

The Economy and Unemployment Under Covid-19: A Review of The South African Government's Response

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Abstract

The World Bank Group's 13th edition of the South Africa Economic Update (SAEU) and the Statistics South Africa concur that COVID-19 pandemic worsened the country's economic trajectory which was already experiencing low levels of employment. South Africa's level of employment and economic status were far below the standard of most middle-income countries even before the pandemic. The high unemployment rate has been attributed to a decade characterised by weak job creation strategies. The report from SAEU also finds that the job market was severely affected and that recovery has been slow despite the government's prompt response to the pandemic. This paper seeks to explore the effects of COVID-19 on the job market economy. The paper further seeks to review the south African government's efforts in mitigating the economic impacts of the pandemic and resulting unemployment hike. Using existing literature and relevant reports, the paper argues that South Africa's overall economic response to the pandemic was insufficient particularly in the labour market despite the many sizable social and economic relief measures. Furthermore, the paper provides recommendations on how the South African government can improve its efforts in dealing with both the immediate and long term impact of COVID-19 on the economy and unemployment. It is recommended that greater support for small businesses should be introduced as well as offering tax rebates to businesses creating labour intensive jobs.

Key words: *Economy, employment, COVID-19, labour market, job creation.*

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