

The Keynesian Model Made Axiomatic Amid the Incessant Effects of The Pandemic: The Case of South Africa

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Abstract

Whilst economists hold a perpetual paradox on whether government spending is an effective way to invigorate the economy, the [International Monetary Fund](#) and the South African authority are of the opinion that the country's meagre economic growth performance over the years is attributable to the effect of the supply-side factors. As a result, the South African regime has preferred to decrease rather than increase its expenditure before the COVID-19 pandemic. The study is based on the main plank of the Keynesian principle, which proclaims that aggregate demand is the impelling cause in an economy. This issue is revisited when the economy is placed on life support by the effects of the coronavirus, an unstoppable juggernaut of a pandemic. This article concludes that the South African government should rather choose to increase expenditure to undertake a fiscal stimulus to grow the economy and reduce poverty amid the incessant effects of the pandemic.

Keywords: Keynes's theory, government expenditure, COVID-19, case study, South Africa

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European Journal of Economics, Law and Social Sciences ISSN 2519-1284 (print) ISSN
2510-0429 (online)

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