

# Effects Of Government COVID-19 Regulations In South Africa

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## Abstract

Covid-19 has introduced a new normal for everyone globally. This pandemic has affected the lives of all people regardless of race, economic status, education status, or religious belief. South Africa had to follow the queue on other countries to stop the spread of the virus. The South African government introduced regulations to save the lives of the people and to stop excessive infections. These regulations were designed specifically to address the impact of the pandemic. This is a new normal and these regulations are new, therefore, few studies address the effect of government regulations on the daily lives of the people. The objective of this study is to show the effects of government Covid-19 regulations on the daily lives of the people. Further, the effect is discussed from the economic angle particularly in the working class and the poor. In general, discussions are for the effects of regulations on all economic classes. This study applied secondary research methodology to reach conclusions because the data is available on various platforms such as newspaper articles, all forms of media, and government platforms. This study found that the regulations have contributed to saving the lives of people however, many people suffered economically, small businesses collapsed, people lost employment, poverty rate went up. This had implications in the overall economy of the country which also affects the interest rates and economic rating of the country. South Africa as a developing country finds it hard to recover from the economic loss that was caused by Covid-19 regulations and the inactivity of the economy.

**Keywords:** Regulations, Covid-19, Economic system, Collapse, Government.

## Introduction

Covid-19 has forced people to change their living lifestyles as a result of government regulations and measures to stop the spread of the pandemic. The pandemic came at a time where the economy globally, is not in a good condition. Countries were forced to choose between sustaining the economy and saving lives. Most countries decided to save lives by implementing lockdown regulations and restrictions on the movements of the people to stop the spread of the virus. Countries that have better economies did not suffer a lot because of the lockdown regulations. Developed countries can focus on finding solutions to stop the spread and to facilitate the vaccination process while underdeveloped and developing countries have to focus on saving lives and save the economy

from collapsing (Hoffman, Felter, Chu, Shensa, Hermann, Wolynn, Williams and Primack, 2019: 2217). Africa as a developing continent has been harshly affected by the pandemic and this led to many companies closing down because the economy was suffocated. This study, therefore, presents a narrative that the lockdown regulations might have assisted in saving lives but it contributed to collapsing the economic situations in Africa. The lockdown regulations did not stop the pandemic but only delayed the infection rate, initially, the government introduced lockdown regulations for health institutions to be ready to assist those that will be infected. This has not assisted, instead, it exposed the poor management of health institutions and management in Africa. This article presents a view that the government needs to introduce new strategies to mitigate the

spread of the virus. This, therefore, further suggest that the strategies that have been applied in other countries that were in the same situation as that of South Africa need to be considered (Weiss, Carriere, Fusco, Capua, Regla-Nava, Pasquali, Scott, Vitale, Unal and Mattevi, 2020: 6384). The implementation of the lockdown and the regulations affect the livelihood of the people. While people are trying to fight the pandemic, they are also fighting for their survival against poverty. This paper suggests that to stop the spread and to save massive lives, vaccination of everyone is the solution. The pandemic is not the problem of South Africa only but it is global.

### **Theoretical framework**

The implementation of social distancing by most countries to stop the spread of the pandemic has assisted a lot but it has not stopped the spread of the virus. Lockdown regulations have also not effectively stopped the spread of the virus and the virus became more aggressive even though people were not involved in mass gatherings. The health system is challenged by the virus and the high number of people that are admitted to health institutions put more pressure on health care workers. In this instance, the lockdown regulations must be seen as a mechanism to allow health care institutions to prepare for the massive infections (Verma, Verma, Verma, Abdullah, Nath, Khan, Verma, Vishwakarma and Verma, 2020: 1294). The pandemic has exposed the weaknesses of health care institutions and health care workers. Each country globally has health care workers and scientists, as well as vaccinologists and they, need to devise a strategy or a vaccine that will effectively fight against the virus. Previous studies have shown that the massive pandemic requires lifestyle changes but they do not stop the virus from living and spreading amongst the people (Maftei and Holman, 2020: 05). The present study focused on how the lockdown regulations affect the economic conditions of the people. The pandemic has already caused an economic decline in the lives of many people globally, South Africa included. Companies have closed down, major shareholders have collapsed, businesses are not doing good at all, people are being retrenched. Lock down regulations is the second blow on the economy that is already limping in South Africa. As much as preserving lives of the people is the ultimatum goal but,

there should be a balance to save both, the lives of the people and their economic conditions.

The covid-19 pandemic did not only take the lives of the people but also disrupted all human activities and disarranged all programs. Failure of health institutions to provide viral therapy for the disease forced governments to try something to stop the spread. Lock down regulations were the only attempt to stop the spread. While the lockdown regulations and human movement restrictions were implemented, governments were supposed to fast-track the process of finding a solution. The virus was declared a pandemic and an international disaster by the World Health Organization (WHO) and South Africa also declared the virus a national disaster. South Africa, therefore, developed regulations to substantiate the national disaster act that gave effects to measures to stop the spread of the virus. These measures were immediate and the country like all other countries was not prepared to balance the economy and stop the spread (Shareef, Dwivedi, Wright, Kumar, Sharma and Rana, 2021: 1205). To balance the economy and save lives primarily depends on the attitudes of the society and that of leaders. The lifestyle of the people and the relationship between the people and the government leadership is major factor in the plans to balance the economy and save lives (Mutanga and Abayomi, 2020: 06). This study argues that the balance of the economy and saving lives is possible and it all depends on the government leadership. Sweden for example is one of the countries that did not implement the lockdown regulations but was able to curb the spread of the virus. The country had experienced a high number of infections and a high number of deaths but it did not consider the lockdown as a solution to stop the virus. The country was able to control the infections and at the same time was able to protect the economy and fought against poverty. Schools, businesses, and economic activities are still allowed other regulations such as social distancing, wearing of masks, sanitization is applicable but all those regulations do not harm the national economy (Durizzo, Asiedu, Van der Merwe, Van Niekerk and Günther, 2021: 105).

Another country that did not implement the lockdown regulations at all is South Korea and the infection rate was high but the leadership was able to stop the spread. The country was broadly criticized for not implementing

lockdown regulations because of the high infection rate and death rates. Despite the criticism and higher infection rates, the country was able to control the situation by implementing social distancing, contact tracking, and wearing masks. After aggressive testing, contact tracing, and wearing masks without affecting the national economy, the country registered very low infection rates. These cases and many more other cases of countries that did not implement lockdown regulations are evidence that effective leadership working together with communities without implementing lockdown can curb the spread of the pandemic. However, studies show that the character of the people and the culture of the people contribute to decision-making. The way issues of the pandemic are addressed is solely depends on how people behave and how people are culturally groomed. South African culture and social well beings of South Africans might not be compared to those countries that did not implement lockdown. Nevertheless, something could have been done to balance the economy and the spread of the pandemic (Lippi, Henry, Bovo and Sanchis-Gomar, 2020: 86).

### Methodology

The information related to the pandemic is available on different platforms globally, and findings or results have been shared by different scholars. Different scholars and media reports have been made available for readers and researchers to access such information. Decisions made by different governments and suggestions made by different health institutions and associations such as World

Health Organization are made available. Taking into account this context, the study applied a secondary research methodology (Mohajan, 2018: 24). The secondary research methodology assists scholars to observe, analyzing, and developing some new ideas with the existing phenomenon. Considering the existing information, this study presents a different view of the impact of the lockdown regulations. These views and methods can assist in developing additional ideas to balance the spread of the pandemic and the economy respectively.

### Results and discussion

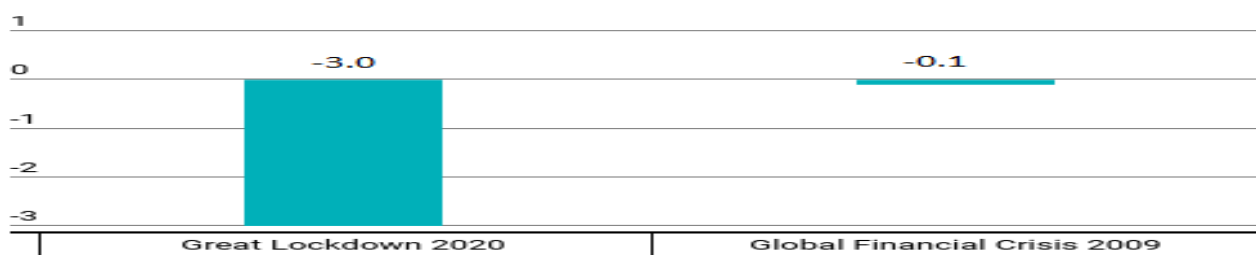
Many countries are facing a triple crisis as a result of the pandemic, health crisis, financial crisis, and social crisis. The main focus has been on the first crisis and not considering everything that contributes to the well-being of the people. Policymakers have dismally failed to produce a mechanism or a policy that will address the issue of poverty and that of economic decline. The implementation of lockdown regulations in most countries has affected the economy and countries have experienced a recession. The recession has caused depression for many people especially those who have lost their basic income. Since the first implementation of lockdown in 2020, economists and financial advisors have been notifying leaders about the possibility of the world experiencing the worse recession. Leaders have not introduced a better option to save lives and at the time saving the economy.

**Figure 1:** Recession as a result of the lockdown.

### The Great Lockdown

**The world economy will experience the worst recession since the Great Depression.**

(real GDP growth, year-on-year percent change)



Source: IMF, *World Economic Outlook*.

**Source:** IMF, World Economic Outlook, 2021.

The above figure 1, is a reflection of how the lockdown regulations globally, have affected the economy. The damage that has been caused by the lockdown in 2020 alone has produced some widespread bankruptcies. The pandemic alone has affected the economy and the lockdown has contributed immensely. The economy globally has been hardly affected by the lockdown, the crisis is around 9 trillion US dollars. Countries that strongly relied on hospitality, travel, entertainment, and tourism have lost a lot of revenue. Developing economies have been disrupted by the pandemic and the lockdown regulation. Developing countries are already in debt and the pandemic is making it hard for countries to repay their loans. Countries are already in a recession and their markets are not doing good at all. Advanced economies and developing economies are both affected by the lockdown and the economic activities (Tirachini and Cats, 2020: 02).

The economies globally, are projected to have a negative growth rate of -3.0 percent in 2020 and 2021. The income per capita is expected to decline and produce a dire psychological impact in more than 170 countries. The economies were expected to have relief and slight growth in 2021 but with the countries experiencing the new waves, it is impossible. The new waves have forced countries to re-impose the lockdown to curb the spread. Countries did not learn much about how the economy was suffocated by the first lockdown when the virus was still new and at that time, it was understandable because countries did not know what to do. Now that countries are aware of the consequences of the lockdown, an alternative should have been introduced (Chao, 2021: 171).

The lockdown has consistently and continuously failed to be a solution to stop the spread of the virus however, the numbers have dropped. The plan to introduce the lockdown was to allow the health system to adjust and

prepare for the pandemic and allow the economic activities to be adjusted. This plan has not been successful because the more the lockdown the more the economy suffers. Trade restrictions are not helping the situation or reducing the spread of the pandemic but the economy is suffocated drastically. The global efforts to stop the spread of the pandemic and to vaccinate the world are not addressing the issue of the economy. The pandemic has produced mixed emotions for the people especially when it comes to the global economy. Countries that are developed have not assisted in developing underdeveloped countries yet, they claim to care for underdeveloped countries and the lives of the people. Developed countries rely on underdeveloped countries and exploit those who are coming from underdeveloped countries (Shaw, Kim and Hua, 2020: 100).

The pandemic has suffocated the economy, the pandemic still exists while health practitioners are still trying to find a solution, most companies will collapse. Policymakers have a responsibility to ensure that people can survive despite the lockdown regulations. Policymakers must allow the economy to flow even during the hard lockdown. Most developing countries have failed to allow the economy to grow or to be flexible during the lockdown period. Countries have witnessed the liquidation of most previously dominated companies, a high unemployment rate, and people losing their benefits. Policymakers and government leaders in Africa have failed to save the economy, instead, they borrowed money from IMF to keep the economy flexible. This failure might not be showing an impact on the daily lives of the people at the moment but it will have a negative impact in the long run. The fiscal stimulus of African countries is highly affected by the lack of economic activities during the lockdown.

**Figure 2:** World economic growth projections

# Latest World Economic Outlook Growth Projections

The COVID-19 pandemic will severely impact growth across all regions.

(real GDP, annual percent change)	2019	PROJECTIONS	
		2020	2021
<b>World Output</b>	<b>2.9</b>	<b>-3.0</b>	<b>5.8</b>
<b>Advanced Economies</b>	<b>1.7</b>	<b>-6.1</b>	<b>4.5</b>
United States	2.3	-5.9	4.7
Euro Area	1.2	-7.5	4.7
Germany	0.6	-7.0	5.2
France	1.3	-7.2	4.5
Italy	0.3	-9.1	4.8
Spain	2.0	-8.0	4.3
Japan	0.7	-5.2	3.0
United Kingdom	1.4	-6.5	4.0
Canada	1.6	-6.2	4.2
Other Advanced Economies	1.7	-4.6	4.5
<b>Emerging Markets and Developing Economies</b>	<b>3.7</b>	<b>-1.0</b>	<b>6.6</b>
<b>Emerging and Developing Asia</b>	<b>5.5</b>	<b>1.0</b>	<b>8.5</b>
China	6.1	1.2	9.2
India	4.2	1.9	7.4
ASEAN-5	4.8	-0.6	7.8
<b>Emerging and Developing Europe</b>	<b>2.1</b>	<b>-5.2</b>	<b>4.2</b>
Russia	1.3	-5.5	3.5
<b>Latin America and the Caribbean</b>	<b>0.1</b>	<b>-5.2</b>	<b>3.4</b>
Brazil	1.1	-5.3	2.9
Mexico	-0.1	-6.6	3.0
<b>Middle East and Central Asia</b>	<b>1.2</b>	<b>-2.8</b>	<b>4.0</b>
Saudi Arabia	0.3	-2.3	2.9
<b>Sub-Saharan Africa</b>	<b>3.1</b>	<b>-1.6</b>	<b>4.1</b>
Nigeria	2.2	-3.4	2.4
South Africa	0.2	-5.8	4.0
<b>Low-Income Developing Countries</b>	<b>5.1</b>	<b>0.4</b>	<b>5.6</b>

Source: IMF, *World Economic Outlook*, April 2020

Note: For India, data and forecasts are presented on a fiscal year basis, with FY2020/2021 starting in April 2020. India's growth is 0.5 percent in 2020 based on the calendar year.

INTERNATIONAL MONETARY FUND

IMF.org

**Source:** IMF, *World Economic Outlook*, 2020

The above figure shows that the lockdown measures have drastically affected the global economy. Advanced economies did not suffer that much when compared with emerging economies or markets. The difference between both economies is an indication that countries cannot use the same strategies and tactics to curb the spread of the pandemic. Emerging economies had to find a better alternative to curb the spread of the pandemic without upsetting the economy. The issue of finding a solution to stop the spread of the virus has been rushed, people are still affected and dying daily

even under the current circumstances and the lockdown regulations. Those who are well vested with knowledge of the pandemics and viruses should be given time to deal with the pandemic. The global community should be focusing on investing money in scientists and doctors to fight the pandemic. If needs be, the global community should unite regardless of the country of origin and discuss the issue of vaccines (Seekings and Natrass, 2020: 106).

Lockdown is not only affecting the global economy but it is also has been identified as the cause of the psychological breakdown of many people. It also caused a lot of domestic violence

in many communities. About 2.6 billion people globally, experience the lockdown this will soon result in a secondary epidemic of burnouts and stress-related sicknesses. The toxic effects of the lockdown and regulations cannot be equal to the impact of the Covid-19 pandemic but the impact is huge. The pandemic is still the main killer of the people globally but the economy should also be considered. The lockdown is for everyone, those who have been vaccinated, those who do not have underlying conditions, and those who are at risk (Leung, Cheng, Lam and Migliori, 2020: 557). The lockdown regulations are also applicable to rich and poor people, some people might not be affected by the lockdown regulations but millions of people are highly affected and their economic status is mostly affected. Poor people are not able to access money to provide for their families while those who have stable

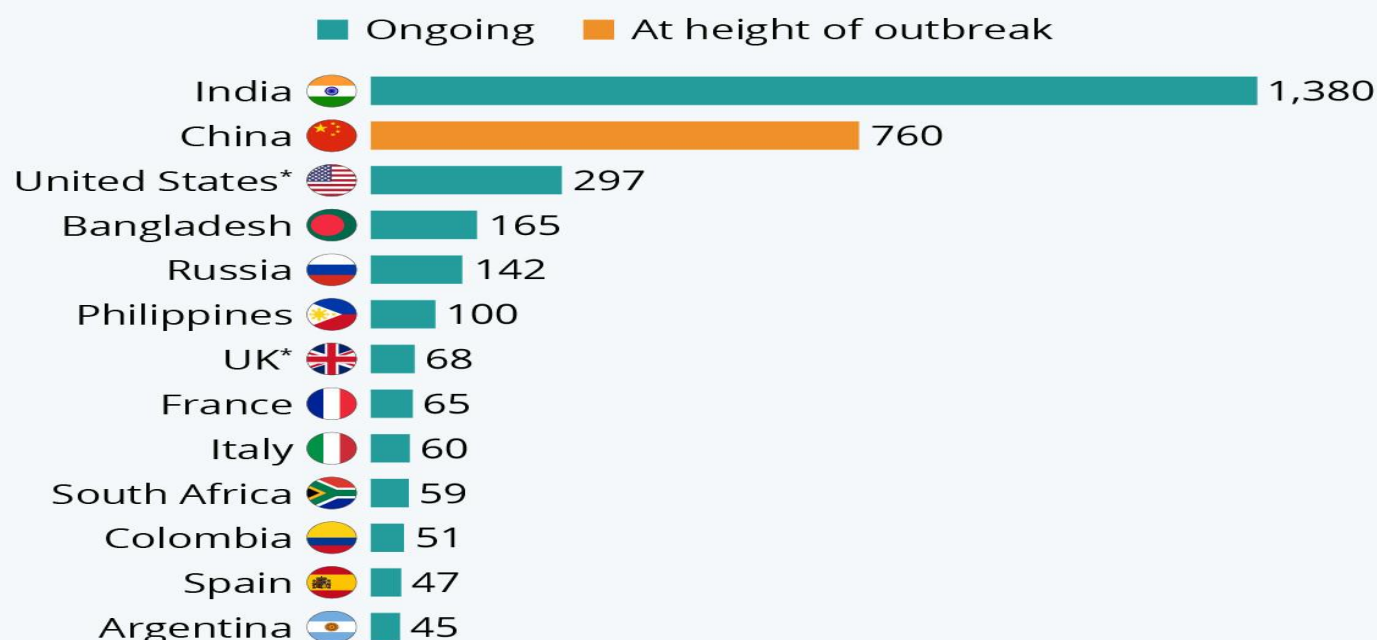
employments can work from home and receive an income. Those who have saved enough money for their families can survive while those who rely on their informal businesses and piece jobs are suffering and hungry.

Low-income and developing countries have people who view the lockdown and regulations as a burden to further oppress them because they also suffer under normal circumstances and the lockdown made things far worse. Those people are experiencing psychological wounds and no one is providing economic support and counseling for those people. Governments globally, are using a blanket approach in addressing the issues related to the pandemic and possible solutions to stop the spread.

**Figure 3:** the global size of people affected by the lockdown in numbers

## The Size of Coronavirus Lockdowns

Number of people placed on enforced lockdown due to the coronavirus pandemic, per country (in million people)



\* At least partly enforced  
Source: Media reports



statista

**Source:** Statista media report, 2021

Figure 3 present the analyses of the lockdown and the number of people affected by the

lockdown regulations globally. This is the combination of different countries with different economies and the lockdown impacts



the economy according to the national economic capacity. India has the largest population and the country has experienced the highest number of Covid-19 fatalities. Despite the lockdown regulations and other measures implemented to stop the spread, people were still affected and died. The lockdown in most of the countries that are listed above harmed the people. People have developed symptoms of psychological stress disorder, insomnia, anxiety, low mood, emotional exhaustion, and low mood. South Africa has a population of 59 million and it is still a developing country with an economically deep divided society. The population of the country is mostly dominated by young people, with a median age of 27,6 years old. The country has nine provinces, all provinces have mostly young people. Initially, when the corona virus came to South Africa, the most victimized people were adults and over the age of 60 or people with underlying health conditions. For a country to initiate a lockdown and to shut down the economy completely without having to introduce an alternative, harmed the South African economy. This action has negatively affected the economy; the South African economy was in its worse condition ever (Torry, 2021: 42).

Lockdown regulations had forced people to adjust in their daily lives which include access to basic needs and services. Essential goods such as food were not easily accessible because most shops change the operating hours and some has collapsed or closed down because of the lack of market. Not only shops and tuck shops have collapsed, but also those who had a stable job had suffered. Out of the lockdown situation, the biggest loser remains the poor people, the working class, and the poor of the

poorest. The less privileged people suffered the most and their living conditions changed from bad to worse as a result of the lockdown. The lockdown has presented a double burden to the poor people, firstly, they are not able to look for better economic activities, secondly, they are forced by the lockdown to stay at home and die because of hunger (Piquero, Riddell, Bishopp, Narvey, Reid and Piquero, 2020: 602). Those who are suffering, prefer to look for better economic activities despite the pandemic. Society has been divided by the lockdown regulations, part of the society prefers to have economic activities opened while people observe other safety precautionary measures. For them, the lockdown is more aggressive compared with pandemic which forces them to go to bed hungry.

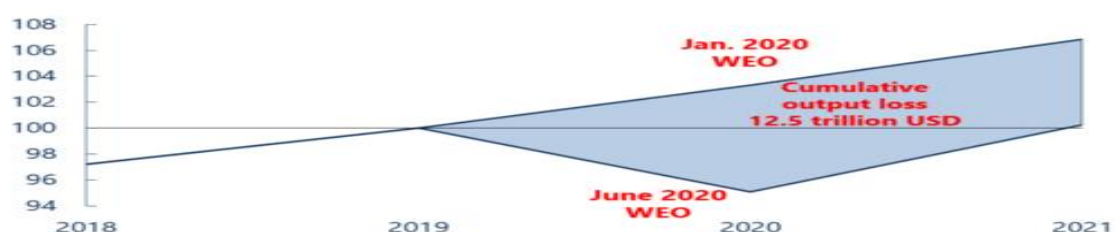
The impact of lockdown is more effective in disturbing the economy more than the initial reason behind the implementation. The lockdown in a highly populated community is not serving the purpose of implementing lockdown. Poor communities are living in slums, shacks, and other means of informal settlements which have little or no mechanism to implement the social distancing. The highly populated communities suffer a lot because of the lockdown while the spread of the virus remains high because of their living conditions. Another element that is not taken into consideration before implementing the lockdown is the mental health of the people. Most people had suffered from mental illnesses because of the lockdown. Lockdown has shown the inequalities of the country and those who are less privileged have suffered more.

**Figure 4:** output losses because of lockdown

### Output losses

The cumulative output loss to the global economy across 2020 and 2021 from the pandemic crisis will be over \$12 trillion.

(global real GDP level, index)



Sources: IMF, *World Economic Outlook*; and IMF staff calculations.

**Source:** IMF, 2021

Due to lockdown globally, countries have been downgraded by economic grading agencies. There was an estimation of how the economy will be affected by the lockdown globally, but the outcome is worse than expectations. The above figure 4 shows that the global economy has lost more than 12.5 trillion USD due to the lockdown. The downgrading of countries is a burden and it also forces countries to find alternative ways to uplift the economy. The labour market has also been badly affected by the lockdown. Employees did not only lose their jobs but they are also left with a burden to see their families starving and brutalized by the poverty. The intervention of the government is limited and temporal (Atangana, 2020: 109). When the lockdown affected various sectors such as tourism and hospitality, people that suffered the most are not tourists but the employees. The lockdown increased the inequality in South Africa and many countries. This harmed the international community and this led to a need for the international community to initiate debt relief and grants for the emerging markets and developing countries. Measures to balance the international economy under the lockdown will not be effective. Regardless of the measures to improve the economy, public debt is expected to rise because of the lockdown.

## Conclusion

The economy of the African countries is struggling and the lockdown regulations had made things worse. European countries have suffered because of the lockdown but the economy did not suffer because of the national economy of European countries. Implementation of the lockdown regulations was rushed for African countries to save the lives of the people. The virus did not give leaders any choice but to implement measures to stop the spread of the virus. Lockdown, social distancing, wearing of the masks has been seen as a temporal solution to stop the spread of the virus. Despite all the measures applied by countries, the spread of the virus remained high. This study, therefore, argued that the lockdown regulations could have been adjusted to allow the economy to be flexible. The economy has been suffocated by the lockdown regulations and put a burden on the government to provide for the people. In South Africa, the government had to borrow money

on behalf of the citizens and allocate a grant to the unemployed people.

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