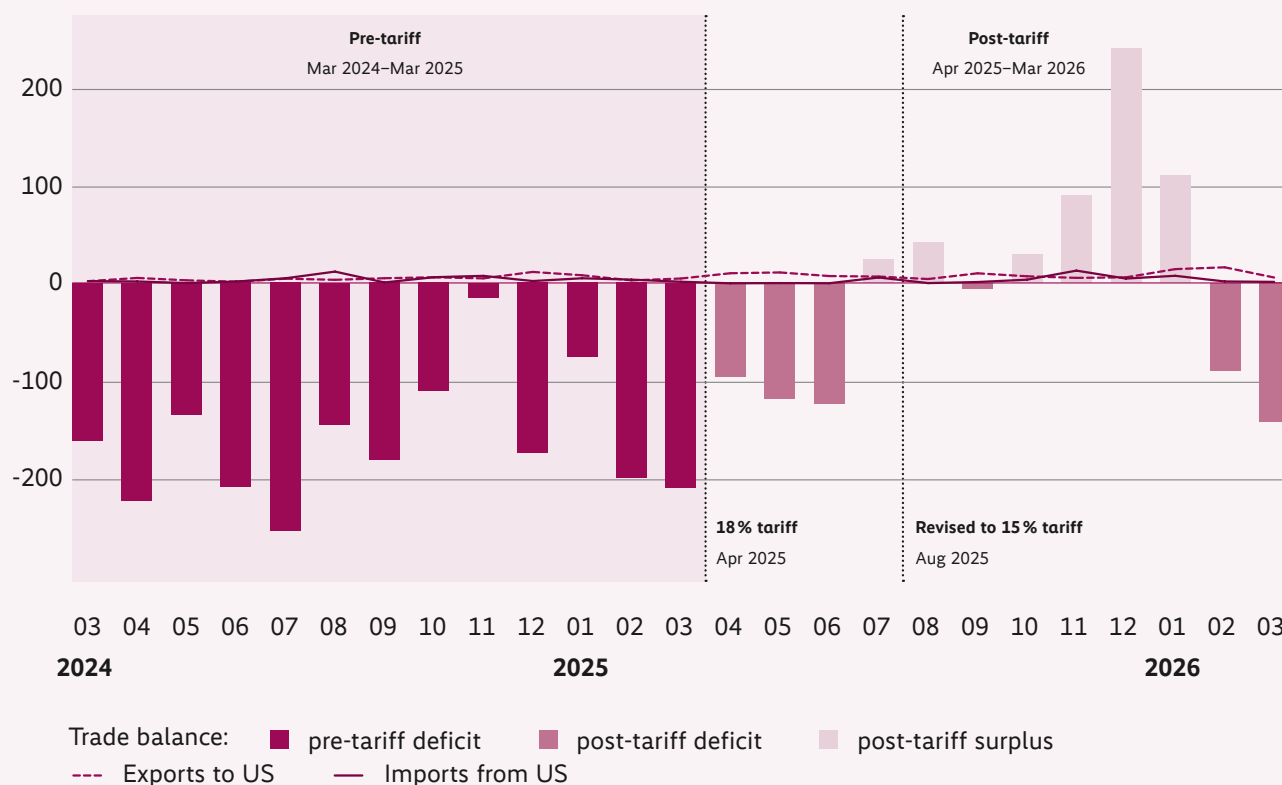
Zimbabwe's economic activity is driven primarily by its informal sector – among the largest in the world – rather than formal, export-oriented sectors. The women-dominated informal sector contributed 60.4 per cent of GDP in 2020 and employed 79.8 per cent of all workers in 2019 (World Bank, n.d.-a). Only around two per cent of women-owned micro, small, and medium-sized enterprises (MSMEs) (most of which are informal) export goods (UN Women, 2025).

This case study shows that even countries with minimal US trade exposure can indirectly experience tariff impacts – primarily through trade with more directly affected states such as South Africa, which is one of Zimbabwe's largest

Fig. 1

Zimbabwe: overall trade balance vs US trade flows (M US dollars), 2024–2026

Monthly values, Mar 2024–Mar 2026. Bars = overall trade balance, lines = Zimbabwe-US bilateral trade only. US tariff on Zimbabwe: 18 % (Apr 2025), revised to 15 % (Aug 2025). US lines near-invisible at this scale – illustrating structural non-dependence.



Zimbabwe overall trade balance vs. US trade flows: 2024–2026. Source: Zimbabwe National Statistics Agency (ZIMSTAT) External Trade Database 2026. Data in 2026 is only available till March 2026.

Box 1

Key Facts and Figures about Zimbabwe's Economy Limited exports to the US

0.84 %

of all exports are sent to the US (Aug 2025)

World's second largest informal sector

60.4 %

of informal output as a percentage of GDP (2020)

Women-dominated informal sector

64 %

of those in rural informal sector are women

Women-owned MSMEs rarely export

2 %

of women-owned MSMEs export (UN Women, 2025)

trading partners.¹ It is particularly important to examine such indirect effects in Zimbabwe's case, given that women in the informal sector lack social protection and are acutely exposed to macroeconomic and trade shocks. The causes and consequences of these shocks are often difficult to dis-

tinguish. As such, this case study applies a structural lens that reviews how trade shocks combine with other events (e.g. reduced health financing) to amplify negative gendered impacts amongst informal sector workers.

¹ South African imports are especially significant to Zimbabwe's economy. In February 2026, goods from South Africa constituted 35.19 per cent (the largest figure for all countries) of formal imports. However, formal exports have been more volatile, ranging from 21.73 per cent in December 2025 to 9.75% in February 2026. All statistics come from ZIMSTAT.

2. Trade Liberalisation and Zimbabwe's Women-dominated Informal Sector

At independence in 1980, Zimbabwe had a relatively diversified economy, with manufacturing the largest contributor to GDP at around 25 per cent – »exceptional by sub-Saharan African standards« (Kanyenze, 2006: 275). However, as economic performance stalled in 1991, Zimbabwe adopted IMF and World Bank-backed reforms under the Economic Structural Adjustment Programme (ESAP). Trade liberalisation replaced the country's earlier import-substitution strategy to increase exports (Kanyenze, 2011).

One of the most significant consequences was the rapid contraction of formal employment – particularly in manufacturing, where output declined by over 20 per cent – and the expansion of a feminised informal economy. Liberalisation was especially detrimental to women-dominated sectors including textiles, clothing, and footwear, hit by influxes of cheaper Asian goods (Kanyenze, 2011). Women increasingly turned to informal activities like cross-border trading and street vending to compensate for lost income (Tekere, 2001). Cross-border trade with South Africa became a core livelihood strategy. Survey evidence shows that among Zimbabwean women who had travelled to South Africa, 65 per cent did so to trade goods, compared to one-third of men (Chikanda, 2024).

This structural shift has disproportionately exposed women to precarious working conditions with limited social protection, making them particularly vulnerable to macroeconomic shocks (Tekere, 2001; Muchichwa, 2019). Women constitute the majority of informal-sector workers; in rural areas, women make up 64 per cent of all informal-sector participants (Muchabveyo *et al.*, 2025). As a result, 76.6 per cent of women – compared to 59.9 per cent of men – are engaged in vulnerable employment lacking formal work arrangements, social protection, and adequate safety nets (World Bank, n.d.-b).²

3. Gendered Impacts of US Tariffs in Zimbabwe

Box 2

A note on causality and data

The evidence here does not establish a simple causal chain from US tariffs to gendered impacts in Zimbabwe, but presents a plausible indirect mechanism through trade with South Africa. Where claims are based on interviews, they are framed as reported observations rather than verified economy-wide trends. Reliable macroeconomic data on the informal sector is limited, making it difficult to corroborate perceptions with empirical evidence. Some interviewees argue the tariffs are unlikely to have had any impact given limited US trade, while others could not disentangle potential tariff impacts from other economic shocks. Seven interviews were conducted for this case study, but some are not cited as they were used as framing, rather than as data.

4. Regional Transmission Channels of (Gendered) Tariff Impacts

Zimbabwe's diverse informal sector includes activities such as vending, cross-border trade, small-scale food processing, poultry rearing, tailoring, and much more. This case study relates to informal-sector workers engaged in vending, cross-border trade, and sex work; many of the informal-sector representatives interviewed primarily work with street vendors in urban areas.

US tariffs have reportedly contributed to an environment in which informal trading and vending have become less lucrative due to rising input costs for vendors importing goods from South Africa (which has more substantial trade with the US than Zimbabwe) (KII1; KII2). One interviewee notes that »South Africa is at loggerheads with the US, and they are our warehouse (...) Selling prices [of inputs and goods sold by informal sector vendors] go up because we import from South Africa.«(KII1) As a result, women are reportedly earning less from informal economic activities, especially cross-border traders who rely on sales in or goods from South Africa (KII2).

Faced with declining incomes, some vendors work longer hours – while still carrying the same unpaid care responsibilities at home – or turn to microfinance lenders with exorbitant borrowing costs (KII1). One interviewee notes that when women cross-border traders have to leave for longer to work, it negatively impacts family dynamics as women are expected to be present in the household (KII3). On economic shocks

² The World Bank defines vulnerable employment as own-account workers (self-employed workers who work alone or with partners and do not regularly employ others) and contributing family workers (own-account workers in a market-oriented establishment operated by a relative in the same household) (World Bank Group, n.d.-c; World Bank Group, n.d.-d).

more broadly, an interviewee describes how income losses have a more pronounced effect on informal-sector women in rural areas compared to their counterparts in urban or peri-urban areas, as they lack information, networks, and financial resources (KII3).

5. The Growing Illicit Nature of Informal-Sector Work and Links to Health Concerns

One interviewee identified the increasing tendency for women to be forced into illicit informal work as being linked to tariffs (and other economic pressures). For instance, young women are reportedly pushed into sex work amid the persistent scarcity of formal employment and shrinking incomes in the informal sector (tariffs are likely one factor, although the distinct drivers are difficult to disentangle). These women are reportedly less able to cope with economic downturns than older women, who have children and grandchildren to support their informal businesses. Authorities have framed the women as being to blame for the risks of illicit work, undermining scope for informal-sector associations to negotiate with police and local government for safer working conditions and formal recognition for all their members, putting many women in the informal sector at greater risk of economic precarity (KII1).

Women and girls, who are increasingly entering sex work due to tariff-linked pressures, face heightened precarity as a result of what interviewees have described as a structurally underfunded health system in severe decline, a situation made worse by US aid cuts (KII1; KII2). The US was once the largest funder of HIV/AIDS programmes in Zimbabwe until it dismantled USAID and the President's Emergency Plan for AIDS Relief, resulting in the closure of community health services, shortages of HIV drugs, and rollbacks of HIV prevention services for sex workers (Mujuru, 2026; Médecins Sans Frontières, 2025; UNAIDS, 2025). One interviewee points out that HIV incidence is rising sharply amongst the growing number of women and girls in sex work in and around mining areas. This observation aligns with an article from state-owned paper *The Herald*, which notes that new HIV infections are being driven by mining districts, where sex workers have been especially vulnerable (*The Herald*, 2025). Sex workers in mining areas also face heightened risks of gender-based violence – including rape, which increases exposure to HIV and other STIs – as widespread drug and alcohol abuse among miners fuels violent behaviour (Mafongoya *et al.*, 2021).

6. Trade Policy Response: Capitulation to the US and Scant Attention to Gendered Impacts and the Informal Economy

Though it has near-negligible trade with the US, Zimbabwe had a rather significant response to the US tariffs. Days after Trump announced an 18 per cent tariff on Zimbabwe in April 2025, President Mnangagwa removed all tariffs on US imports (previously taxed at 35 per cent) to strengthen relations with Washington and boost bilateral trade (Lawal, 2025; National Competitiveness Commission, 2025). One economist told *Al Jazeera* that cancelling tariffs on US goods could negatively impact production, increase unemployment, and reduce tax revenues by flooding Zimbabwe's market with cheaper US goods (Lawal, 2025).

US imports increased after the measure, nearly doubling from an average of 5.5 million US dollars in the year before the tariff was scrapped to 10.3 million US dollars in the year after (ZIMSTAT, 2026). It is as yet unclear how these imports might affect the economy – if at all. One possibility might be that cheaper US imports could compete with Zimbabwe's formal sectors. If this results in formal sector contraction it could lead to jobs being displaced to the informal sector, increasing competition in the informal sector and shifting the social dynamics within it.³

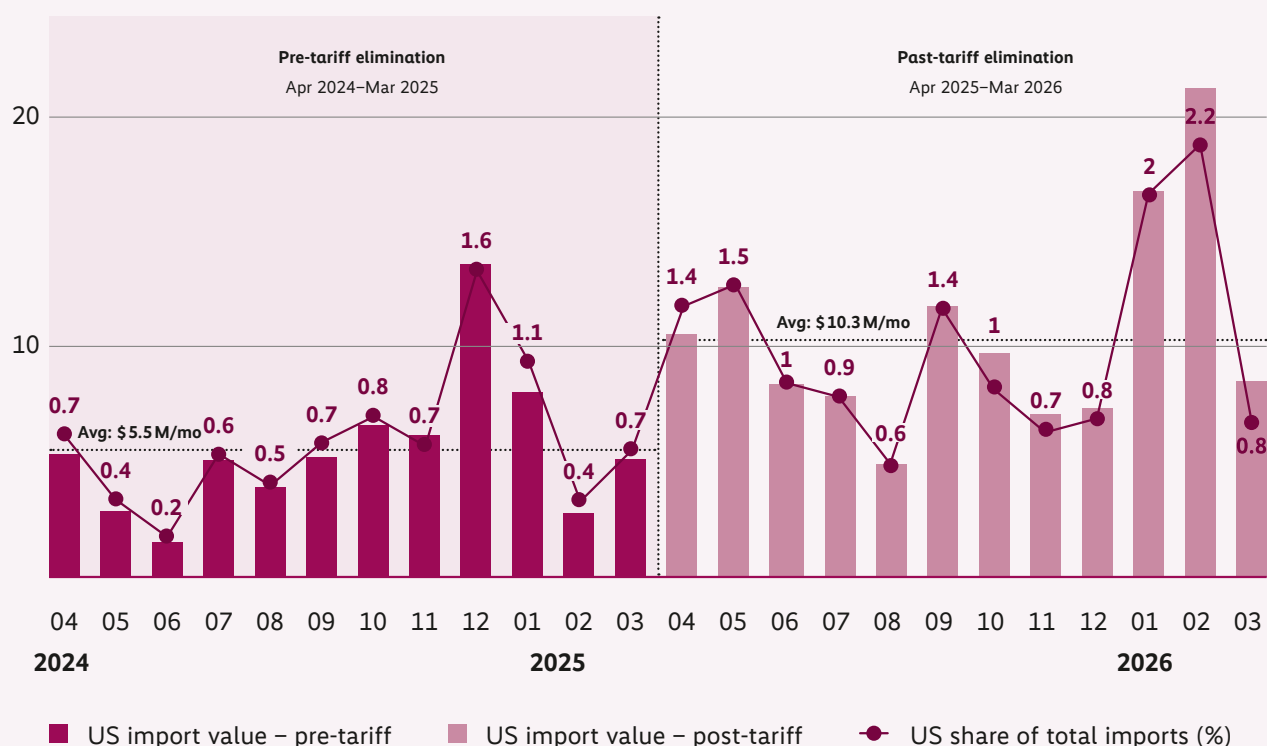
Zimbabwe's policy response reflects a country seeking to re-engage with the US after decades of sanctions. Its removal of tariffs on US goods coincided with the beginning of compensation payments to white farmers displaced during President Mugabe's land reforms in the 2000s – a scheme analysts suggest is aimed at cultivating goodwill in Washington (Lawal, 2025). The public-private national trade body ZimTrade (2025) has identified deteriorating US-South Africa relations as an opportunity for Zimbabwe to strengthen its own trade partnership with the US. However, the compensation payments come out of the public budget – funds that could be used to fill social protection gaps in the informal sector – and the elimination of tariffs on US goods may lead to declines in government revenue (National Competitiveness Commission, 2025), further curtailing the potential to fund social protection.

Interviewees did not have information on whether women, women's groups, or informal workers' groups participated in formulating these policy responses. Available sources also reveal no indication that the government engaged women's groups or weighed gendered impacts. One interviewee noted that »when [the government] implements these policies, it doesn't take into account women [or the] informal sector. It accounts for a small elite.« (KII2) Another claims that in policymaking, the government may engage in dialogue with informal sector representatives, but they are »just discussing« and not making »practical changes« (KII3).

³ On the impacts of shifting social dynamics: KII1 claimed that in the past year, broader economic stress has pushed more men from the formal sector into the informal sector, which has eroded the relational character of the informal sector and its mutual aid networks. For instance, women would watch over each other's wares or share childcare responsibilities while trading; with more men displacing women from the sector, leaving wares unwatched now leads to them being stolen.

Zimbabwe: US imports – value & share of total, 2024–2026

Monthly values, Apr 2024–Mar 2026. Bars = US Import value (US\$M); dashed orange line – US share of total imports (%). Dotted lines show period monthly averages. Zimbabwe eliminated tariffs on US goods in Apr 2025.



Zimbabwe imports from the US: 2024–2026. Source: Zimbabwe National Statistics Agency (ZIMSTAT) External Trade Database 2026. Data in 2026 is only available till March 2026.

7. Gender-transformative Trade and Economic Policy

Drawing on insights from labour economists, informal sector representatives, and trade union actors, the following recommendations address structural drivers of gendered vulnerability to trade shocks:

- 1. Industrial policy & market diversification:** Rebuild domestic productive capacity through industrial policy focused on value addition – particularly in mineral sectors – alongside investment in core production enablers (electricity, transport, water systems), to diversify beyond primary commodities and reduce import dependence.
- 2. Formalisation, social protection, and support for the informal economy:** Ensure an adequately resourced and phased implementation of Zimbabwe's National Formalisation Strategy, which was developed through consultation with women in the informal sector (KII4).⁴ This requires sustained, bottom-up engagement with informal workers and their representative associations,

particularly women-led organisations. Priorities should include basic infrastructure (safe trading spaces, sanitation, storage), social protection and care infrastructure (childcare, healthcare, transportation), and enforcement of legal safeguards against harassment, extortion, and arbitrary enforcement, including for vendors and cross-border traders. Expand access to and awareness of legal support networks and knowledge to ensure women vendors and cross-border traders are aware of their rights and means of protection against theft of stock, extortion, and harassment.

- 3. Collective bargaining & voice:** Strengthen the institutional role and bargaining power of informal worker organisations (especially if women-led) in economic governance, including in policy design, budgeting, and implementation processes with reference to trade and other macroeconomic issues.
- 4. Gender-disaggregated data:** Collect gender-disaggregated data (e.g. on income, employment, trade, and access to social protection) across formal and informal sectors.

⁴ KII4 was conducted with a labour economist who worked with Zimbabwe's government to develop the National Formalisation Strategy.

This would support future research on the gendered impacts of macroeconomic shocks, particularly as growing trade with the US may restructure trade dynamics in ways that affect women and men differently. Such data will be especially important where trade impacts are

experienced as second-order effects – transmitted regionally or spilling from formal into informal industries – and so risk going unnoticed, leaving women in the informal sector neglected in macroeconomic policy responses.

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Imprint

Publisher

Friedrich-Ebert-Stiftung e.V.
Godesberger Allee 149
53175 Bonn
info@fes.de

Publishing department

Division for International Cooperation |
Global and European Policy

Responsibility for content and editing

Katia Schnellecke | International Gender Justice and Feminism

Editing

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Design / Layout

Brendle Grafik | Design, Stefanie Brendle

Image credits

picture alliance / Ikon Images | Stuart Kinlough

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September 2026

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