

## Fiscal Response to Covid-19 Pandemic in the Eastern Cape Province, South Africa

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### Abstract

The global economy has been hit by the coronavirus pandemic to which governments and policy makers have had to balance between sustaining livelihoods and saving lives. The detrimental impacts of the pandemic called for an inevitable and immediate fiscal response. The aim of this paper is to outline the magnitude of the effects of the pandemic in the eastern cape province and the fiscal response towards Covid-19 economic recovery. Given the effects of the pandemic on Eastern Cape's economy, this paper established that fiscal policy intervention should target sectors with high labor absorption capacity and those sectors with high contribution towards the GDP of the province. In this paper we argue that there is need for a *double bullet* response; meaning that the response should simultaneously address the effects of the pandemic in terms of health and the socioeconomic problems resulting from the pandemic in the Eastern Cape Province.

**Keywords:** Fiscal policy, COVID-19, Eastern Cape Province, South Africa.  
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