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# COVID-19 AND ITS IMPACT ON THE LIVELYHOOD OF THE POOR OF THE POOREST PEOPLE IN SOUTH AFRICA

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## ABSTRACT

The emergence of Corona virus also known as COVID-19, has undoubtedly changed the political, economic and global affairs. It is business as unusual for many countries around the world. Most countries have put hands in the deck to curb the spread of the pandemic. They have introduced various measures like the total shutdown, as a way of containing the spread of the virus. The virus has already claimed more than 10 thousand people and has infected over a million globally. Africa is not spared from the pandemic. Presently, the numbers of infections are still lower as compared to those in other continents. However, it is just a matter of time when the number start swelling.

Equally so, South Africa is also affected by the pandemic. At the time of writing this paper, the country recorded over 11 deaths and over 1665 infected people. The most pressing issue is how the poor dwell during this pandemic. Most people in South Africa are depended on the state social security services for survival, meaning that they are unable to make ends meet. How government roll-out those services under this difficult period remains a serious challenge. The total shut down in South Africa will have rippling effect to their well-being. Therefore, the paper will focus its attention on the impact COVID-19 will have on the poor people in South Africa, arguing their socio-economic background.

**Keywords:** Covid-19, South Africa, Poverty, Socio-Economic Indicators, Poor people and Government

## 1. INTRODUCTION

The beginning of a New Year, normally starts with a big bang, wild celebrations with lots of expectations from many people around the world. The year 2020, was not different, until the emergence of the Corona Virus, commonly known as Covid-19. This deadly virus was first reported at Wuhan, a city in the People's Republic of China. It is without a doubt that this virus has already left an irreparable permanent dent in the global affairs. It has affected how the world thinks, operates and plans both its domestic and international affairs. The virus has left a mark in the global politics, economic systems and equally challenged the sophisticated health systems as well as the outlook of the global pharmaceutical industry. Almost all counties around the world are reeling from the havoc it has created while also anticipating the worst to come. Both the electronic and print media have reported numbers of the infected and those who succumbed to the deadly disease.

Africa is not spared from this pandemic. The virus entered most African countries many days after being reported in Europe and in other continents. In comparison with the number of those who have been infected and succumbed to it, Africa has had a lesser number. However, there are possibilities that the number will spiral as this virus is alleged to be airborne and knows no boundaries. However, this claim has been denied by the World Health Organisation (WHO). Having learned from what the People's Republic of China and other countries did to mitigate the extent of the virus by introducing a lockdown principle, some African countries followed suit. What remains a challenge to African countries is lack of resources, including medical supplies.

This paper looks at the effect of Covid-19 and its impact in South Africa, particularly on its ailing economy. It will attempt to argue whether the economic stimulus packages will assist the living conditions of the poorest of the poor. It will further ask whether the country's economy at this current disjuncture will need a jump-starting kit to revive the lost jobs and its current economic prospects. Furthermore, a clear picture of the socio-economic conditions of South Africa will be put to the test to assess whether the impact of this pandemic will affect the economy negatively or positively. It should be noted that this paper is not trying to find answers to the emergence of the pandemic, nor does it purport to fill the gaps that exist within the natural scientific field. Instead, it will look at the impact Covid-19 will have on the ailing economy of South Africa.

## 2. PROBLEM STATEMENT

Poverty and inequality in South Africa are two resident concepts that have found prominence in the South African political landscape. The two are here to stay unless something drastic is done by both the public and private sector to redress and deal with them decisively. Entrenched within these variables is the high unemployment rate. With this persistent outlook, there are slim chances that the South African economy will grow at an acceptable growth path. These independent variables have already negatively impacted on the lives of many poor South Africans. The recent unprecedented downgrading of South Africa's economy to junk credit rating status by the Moody's Rating Agency will undoubtedly pierce the trifling reserves of many South Africans, and worse the borrowing and exchange rate of the currency.

Equally so, is the sudden unannounced arrival of Covid-19 in the country's shores. It is no longer an issue of preparedness nor planning cycle by the government, but a matter that requires drastic change in policy making and speedily effecting the implementation thereof, thus trying to save and preserve the lives of the people. There is a growing concern amongst South Africans that, Covid-19 is going to negatively affect most poor people and particularly Small Medium Enterprises (SME's). One would ask, how so? Since the introduction of the complete lockdown by the State President, Cyril Ramaphosa on the midnight of Thursday, 26 March 2020, most SME's have already been negatively affected by the decision. The complete lockdown meant that only essential services will be provided and shall be provided by those defined as per the government regulations. Amongst the essential services listed are the following: filling stations, pharmacies, supermarkets, medical facilities and some government departments in the security cluster.

Where does one locate the poor people in this scenario? It is inevitable that many will suffer a lot due to the outbreak. Without wanting to sound hypothetical, majority of the African population depend on public transport as a means of transportation, which is not always reliable and too expensive. Access to shopping complexes/malls to purchase food and other essential basic services is going to be a huge task to achieve. Notwithstanding the imposition of the government regulations that curb taxis to operate with full capacity of passengers, which in turn creates a serious challenge for both the owner and the driver, when coming to monies collected per a trip this will have other ramifications. As a matter of fact, unlike busses, the taxi industry is not subsidised by government, regardless of it being in operation for decades.

Despite the above fact, the taxi industry employs a large number of people and assists many struggling South Africans to reach their places of work on time, which in turn plays a crucial role in job creation and ultimately injects a certain portion of money into the economy of the country. Glover & Darroch (2005:238), and Baard and Van den Berg (2004:1) quoted in Agbenyegah, (2013:2) emphasised that small businesses contribute meaningful amounts of employment opportunities to the economy of South Africa. It is estimated that 80% of the total business activities country-wide are described as small businesses. With the imposed lockdown in the country, one would pose a question as to how will those affected by this decision cope?

South Africa is a developmental state. As such, access to information remains a challenge to most impoverished communities. Accessing crucial information and updates on Covid-19 might be a challenge. Equally so, will be how information is interpreted and processed by many without errors that might create confusion and panic. The issue of illiteracy and pure ignorance is a serious challenge in South Africa. Like with the AIDS/HIV pandemic, the Covid-19 pandemic needs to be afforded too much attention, otherwise it will have unprecedented results to many. The manner in which some South Africans undermined the severity, speared and caution provided by the government about AIDS/HIV pandemic, dealt a big blow to many families till today. Today there are 7, 7 million people living with the disease, making the country the world highest endemic (Avert, 2020). Regardless of government initiative to prevent the spread of the pandemic, by providing free condoms for both sexes and the massive rollout of the anti-retroviral treatment to many infected, there are new infections in a daily basis. If the same attention will be given to the Covid-19, then the nation is doomed. Whether this is a matter of pure ignorance or plain disregard to common sense remain to be seen.

The other matter that is of a serious concern is the widespread allegation of overpricing of food products by major retailers during this difficult period. It is a fact that those who will benefit from this situation are the rich corporate businesses while the poor are reeling from adverse business practices. The question one would ask is, where does this leaves the vulnerable groups of the society? It has been a norm that such violations will be investigated by the Competition Commission, but presently, those benefiting will continue

with their malpractices of ripping the poor and benefit from the pandemic. Poverty amongst the poor and the vulnerable groups will continue to surge.

### 3. SOCIO-ECONOMIC CONDITIONS OF SOUTH AFRICANS

The term “socioeconomic” typically refers to the relationship between economic activity and social life. In the context of Life Cycle Assessment (LCA), socioeconomic indicators are meant to describe not only the relationship between social life and economic activity but also the relationship of both with environmental aspects of a product life cycle (Kruse, Flysjö, Kasperczyk and Scholz, 2008). For the purpose of this paper, the discussions will be centred on the following key areas: provision of basic services such as access to portable water, electricity, social grants and employment opportunities taking into account the impact Covid-19 would have on poor people.

It is without a doubt that most South Africans are poor and cannot afford certain basic commodities such as; food, chronic medication, access to essential health care, electricity and portable water supply. Putting food on the table for many is a difficult task, hence the reliance on government social security services. There are parts of the country where access to basic service like water is a serious challenge. Some communities have been without access to this basic service for a long time. A case in point is the community of Ngobi village in North West, among others. Government has improvised by sending water tankers in some of those affected areas, but the challenge remains reliability and sustaining the constant water supply. One of the reasons crippling/affecting this arrangement is politics and corruption. It is alleged that some owners of the water tankers are connected to some politicians and as a result the same people are contracted/outsourced to provide the service. The prolonging of providing water through water tankers is seen as a strategy for those connected to continuously pocket a lot of money from the affected municipalities, while ignoring the plight of the people for being provided with portable water as enshrined in the Constitution of the Republic of South Africa. Other startling allegation is that the monies planned for such projects have been embezzled by those municipalities in charge.

The South African economy presents a two-faced economic outlook. The first is commonly known as the first economy, which is dominated by elements of elitism that found its expression from the system of apartheid that paved the way for its dominance and survival. Under this economy, the concentration is on total capital accumulation at the expenses of the poor and vulnerable groups. The survival of this system depended for decades on cheap labour and grave disregard for labour laws. Under the new democratic dispensation, a number of black elites entered this terrain through the introduction of the Black Economic Empowerment (BEE), which became a government policy aimed at bridging the gap between the total dominance of white men in the economy.

The other economy is dubbed the second economy. This economy is predominately composed of both the formal and informal marketing sector such as; spaza shops, taverns etc. The drivers of this economy hang in the hands of African people, black in particular. This sector operates with a huge unstructured budget. Unlike with the first economy, there are vast challenges that hamper the growth potential of people driving this sector. One of them is equal access to loans from major financial institutions, which makes the playing field not to be equally levelled. It should be further pointed out that, even government assistance is never enough to cover for those operating in the broad spectrum. Some authors argue that, only a handful of those politically connected are benefiting from this government initiative, while granting access to the previously marginalised remains a mystery.

This policy was initiated with the broad objective to create space for the previously disadvantaged communities in the broader economic sector. However, some portion of those that benefited were: friends, relatives and those connected to politicians. According to Juggernath, Rampersad and Reddy (2011: 8224), the South African government promulgated specific corporate social responsibility (CSR) legislation since 1994, which has been directed at the economic empowerment of historically disadvantaged Black people. The Broad-Based Black Economic Empowerment Act 53 of 2003 (BBBEE Act), which is one example of such legislation. It not only aims to correct racial imbalances, but also strives to promote social responsibility and the empowerment of communities.

The policy has had its own setbacks. The implementation thereof was problematic. For example, the 2008/9 Employment Equity Report reported that 14 years since its implementation, black people (African, Indian, and Coloured) accounted for 87.9% of the country's economically active population (EAP). However, only 18.1% were reported to hold management positions, while, Whites on the other hand accounted for 12.1% of the EAP, and occupied 61.1% of top management positions. The observation was that despite the efforts by the government to implement BBBEE, change has been slow (*Ibid.*, 8228).

Other areas that crippled this policy and made it difficult for people to prosper included: corruption, tenderpreneurship, and other forms of government malpractices. Piper and Charman (2018:1) define tenderpreneurs as a South African colloquialism for a businessperson who uses political contacts to secure government procurement contracts (called ‘tenders’) often as part of reciprocal exchange of favours or benefits. The term is a portmanteau of ‘tender’ (to provide business services) and ‘entrepreneur’. Today, ‘tenderpreneurs’ are associated with corruption, nepotism and clientelism. This is because the award of many tenders is driven by informal interests and/or political affiliation, rather than the requirements of formal procedure. The informality of ‘tenderpreneurship’ thus resides in these extra-legal social and political relationships.

Coupled with the poor implementation of the BBE policy was widespread corruption. Some of the scandals that the country was bound to deal with dated from the inception of democracy in 1994. To cite a few of those scandals are: the 1996 Sarafina II debacle, Travel Gate scandal involving over 70 Members of Parliament, the Arms Deal saga, Nkandla upgrades debacle, the landing of the Gupta Airline at the Waterkloof Airbase, the 34 Massacre of the Marikana Miners at the Koppie, Multimillion-tender Passenger Rail of South Africa (PRASA) Scandal, Eskom Coal Scandal, allegations of the State Capture by the Gupta family, and the South African Broadcasting Cooperation (SABC) maladministration fiasco (Mbali, 2013: 113, Mail & Guardian, 2006; Feinstein, 2007; IOL, 2013; SA History Online, 2012; Daily Dispatch, 2015; Biznews, 2017; and Claymore, 2016).

Apart from the widespread corruption reported by many commentators is the issue of equal access to resources. Not everyone had access to benefit from such a policy. Whiteley quoted in Reddy et al., (2007) explains that the failures of BBBEE can further be related to the poor provision of information and communication about the Act. He adds that Black business women have, in some provinces, still not benefited from the BBBEE process and this is largely due to opportunities being unknown to them. At a glance, the outlook of many informal economic businesses still remain at the periphery of the receiving end of government assistance. The intricacies of the informal economy is bedevilled by lack of access to knowledge on government proactive measures to alleviate the challenges thereof. Another challenge is the geographic concentration of this business sector. The Department of Transport (2017) notes that the development of Special Economic Zones (SEZ's) are critical to the government's objectives to advance industrialisation, rural development, job creation as well as attracting Foreign Direct Investment (FDI).

Pillay (2000) argues that, that mainstream thinking on South Africa's economic future is based on two misconceptions. The first is that the country's prospects depend on its ability to attract foreign investment. However, evidence shows clearly that 'developing' economies' growth is triggered by domestic investment; the growth which it generates attracts foreign investment which may then help sustain growth. The second is that growth depends on pursuing particular economic policy packages.

Unemployment is another key contributor to the negative economic growth of the country. It has long been a source of controversy. In recent years, Statistics South Africa has gone some way towards addressing this contentious issue. It now provides two sets of unemployment data: one based on a 'narrow' definition of unemployment which is regarded as the official definition of unemployment; and another based on an 'expanded' definition of unemployment (Pillay, 2000: 10). The rate in which it is growing is unacceptably high and poses a serious challenge to the livelihoods of many poor South Africans. According to the Department of Transport (2017), the rate of unemployment is expected to decline from 38% in 2005 to between 8% and 20% by 2050. This kind of forecast is prone to be challenged. Firstly, it only considers that the economy of South Africa is moving on a positive growth path, without acknowledging the open truth that for the past four years, the country's economy hasn't grown over two percent. Pillay (2000: 4) argues that, the annual average growth rate for the period 1995-1999 was 2.3 per cent.

Secondly, government seems to be the only sector employing majority of South Africans. Therefore, with these identified factors, the question becomes: where will government economic growth emanate from? Mining and Agriculture are the two sectors that can alleviate this scourge. What cannot be ignored, however, is the underlying factor of life expectancy at birth and natality rates that will undoubtedly be hampered by its poor prospect. The other fact that cannot be avoided is that of high numbers of unemployed youth who should be contributing to the economic growth. What is key is that, for any country to prosper, the stubborn unemployment rates, inequality and poverty need to be tackled and be reduced to create favourable conditions for creating jobs.

May (2005) quoted in Kehler (2014: 41) defines poverty as, "the level of poverty is generally defined as the inability to attain a minimum standard of living, which according to the World Bank, is measured in terms of basic consumption needs or income required to satisfy those needs. Therefore, poverty, in its narrow definition, can be understood as a reflection of the 'inability of individuals, households or entire communities to command sufficient resources to satisfy a socially acceptable minimum standard of living'".

Kehler (2001: 41) further notes that, poverty and inequality are conceptualised and measured in different ways. On one level, objective social indicators such as income levels, consumption expenditures, and housing standards, together with subjective indicators, such as attitudes, needs and perceptions of social conditions, can be used to determine levels of poverty and inequality.

The discussions around the state of poverty in South Africa has been around for some time now. It found its expression in the system of the past where Africa people were systematically denied the rights to basic services. Today, in a democratic state, its roots are still prevalent. A number of people in the country are affected by it. Many social anthropologist have argued their severity and the lasting legacies it leaves amongst the poor. The government commitment on addressing this matter seems to be waning down. There are a set of identified problems that impedes the government initiative. Amongst others is the high of people's reluctance on government social security services, negative economic growth, and the ever siring unemployment levels.

It will be interesting to see how government will roll-out its services to assist those poor communities affected by the inception of the lockdown as a result of the Covid-19, both in townships and rural areas. The regulations imposed by the government are aimed at flattening the Covid-19 curve through containing the rise of new infections. It is widely seen as a progressive measure to curb the spread of the pandemic, however, there are certain vulnerable groups within the society, particularly those affected by; HIV/AIDS, and other chronic diseases as well as the child headed families who will feel full brunt of disservice. Although, social services will be provided during the lockdown period. The issue of access is a question which remain a mystery. Flowing from that is the issue of transport which cannot be looked-in in isolation. The rising taxi fee would deal a big blow particularly on the monies collected at the pay points, as a result the number of food items purchased will ultimately dwindle.

Pillay (2000: 17) argues that, the first democratic government inherited a nation which was characterized by high levels of poverty reflected in its racial and regional dimensions. According to a 1993 World Bank/UCT household survey, between 30 and 50 per cent of households could be regarded as poor, depending on the definition used. According to Udjo, Simelane and Booysens (2000), poverty alleviation, a critical issue in the transformation process, is a major concern to the Government. In this regard, the Cabinet instructed that all poverty work be co-ordinated by the Policy Co-ordination and Advisory Services unit (POCAS) formerly own as the Co-ordination and Implementation Unit (CIU) in the Presidency.

Mbuli (2008), Bhorat and Kanbur (2006) and Fiszbein, Ringold & Srinivasan (2011) quoted in Dubihlela (2014: 160) are of the view that, poverty is a multidimensional concept capturing a wide range of definitions which may include deficits in income or consumption, deprivations, social exclusions and lack of various capacities. The policy instruments employed by most governments to reduce poverty include the expansion of a set of instruments broadly classified as social protection. Social protection refers to a collection of programs that address risk, vulnerability, inequality and poverty through transfers in cash or kind and the government social grants.

Employment is a key economic indicator and is sensitive to economic growth cycles. It is important for government to create a conducive environment for communities at the periphery of the economic sector to actively enter the business sector, while reducing the flaws that BEE brought about. Employment creation will alleviate government pressures on providing social security services. Between 1995 and 1998, total employment in the formal sector declined from 10, 1 million to 9, 4 million according to information gleaned from the October Household Surveys (OHS) for these two years (Pillay, 2000: 9). It peaked in 2008 to approximately 13.8 million people during a period of stable and strong economic growth. However, during the world recession between 2009 and 2010, which saw economic growth rates decline, employment declined by approximately 806 000 persons (Department of Transport, 2017). As things are, the situation might not change as the South African economy is doing well. The negative growth of the economy is seriously affecting the prospects of addressing the stubborn impediment of unemployment.

#### **4. PANDEMICS THAT THREATENED THE HUMAN RACE OVER CENTUARIES**

Covid-19 is not the first pandemic to have attacked the human race. The world has dealt with a number of pandemics that had the potential of wiping out its existence. Most of the pandemics come in a form of viruses. The medical/scientific community has recorded a number of pandemics as far as 1918 to date. Four of them occurred in the 20th century, with Covid-19 emerging in the 21st Century. Those viruses range from; Spanish flu of 1918, Smallpox of 1949, Asian flu of 1957, Hong Kong of 1968-69, Novel Swine (H1N1) of 2009 and lastly Corona Virus, also known as COVID-19 of 2020 (Khanna, M., Kumar, B., Gupta, N., Kumar, P., Gupta, A., Vijayan, V.K., and Kaur, H, 2009: 365 and National Geographic, 2020).

The Smallpox pandemic is amongst the viruses that attacked the human race. It ranks among the most devastating illnesses ever suffered by humankind. It dramatically altered the course of human history, even contributing to the decline of civilizations. Officially the deadly virus no longer exists. After a final outbreak in the United States of America in 1949, the virus was declared eradicated in 1980 following a successful vaccination program regarded as one of the greatest triumphs of modern medicine. In 1967, a year when some 10 million to 15 million people contracted smallpox, the World Health Organization launched a worldwide eradication campaign based on vaccination. Gradually, the disease was pushed back to the Horn of Africa, and the last known natural case occurred in Somalia in 1977 (National Geographic, 2020).

Khanna *et al.* (2009) stress that, Influenza A virus, which belongs to the Orthomyxoviridae family of RNA viruses, mutate more rapidly showing more antigenic flexibility and hence are more virulent as compared to the other two subtypes of influenza virus (B and C). It has been responsible for wide scale pandemics since the 16th century causing at least 31 pandemics in the past 400 years. The novel swine (H1N1) 2009 virus spread globally with unprecedented speed that the World Health Organisation (WHO) raised its pandemic alert phase from Phase 3 to Phase 4 on 27 April 2009 and from Phase 4 to Phase 5 on 29 April 2009.

It is without a doubt that Covid-19 remains one of the top deadly pandemics the world has ever seen. What makes it severe is the fact that there is (at the time of writing this paper) no cure or vaccine discovered. The death toll has surpassed that of the three pandemics combined. At the time of writing this paper, countries like: the People's Republic of China, United States of America, Spain and Italy

recorded the highest number of deaths and infections as compared to other countries affected by this pandemic. Over a million people are currently infected by this pandemic worldwide.

The table in the next page, illustrates the number of pandemics the world has ever experienced. It shows the type of pandemics, the years they were recorded, and the number of the lives they claimed. The figures depicted in this table, undoubtedly challenge the nations' preparedness in dealing with future pandemics. It will be remiss not to pose questions regarding the readiness of both developing and underdeveloped countries in tackling any pandemic that may arise. The severity of Covid-19 has a potential of wiping out the entire nation of developing and under-developed countries. Without due diligence, South Africa needs to prepare itself for future pandemics, if it were to save its population. There is no time to waste on planning for projects that are not aimed at preserving its population.

Investing in capital projects like building secure sustainable health care facilities is the way to go. Furthermore, it would be crucial for the country to relook at its educational curricula with the sole view of assisting and intensifying the number of healthcare professionals, which will be able to deal with future pandemics.

**Table 1** Influenza pandemics, associated strains and mortality

Years	Circulating virus strains	Number of deaths (no. per 1,00,000 people/year)
1918–1919	H1N1, 1st major pandemic	598.0
1928–1929	H1N1 (antigenic drift)	96.7
1934–1936	H1N1 (antigenic drift)	52.0
1947–1948	H1N1 A'	8.9
1951–1953	H1N1 (intrasubtypic reassortment)	34.1
1957–1958	H2N2 (antigenic shift)	40.6
1968–1969	H3N2 (antigenic shift)	16.9
1972–1973	H3N2 (antigenic drift)	11.8
1975–1976	H3N2 (drift) and H1N1 (swine outbreak)	12.4
1977–1978	H3N2 and H1N1	21.0
2003–2004	H3N2 A Fujian (intrasubtypic reassortment) and H1N1 (drift)	17.1
2009 till mid Oct. 09	H3N2 and H1N1 and swine origin H1N1 pandemic	Still continuing

Different circulating virus strains in different pandemic years with the mortality data [11]

#### 4.1 Covid-19 and its impact to poor South Africans

There is no doubt that the impact that Covid-19 will leave on the lives of many poor South Africans will be immensurable. The fact that most South Africans cannot make ends meet is a serious challenge, as majority are depended on government social grants. For example, as of 2019, over 17 million South Africans (one in five) rely on social welfare grants from the state, according to Stats SA. Spending on social protection is expected to increase this financial year 2018/29 financial year from R193 billion to R224 billion by 2021. This number is compared to 2.4 million in April 1998 which was projected to be 12.4 million in 2008. Projections published by the National Treasury (2008: 96) in February 2008 suggested that 66.6% of all grants paid in April 2008 would have been child support grants; other large categories would have been old-age pensions (17.9%), and disability grants (11.4%) (Ngatane, 2019 and Van Der Berg, Siebrits and Lekezwa, 2009).

It is important to note that, the Social security systems provide protection against risks of income loss due to contingencies such as: old age, unemployment, disability, and injuries sustained at work. As such, they play an important consumption-smoothing role by redistributing income across time (Van Der Berg, Siebrits and Lekezwa, 2009:6). As things stand, the South African economy is not growing at an acceptable growth. Since 2015, the economy has failed to have stable growth. South Africa's position in the World Bank Index on the ease of doing business plummeted to 136 out of 190 (Liedtke, 2019). Topping all of them is the downgrading of its credit rating to junk status by Moody's Rating Agency (Trading Economics, 2020). One should point out that the South African troubles with its credit rating, started in 2011. For example, the three rating agencies, namely, Fitch, S&P, and Moody's have all rated the South African credit for the whole of 2019 negative (Ibid., 2020).

But Moody's (2020) has admitted that, "the coronavirus (Covid-19) situation has created dislocation across industries and geographies and triggered urgent challenges for many businesses to address. In this context, we have taken steps aimed at continuing to serve the market and our customers in this period of intense market volatility and uncertainty. We are aligning our work processes with the guidelines of relevant authorities and remain fully operational". This, however, doesn't change the position that the South African economy is not performing well. The negative growth, has a potential to hit hardest to those at the lowest basket of the economy as the impact of the virus itself.

Globally, small businesses are major contributors to economic growth and employment. These small businesses, for instance, contribute at least 35% to the Gross Domestic Product (GDP), generate 40% of all forms of economic activities, in addition to creating an employment capacity of 50% (Agbenyegah, 2013:2). In achieving this, immense growth and employment opportunities could be created in South Africa, and would fall in line with the National Development Plan (NDP), which envisages an SME sector that should create about 90% of new jobs by 2030 (Liedtke, 2019). Presently, the economic outlook for South Africa is looking bleak. This doesn't take the fact that, the situation cannot be changed. It would take strong political will to remedy the situation, by relooking at its fiscal financial system. Also, the private business sector would have to play its role by creating jobs.

The 2014 United States of American financial sector posted that, over 99% of Americas 28.7 million firms are small businesses. The vast majority (88%) of employer firms have fewer than 20 employees, and nearly 40% of all enterprises have under \$100k in revenue (JP Morgan Chase & CO, nd.). In South Africa, the case is different. The President of Business Unity South Africa, Siphon Pityana stressed that, the SME's employs 47% of South African workforce and contributes more than 20% to the country's Gross Domestic Product (GDP), and pays about 6% of corporate tax (Liedtke, 2019). What remains a challenge here is whether this growth trajectory will still continue after containing the Covid-19.

If one were to pose a question whether the South African economy will weather the aftermath of the Covid-19 storm and its recent credit rating being downgraded to junk status, by continuing to provide social grants to its vast recipients, there would be no simple answer. For example, where will it source more money to cover for these two unfortunate occurrences? Fiszbein et al., 2011, quoted in Dubhlehla (2014: 160) argues that, since 2009, under the threat of the global economic turndown, countries have created new social protection programs, expanded old ones, and improved their administrative systems to make the programs more efficient.

## 5. LESSONS TO BE LEARNED FROM THIS PANDEMIC

Africa is a latecomer to democratisation. It has followed other countries rather than leading other countries in giving birth to the reform movements that have installed elected governments, multiparty system, and more open societies in the world (Bratton and Mattes, 2001:107 quoted in Mukhara, 2004:1). The global wave of democratisation of the 1990s, which followed the demise of the Cold War international systems, has also swept the African Continent (?). As a result of the "third wave" of democratisation almost all African countries adopted some sort of political reform towards addressing questions of democracy (Huntington, 1991 and Kafela, 2004:1 quoted in Mukhara, 2004:1). South Africa was not immune from this process. The change of administration of government in 1994, from a minority rule to majority was a litmus test for the country.

With all the possibilities that South Africa has had, is it not time for South Africa to choose a right path that will enable it to be more focussed by building more infrastructure projects that will benefit the nation at large, which in turn will mitigate such unforeseen occurrences like the recent Covid-19? Without wanting to sound like a neo-Utopian, it is clear that the South African government has a mammoth task ahead of it to redress and rebuild infrastructure that will cater for all, regardless of the status a person holds in society.

The emergence of Covid-19 has put a test to the strength of the country's public health care system. Whether the public health system has enough capacity to deal with any unforeseen pandemic remains a mystery. This too, calls for government to relook at the manner in which it plans to implement the National Health Insurance (NHI). This too, calls for the involvement of both the civil society and private sector in the fight against this matter, since this matter cannot be left to government alone.

## 6. CONCLUSION

The intention of this paper was to provoke discussions and debates around the readiness of the South African government to deal with the threats of biblical proportions threats that have a potential to destroy the future of the country. As mentioned earlier in this paper, the focus was on looking at the impact Covid-19 would have on the majority of poor South Africans, taking into account the current poor performance of the economy.

It should be noted that there is a great deal of work lying ahead of the South African government. Its infrastructure needs to be overhauled and strengthened to be able to deal with any act of nature like Covid-19, which without a doubt could cripple it to the core.

The public health care system needs to be addressed as a matter of agency. The private sector too, have an equal responsibility to partake in the restoration project otherwise, the country will regret the missed opportunity.

With all that has been said in this paper, does government put the interests of poor at heart? How does it create equal opportunities for them to be counted in the core function of the economy? These are but some of the critical questions beg for answers.

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