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A framework for economic performance recovery in South Africa during the Corona Virus Disease 2019 (Covid-19) pandemic

G. Bakam Fotso[1], E.I Edoun[2], A. Pradhan[3], N. Sukdeo[4]

[1 2 3 4]University of Johannesburg, South Africa

genischou@gmail.com[1], eiedoun@uj.ac.za[2], anupp@uj.ac.za[3], nsukdeo@uj.ac.za[4]

Abstract. In the trajectory to protect people and ensure national security regarding the rapid spread of the Corona virus disease pandemic, restrictions measures adopted by the South African government have caused severe collateral damages to the local economy. This article aims to provide a framework for economic performance recovery while dealing with the pandemic consequences. Using primary and secondary data, the retrieved statistical model depicts that 96.90% of the COVID-19 Economic Performance Recovery' behaviour depends on the movement of COVID-19 Banking revitalisation, COVID-19 Financial policies, COVID-19 Management Process, COVID-19 Stakeholders Involvement and COVID-19 Future perspectives since the correlation is very strong and positive with coefficients that are respectively 96.4%, 95.1%, 95.6% and 94.9%. The stakeholders' involvement component was not significant with a p-value of .143 but its combination with other factors enhances economic performance recovery. The regression standardised residual for C19EPR with an asymmetric probability distribution characterised by a negative skewness of - .531 long left tail and the Kurtosis of -.977. For banking revitalisation, repo rate should be increased while banking regulations, loan guarantee scheme and the provisional mortgage forbearance to borrowers initiated with the pandemic should be suspended. Structural reforms should be implemented to sustain the implementation of the recovery plan namely the restructuration of trade policies and lowering barriers entry for business movements, supporting labour-intensive sectors like agriculture and tourism for inclusive growth and catalysing education and skills development. National and global pandemic -related stakeholders should be improved to support direct fiscal support and government guarantee schemes in addition to measures to provide liquidity to banks markets, alleviate US Dollar funding shortages. As part of the future perspectives to mitigate the pandemic issues, government should systematically monitor market price increase, and reduce exceptions for public policy considerations. In overall, recovery of economic performance in South Africa will depend on the GDP improvement and an increase of the repo rate. Furthermore, standard local issues like incessant trade disruptions, business declines, unemployment, drop of government revenues, orientated national funding and poverty increase should be improved as well. However, South African government only has to observe decentralised and implement international policies defined in the settings of the pandemic.

Keywords. Framework, COVID-19 pandemic, Economic recovery, South Africa

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1. Introduction And Background

1.1 Introduction

The COVID-19 pandemic has been transformed the traditional ways of doing things in a sense that management of people and business are tailored to the requirements impose by the disease. In South Africa, the government quickly address the pandemic spread through lockdown, suspension of activities in sectors such as tourism, transports, restaurants, and entertainment, among others. The availability of funding for education has been reduced following updated policies and recommendations from the government. This implies that the government has defined measures to slow down the consequences of the COVID-19 in all sectors of the economy and to mitigate the proliferation of the disease. Several relief plans were putting in place to limit the Rand depreciation, decrease in exports, deterioration of fiscal accounts and the high production costs on the economic activities (Atkeson, Kopecky & Zha, 2020). Despite such situation, South Africa has been classified among the top-20 countries with a decrease on CO2 emission since 2000 through implementation of the greener energy policy (OECD, 2020). Additionally, public, and private sectors have improved cooperation and pooling of existing resources in response to the pandemic crisis (OECD, 2020). The recent financial crisis occurred in 2008/9 had sever implications on the economy of many countries in the world. With the COVID-19, the impact is equally at the human resources level where the death rate increases constantly depending on the phase. Resilience against health protocols including social distancing, mask wearing, and gathering. At the business level, competition committees have been created to formulate and promote best practices in the area of competition law and policies (Avdiu & Nayyar (2020). Besides the COVID-19 pandemic, table 1 depicts other pandemics that occurred in the world.

Description	Time Period	Estimated Death Toll
Black Death	1347-1351	Around 200 million
New World Smallpox Outbreak	Since 1520	Around 56 million
Great Plague of London	1665	Around 100 million
Italian Plague	1629-1631	Around 1 million
Yellow Fever	Late 1800s	Around 150 thousand (US)
HIV/AIDS	Since 1981	Around 35 million
Ebola	Since 2014	Around 11 thousand
MERS	Since 2015	Around 850

Source: World Economic Forum (2021)
Table 1: Pandemic history

According to Jonas (2013), pandemic consequences impact at both direct through death, social distancing measures, low purchasing power and other direct costs and indirect levels through disruption of services, transports and lifestyle as well as related other indirect cascading effects (Baccini & Brodeur, 2020). The OECD is an example of organisation that has the role of examining economic situation of the member countries under the responsibility of relevant authorities using economic survey.

1.2 Background

The first pneumonia case was discovered in the Hubei province in China in December 2019 (Coronavirus Resource Center, 2021). On the fourth of January 2020, WHO reported

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cluster of pneumonia cases in Hubei, China and identified it as COVID-19 on the 7th of January 2020 (WHO, 2021). The first death from COVID-19 was therefore declared in China followed by Nepal, France, Australia, Malaysia, Singapore, and Taiwan in January 2020 (Coronavirus Resource Center, 2021). Based on this evidence and further analysis, WHO observed that the disease is contagious and thus declared the COVID-19 as a public health emergency of international concern on the 30th of January 2020 (WHO, 2021). By the 20th of March 2020, EU injected fiscal stimulus across countries by suspending public deficit rules (Coronavirus Resource Center, 2021). South Africa has been experiencing economic recession with modest growth and investment since a few years due to consistent electricity shortages, increasing government debts in addition to the uncertainty and the inappropriateness of the rules and policies (OECD, 2020). They established that economic activity would fall down to 2.5% in 2021 in the single-hit scenario compared to 0.6% in the double-hit scenario. The pandemic has created loss of incomes in every industry with a high human cost threatening the survival of businesses while increasing the rate of unemployment (Loayza & Pennings, 2020). The interest rate went from 6.5% I January 2020down to 4.75% by the end of April 2020.

From a health issue to an economic crisis, several shocks have effectively impacted all economic sector due to the pandemic that outbreak in early March 2020 in South Africa. Although the pandemic started in a different country, South Africa experienced loss of life and economic dislocation due to the global economy synergies and supply chains. Economic and financial debt servicing fees equally escalated especially because the government slowed down in putting corrective fiscal measures in place affecting the debt system dynamism as well as the financial stability in the macroeconomic sphere. Continuous power outage in the country negatively impacts the production process in the manufacturing industry causing disturbance on market supply and demand together with price adjustments. Such uncertainty rapidly creates inflation and social pressures. As the largest state-owned enterprise representing the greatest government contingent liability through debt guarantees, Eskom faced severe liquidity issues leading to negative market reactions and decrease on investment by local or foreigners (Congressional research service Commission, 2021). Additionally, the South African Airlines also known as SAA went bankruptcy in December 2019 when the pandemic was already striking in China and in Italy (American Medical Association, 2021). SA government later adopt the measure of the intensification of trade barriers to protect local economies during the crisis. On the financial side, unpredictability in global financial markets, lower capital inflows, higher bond yields in combination with a weak rand rise the costs of government financing and consequently force the central bank to apply restrictions on rates and growth (Baker, Bloom, Davis & Terry, 2020). At this stage of the crisis, African region has experienced 5% of public revenue losses with a total merchandise exports contracted to about 17% as well as a commodity price volatilities in addition to the health crisis and socio-economic turbulences compromising its economic development (UNCTD, 2021).

2. Literature Review

2.1 COVID-19 and its consequences

At the early stage of the pandemic, governments took the initiatives of the lockdown through mobility restrictions, airline suspensions and predominantly the option of working from home to limit the spread of the virus and the lost in human beings. At that time, the World Economic Forum (2021) predicted a drastic drop of the GDP growth and recommended the application of efficient stimulus considering the foreign exchange constraints (UNCTAD, 2021). The World Bank (2021) argued that countries with a weak health system, a dependence

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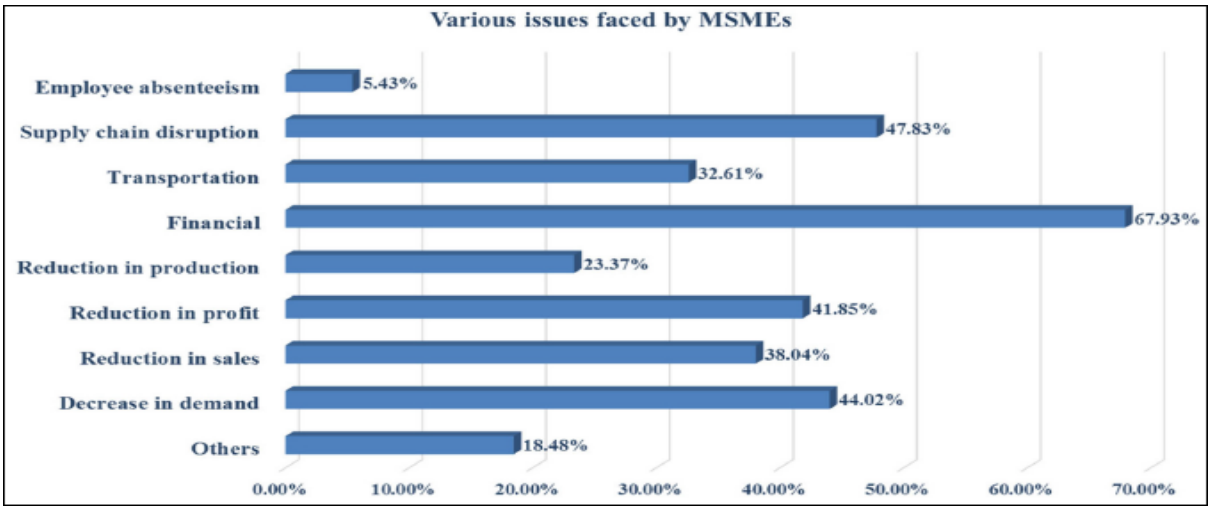
on trade and tourisms, an unstable capital flows in addition to those that are heavily indebted will undergo severe consequences. According to Ozili and Arun (2020), social distancing causing closure of financial markets, businesses and events led to the lockdown and decline of economic activities. Observations showed a considerable impact of the pandemic on micro, small and medium-sized enterprises (MSME) in diverse countries in the world (See figure 1). In Pakistan for instance, MSMEs suffer from financial instability, supply chain disruption, decrease in demand leading to the decrease in sales and profitability (Mohsin, Junrong & Wenju, 2020). They also found that 83% of enterprises were not prepared and do not even a plan to tackle the outbreak of the pandemic. Evidence revealed that SMEs could not remain operational when the lockdown period exceeded two months at a time (Mohsin, Junrong & Wenju, 2020).



Source: Mohsin, Junrong and Wenju (2020)
Figure 1: Issues faced by MSMEs

According to the publication released by the United Nations Conference on Trade and Development (UNCTAD), African economies will drop down to 1.4% in GDP with small economies reaching down to 7.8% due to the restrictions on exportation. Additionally, government will struggle to extend public services since tax revenue will be drastically affected as response to the crisis (Béland, Brodeur, & Wright, 2020). Considering the level of cash-flow shortage experienced by enterprises in South Africa, they expect assistance from the government through provision of loan with low-interest as well as the provision for subsidies in utility charges (SARB, 2021). At the educational level, the pandemic has forced students to attend online classes from home where parental control is not always assured in addition to the fact that cognitive skills are required from parents to efficiently assist their children (Barrios & Hochberg, 2020). The presence of kids at home is expensive since nutrition, learning setting and digital resources are needed for performance purposes. At school as well, digital infrastructure and digital cognitive skills are required from teachers and lecturers to ensure adaptability to the new done imposed by the pandemic. Evidence revealed that students have lost motivation in schools due to less time of remote schooling and mostly the lack of interaction with others. Such condition raises the issue of inequality between students whereas financial pressures are manageable for some parents and not for others (Béland, Brodeur, Haddad, & Mikola, (2020)

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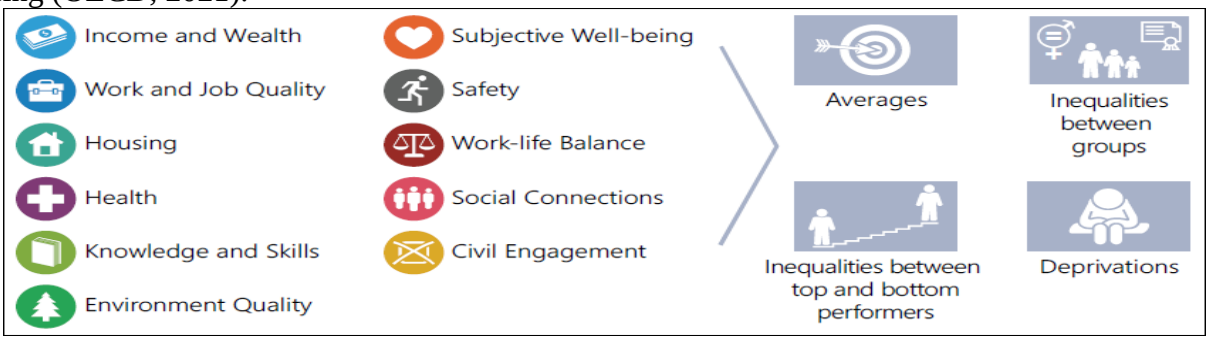
2.2 COVID-19 Pandemic Models

The OECD well-being framework highlights the critical areas impacted by the COVID-19. They argued that the consequences associated with the expansion of the virus destroy resources such as the natural, economic, social, and human capital that are required for future well-being (OECD, 2021).



Source: OECD (2021)

Figure 2: OECD well-being framework

At the accounting level as well, financial measures have been taken to efficiently record effects associated with the pandemic (Céspedes, Chang, & Velasco, 2020) such as the impairment of non-financial assets, write-down of inventories to their net realisable value, suspension of the interest capitalisation and the disclosure of liquidity risk where normal business cash-flows have decreased due to the virus as detailed below by PWC (2021):

2.3 COVID-19 Policy measures

During the era of the COVID-19, the tendency should be to develop responsible business conduct (RBC) through compliance to short and long-term policy measure responses that include the followings: (a) conditionality in emergency or release of funds, (b) capitalising in value creation, (c) empowering dispute resolution and access to remedy to ensure accountability, (d) encouraging supply chain resilience and supply security and lastly leveraging public procurement (Bianchi, Faccini & Melosi, 2020). The study conducted by Mohsin et al. (2020) emphasised that policymakers and practitioners should ensure protection of employees, boost the economy, operational support for SMEs together with the planning and resilience ability. Some companies and organisations have chosen staff retrenchment, loan application, remote work, change business line, limiting travel and to completely shut down sometimes as solutions to tackle the negative impact of the pandemic on their businesses (Binder, 2020). Following the global view, policy measures adopted to manage the global recession includes public health, human control, fiscal and monetary measures as represented on table 2 (Cheng et al., 2020).

Policy Measures Type	Policy Measure Description
Public Heath measures	Securing health resources
	Public and Border restrictions
	Social distancing policy
	Issuing a stay-at-home policy
	Public awareness campaigns
	Temporary release of prisoners from overcrowded prisons

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Human control measures	Shut down of air, land and sea borders
	Shutdown of schools
	Using the military to enforce a coronavirus stay-at-home lockdown
	Restrictions of Non-essential Government services and businesses
	Visa denial and suspension
Fiscal measures	Governments approving a large federal stimulus package for sectors and industries most affected by the COVID-19 pandemic
	Provision of income support for individuals
	Social welfare payments to support each household
Monetary policy measures	Granting (i) regulatory forbearance to banks, and (ii) principal or interest moratorium to debtors affected by COVID-19 (Claasen &Van Roogen, 2012).
	Central banks' provision of liquidity to financial (bond and equity) markets
	Central banks' purchase of bonds and securities that were plunging in value rapidly
	Lowering interest rates by Central banks
	Sustained flow of credit to banks, SMSEs, public health sector, individuals and essential businesses

Source: Cheng et al. (2020)
Table 2 : Policy measure types

2.4 Global Perspective

The covid-19 pandemic has affected all countries in the world although at different impact level. the OECD (2020) published that 24%, 31% and 45 % of remittances outflows were respectively carried out in European Union, OECD countries and other countries. For region like the European Union, remittances outflows and inflows remain in the regional economy without major impact as compared to remittances between different countries from different regions (Carlsson-Szlezak, Reeves, & Swartz, 2020).

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Policy option	Examples of policy response to the COVID-19	Country examples
Regulating	• Enacting laws to strengthen workers' protection or adapting the existing legal framework to the emergency situation. • Requiring compliance with health and safety standards as a condition for businesses to stay open. • Monitoring and responding to infringements such as sale of fake protective equipments.	• In Chile, the passage of a new teleworking law granting new rights to remote workers was accelerated to respond to the COVID-19 pandemic[70] • The European Anti-Fraud Office launched investigations into imports of fake health and hygiene products linked to the fight against the virus[71]
Facilitating	• Providing guidance to businesses on how to design and implement responsible responses to the outbreak. • Establishing channels for dialogue to enable businesses and other stakeholders to seek clarification and advice • Addressing the spread of misinformation and harmful content related to COVID-19 • Convening and facilitating collective initiatives among industry and various stakeholders to support cost-effective and broadly supported responses to the COVID-19 crisis	• The United States[72] and the United Kingdom[73] have issued guidance for businesses and employers on how to respond to the crisis in a way that reduces workers' exposure to COVID-19 • The Australian government created the Coronavirus Australia App to provide up-to-date information and advice[74] • The UK government has been collaborating with social media firms to fight the spread of misinformation about the virus[75]
Co-operating	• Co-ordinating policy responses at global level to stop the spread of the pandemic and support business continuity • Co-operating with other governments to adopt "do no harm" trade policies facilitating the flow of essential medicine and equipment • Consult and engage with stakeholders on the definition of expectations with regards to RBC and COVID-19 • Ensure coherence and co-ordination between various government agencies as well as with existing laws and policies on the response to the COVID-19 crisis	• G7 leaders have committed to ensure a strong global response through cooperation and enhanced coordination[76] • Argentina developed a guide for subnational governments to manage the COVID-19 crisis[77]
	• Ensure that emergency measures taken by the government are non-discriminatory and maintain an enabling environment for RBC	
Promoting	• Encourage responsible business responses to COVID-19 through tax benefits or financial incentives • Conditioning the allocation of government support, for example in the context of aid, loan guarantees, equity participation or other stimulus packages, to observance of RBC standards	• The German government organised a virtual COVID-19 "hackathon" allowing over 40,000 participants to propose innovative solutions to the pandemic. Selected projects are expected to receive government funding[78] • The government of India announced that companies spending for COVID-19 would qualify as CSR activity under the mandatory allocation of profit to CSR activity[79]
Exemplifying	• Ensuring workers' protection and best practice such as social distancing within government agencies • Adopting highest standards of conduct and responsible responses to the COVID-19 outbreak in state-owned enterprises • Integrating RBC considerations in the public procurement of COVID-19 related products or services	• In China, SOEs have been providing at least two-month rent holidays for business tenants, including retail stores to alleviate economic and financial distress caused by the outbreak[80]

Source: OECD (2021)
Table 3: Global policy responses to the pandemic

2.5 Contribution to the study

Although the pandemic is a global situation, countries have a specific approach to handle related consequence depending on their economic levels and their international openness. The current study objective is to provide a framework for economic performance recovery in South Africa during the corona virus disease 2019 (Covid-19) pandemic. Compared to previous studies that only analyse economic recession due to the pandemic, this research provides a decentralised structure for effective management of the pandemic at a national level following local weaknesses and strengths.

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3. Model specification

This study uses a quantitative research design to identify factors that form part of a framework for economic performance recovery in South Africa during the corona virus disease 2019 (Covid-19) pandemic. The case study focuses on selected people from various industries to optimise research results. Research data will be collected through questionnaire following the Like scale degree of agreement such as Strongly disagree, disagree, not sure, agree and strongly agree. Correlation analysis, the analysis of the variance (ANOVA) and the regression analysis will be performed to determine the behaviour of the framework components. The Statistical Package for Social Sciences (SPSS) will be used for correlation and regression analysis together with frequency displays. Table 4 below presents research variables to be used as quantitative measurement associated to the dependent variables.

Independent Variable	Dependent Variables
COVID-19 Economic Performance Recovery (C19EPR)	COVID-19 Banking revitalisation (C19BR)
	COVID-19 Financial policies (C19FP)
	COVID-19 Management Process (C19MP)
	COVID-19 Stakeholders Involvement (C19SI)
	COVID-19 Future perspectives (C19FP)

Source: Own Compilation

Table 4: Data analysis model

The following linear equation form is defined according to the economic variables considered in this study:

$$C19EPR = \beta 0 + \beta 1\ C19BR + \beta 2\ C19FP + \beta 3\ C19MP + \beta 4\ C19SI + \beta 4\ C19FPP + £ \quad (1)$$

Where £ represents the error term ; β1, β2, β3, β4 the estimation parameters and β0 the constant term.

4. Research Findings and Discussion

4.1 Statistical Analysis

Research participants included households, workers from financial institutions as well as business owners in the Pretoria geographical area. Such demographic profile adhered to the case study requirements to ensure efficient study outcomes. Figure 3 shows that 15%, 12% and 28% of the respondents were respectively economist, bank officers and business owners. 5%, 15%, 12% and 13% of them were respectively financial managers, housewives, bank tellers and public administrator.

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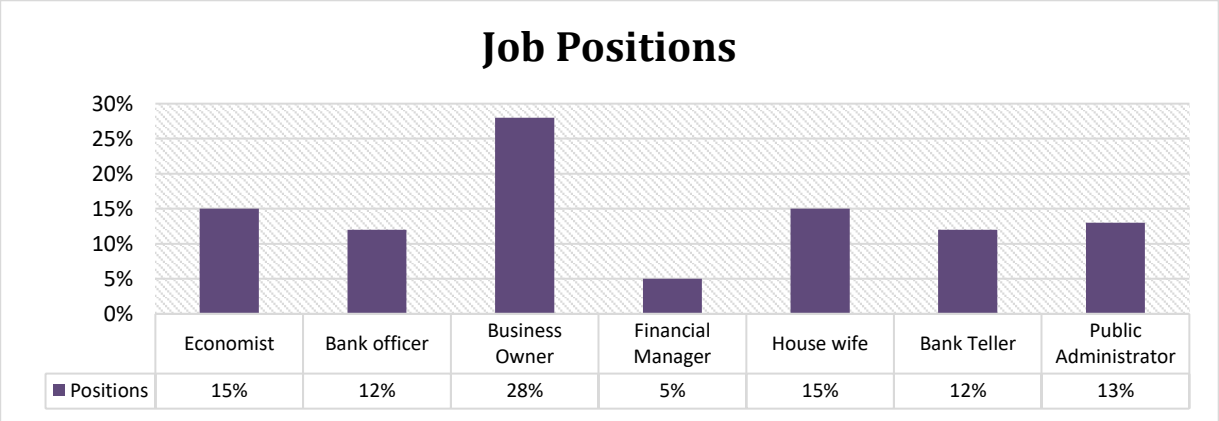

Source: Own Compilation

Figure 3: Respondents' profile

The model summary table depicts that 96.90% of the C19EPR behaviour depends on the movement of C19BR, C19FP, C19SI and C19FPP since the correlation is very strong and positive with coefficients that are respectively 96.4%, 95.1%, 95.6% and 94.9% (See table 5). The ANOVA table shows that the correlation is significant with Sig equalling .000 at a significance degree of .05. Although the COVID-19 stakeholders' involvement is not significant with a p-value of .143, its combination with other factors enhances economic performance recovery. This is relevant considering that national and global stakeholders raised funds to support countries' financial issues. The regression equation becomes:

C19EPR = - .005 + .441C19BR + .232C19FP + .242C19MP - .145C19SI + .229C19FPP + £

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.984[a]	.969	.966	.252

Correlation Analysis

	C19BR	C19FP	C19MP	C19SI	C19FPP	C19EPR
C19BR	1					
C19FP	0.916	1				
C19MP	0.929	0.929	1			
C19SI	0.936	0.941	0.929	1		
C19FPP	0.926	0.936	0.921	0.94	1	
C19EPR	0.964	0.951	0.956	0.936	0.949	1

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	91.769	5	18.354	288.854	.000[b]
	Residual	2.923	46	.064		
	Total	94.692	51			

Coefficients[a]

Model		Unstandardized Coefficients B	Unstandardized Coefficients Std. Error	Standardized Coefficients Beta	t	Sig.
1	(Constant)	-.005	.125		-.043	.966
	COVID-19 Banking Revitalisation	.441	.089	.426	4.970	.000
	COVID-19 Financial Policies	.232	.080	.262	2.885	.006
	COVID-19 Management Process	.242	.076	.271	3.201	.002
	COVID-19 Stakeholders Involvement	-.145	.098	-.145	-1.491	.143
	COVID-19 Future Perspectives	.229	.105	.196	2.184	.034

a. Dependent Variable: COVID-19 Economic Performance Recovery

Source: Own compilation

Table 5: Statistics

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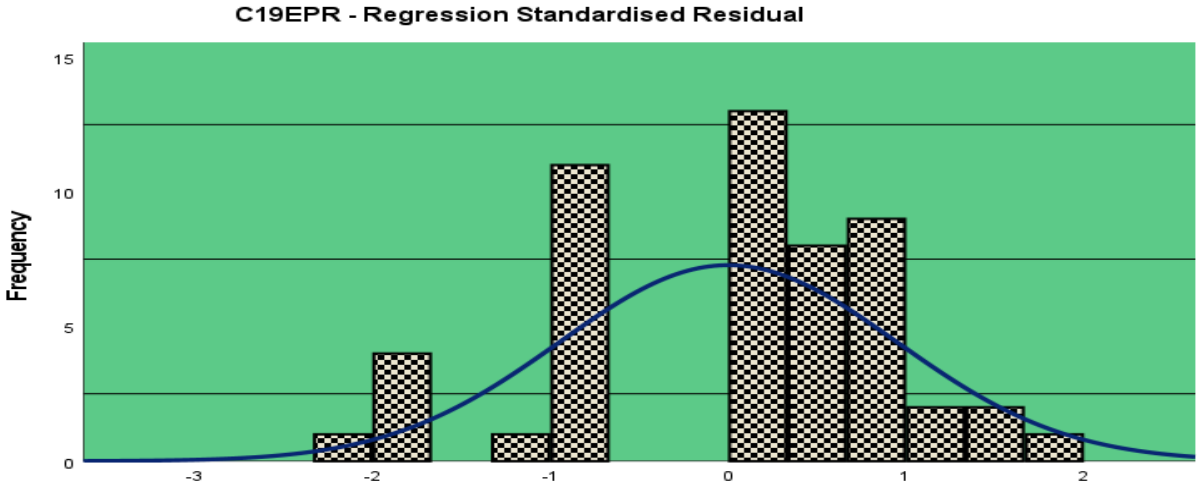
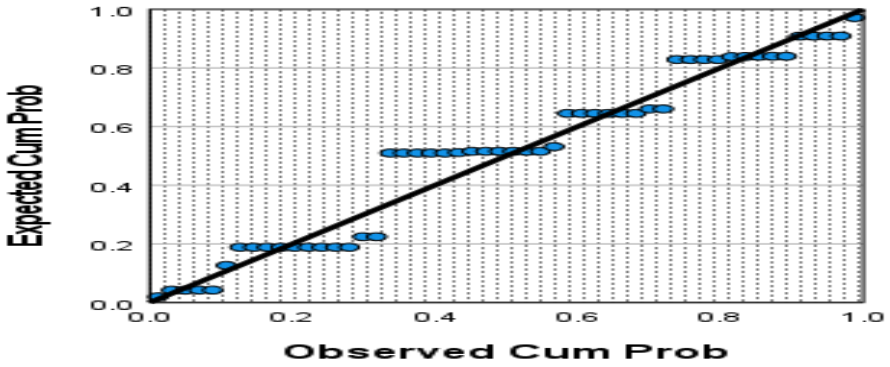
Figure 4 displays regression standardised residual for C19EPR with an asymmetric probality distribution characterised by a negative skewness of - .531 long left tail and the Kurtosis of -.977



Source: own compilation

Figure 4 : C19EPR – Regression standardised residual

The normal probability plot shows that data set is consistent or normally distributed since they are closed to the theoretical normal distribution symbolised by the diagonal line. It portrays the skewness value of - .531.



Source :

Figure 5: C19EPR - Normal P-P Plot of Regression Standardised Residual

4.2 Discussion

(a) 4.2.1 COVID-19 Banking Revitalisation

borrowing money from the reserve bank to give to customers as household or businesses loans. Banks benefit from the interest fees applied on the lending amount. the reserve bank provides banks with capital and liquidity while ensuring national financial stability (SARB, 2021). With people losing their jobs, banks struggle to recover loans from their customers. Consequently, banks with the supervision of the SARB cancel some banking charges, allowing borrowers to skip payments although required to give loans for health facility investment. The SARB therefore reduce the Repo rate down to 3.5% for bank business continuation and for households and businesses to spend less. From the restriction of loan concentration and reduction of interest rate to provision of credit loss reserves to compensate write-off loans, banks are at their lowest stability point leading to the economic recession. Figure 6 shows the

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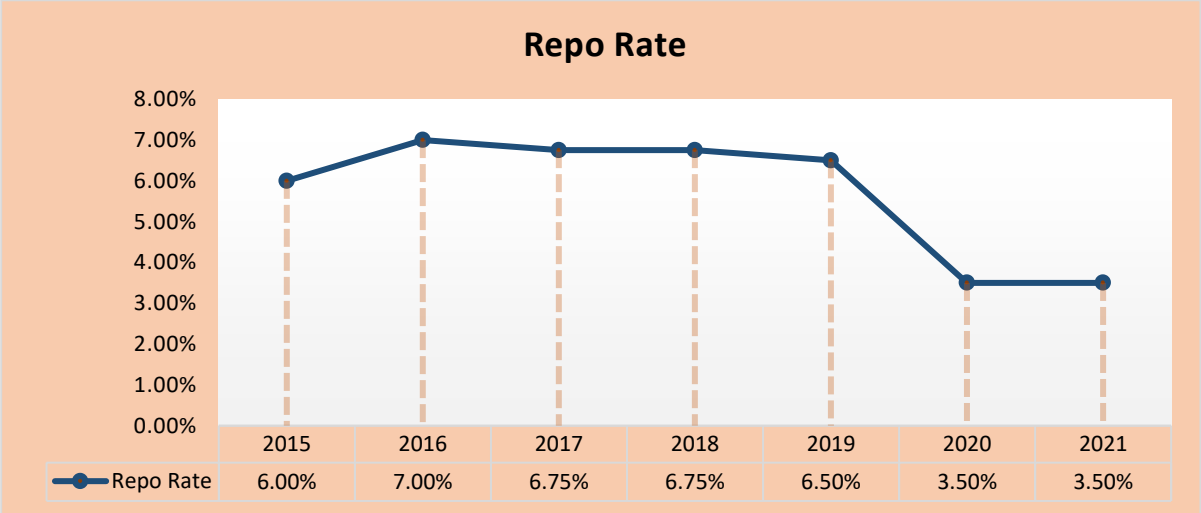
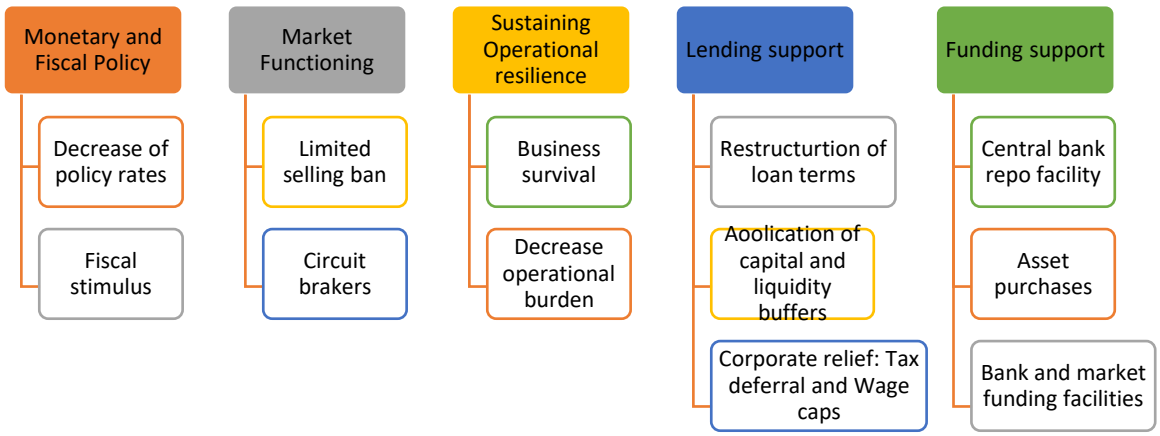
drastic drop down of the repo rate from 6.5% in 2019 to 3.5% since the beginning of the pandemic in March 2020. For economic revival, banking regulations, loan guarantee scheme and the provisional mortgage forbearance to borrowers initiated with the pandemic should be suspended.



Source: SARB (2021)
Figure 6: Repo Rate

(b) 4.2.2 COVID-19 Financial Policies

At the national level, structural reforms have been implemented to sustain the implementation of the recovery plan namely the restructuration of trade policies and lowering barriers entry for business movements, supporting labour-intensive sectors like agriculture and tourism for inclusive growth and catalysing education and skills development. For countries to sustain their economy during the pandemic, financial measures have been adapted to fit the requirements and consequences associated with the drastic change. Figure 7 summarises financial policies measures adopted in response to the covid-19 pandemic issues.



Source: World Economic Forum (2021)
Figure 7: financial policies measures

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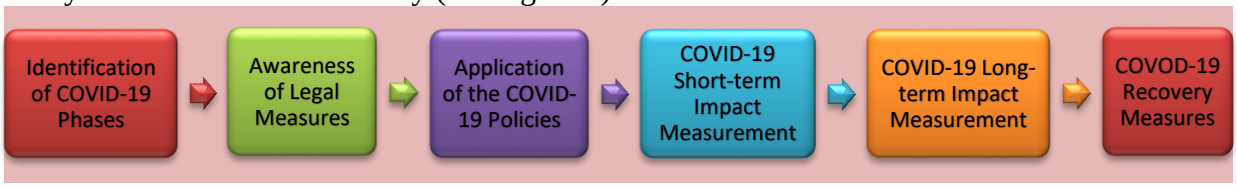
Fiscal policies allowed to mobilise R500 billion representing 10% of the GDP for tax relief, loan guarantees, reprioritisation, and new spending in addition to the increase of social grants and specific schemes (OECD, 2020). South Africa has adopted the following specific measures to reduce the economic impact linked to the COVID-19 pandemic challenges namely : (i) decrease of policy rates to support the economies during the crisis, (ii) restructuration of loan terms, (iii) the use of capital and liquidity buffers, (iv) bank funding facilities, (v) asset purchases, (vi) circuit breakers business sustainability, (vii) decrease of operational burden, (viii) fiscal leverage through tax adjustments and (ix) monetary adjustments due to the impacts of exchange rates. As part of the global financial policies, the Afreximbank created the Pandemic Trade Impact Mitigation Facility (PATIMFA) fund of US$3 billion to alleviate the impact of the pandemic on the economy and health of African countries and initiated US$200 million to sponsor the manufacturing of COVID-19 facilities in Africa ().

(c) 4.2.3 COVID-19 Management Process

By observing the COVID-19 management process, the negative impact is contained and controlled to limit the consequences on the economy. Besides applying health protocols to stop the spread of the virus and loss of lives, the following process should be proactively adopted to quickly rebuild domestic economy (See figure 8).



Source: Own compilation
Figure 8: COVID-19 Management Process

Identification of COVID-19 Issues: From the government down to businesses and organisations, the pandemic issues should be identified, categorised and analysed.

Awareness of Legal Measures: Companies, organisations and institutions should be aware of legal measures while seeking for better conditions applied to them based on their core activities since lockdown measures were by levels.

Application of the COVID-19 Policies: during this phase, pandemic policies should be executed with specifications on the protocols associated with the business activities.

COVID-19 Short-term Impact Measurement: in addition to understanding the pandemic situation, stakeholders should define further corrective measures in a short-term

COVID-19 Long-term Impact Measurement: Determining long-term measures allows stakeholders to prevent collateral disasters like financial crisis, national insecurity and water scarcity among others. Additionally, government should redefine international relationship especially in the trade and tourism industries to protect local economic growth.

COVID-19 Recovery Measures: The economic reconstruction and recovery plan adopted in South Africa comprises three phases namely engagement and preservation, recovery and reform and lastly, the reconstruction and transformation. The plan includes priority assistance regarding infrastructure investment, export promotion, energy security massive public employment and the green economy application. To strengthen the execution of the plan, key enablers like resource mobilisation, enhance state capacity, digital economy, regulatory reforms and skills development and regional integration are put in place.

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(d) 4.2.4 COVID-19 Stakeholders Involvement

The financial stability board is mandated to: "coordinate at the international level the work of national financial authorities and international standard-setting bodies in order to develop and promote the implementation of effective regulatory, supervisory and other financial sector policies". National treasury perspectives are used by the government to address and mitigate financial risks associated with the pandemic and thus enhance benefits from the global policies responses. Internally, they determine techniques to decrease operational burdens on industries and the economy as a whole. According to the Treasury (2021), financial stability can be safeguard depending on the resilience of four key nodes in the global financial systems namely (i) Ability to channel funds to the real economy; (ii) Capability to obtain US dollar funding, (iii) Capability to efficiently manage liquidity risks and (iv) Capability to efficiently manage counterparty credit risks. They argued that policy measures should include the followings:

- Direct fiscal support and government guarantee schemes
- Measures to provide regulatory flexibility or other macroprudential support
- Measures to provide liquidity to banks markets
- Measures to alleviate US Dollar funding shortages
- Measures to alleviate funding constraints from the shift of investors to safe assets
- Measures to support market functioning and ensure market integrity

In addition to the above, multiple stakeholders have adopted measures to reduce the pandemic financial burden on people and businesses. The South African Reserve Bank (SARB) decrease the repurchasing (Repo) rate for commercial banks to access funds for continuous banking operations. The International Accounting Standards Board (IASB) allows businesses to compensate unexpected expenditures undertaken during the pandemic. The World Bank's Pandemic Emergency Financing Facility (PEF) provided bond for funding low-income countries when required.

Institution	Policy Response
World Bank (WB)	The World Bank (2020a) announced the availability of US$160 billion which will be available to countries until late 2021. The package is set to enhance the ability of the beneficiary economies in easing the effects of COVID-19 on small businesses and the vulnerable populations.
African Development Bank (AfDB)	The AfDB has a US$10 billion COVID-19 response package in the pipeline of which US$5.5 billion is set for its sovereign operations in the AfDB countries and US$3.1 billion is operations under the African Development Fund. The Bank also launched a US$3 billion fight COVID-19 social bond which was allocated to central banks and official institutions (53%), Bank treasuries (27%) and asset managers (20%). Notably, 8% of this social bond is set aside for African countries.
International Monetary Fund (IMF)	The IMF approved US$2.7 billion for COVID-19 related emergency responses in African countries
European Union (EU)	The EU announced Euro 3.25 billion COVID-19 toolkit for African countries.
Afreximbank	The Afreximbank announced a US$3 billion Pandemic Trade Impact Mitigation Facility (PATIMFA) to enhance the capacity of African countries in dealing with COVID-19 related health and economic impacts.12 In addition, the bank set aside US$200 million to finance the production of COVID-19 equipment and supplies within Africa.

Source: World Economic Forum (2021)

Table 6: International Policy Responses

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(e) 4.2.5 COVID-19 Future perspectives

Governments have to put in place measures to recover and resume economic activities through stabilisation of trading tendency as well as the financial markets. This entails that supervision and monitoring of the recovering phase should involve both macro and micro economic dimensions. The South African regulations and Policy measures should ensure that policy responses are incessantly updated based on updated news about the pandemic. Considering that South Africa got a variant of the virus and that pandemic waves vary from one country to another, upgraded health and security protocols are required for mitigation purposes. For efficient recovery process, the OECD (2021) stated that future perspectives should include organisation of monetary policy instruments, reinstatement of fiscal policy capacity, redefinition of growth program, water consumption sustainability and a restoration program for inclusive social protection system.

Post pandemic cooperation: Considering the scenario of the post first world war where lack of cooperation between nations led to the financial and economic catastrophe following by the secondar world war, observations show that with the COVID-19 global impact, nations will tend to develop protectionism and later blame other countries for the severe consequences of pandemic in their economy (World Economic Forum, 2021). This suggests that governments should start the process of collaboration to easily handle the post pandemic issues. Following peace studies perspectives, the loss of job, social instability and restrictions of movement can easily trigger structural violence. In South Africa, the government has chosen to reduce credit rating to junk status creating financial turmoil in households. Governments themselves have massive debts that will not be paid due to the low rate of investment broken global trading system. However, thanks to the World Health Organisation (WHO) that has the mandate of applying common rules for the good of all nations. Although the WHO is underfunded (), its power over nations 'members remain a better tool to ensure the post pandemic cooperation and this limit further penalties on economies. According to the World Economic Forum (2021), the After COVID-19 can be positively managed if each country contributes to the research and knowledge , maintain global supply and notify on future outbreaks. Currently in South Africa, the agenda 2030 covers previsions as follows: (i) economy progress at a rate of 5.4%, (ii) unemployment rate down to 6%, (iii) investment increase to 30%, (iv) Bringing the Gini coefficient of inequality down to 0.60 and most importantly, (v) poverty eradication.

The (OECD) established that combat against the coronavirus and its economic implications should be based on the definition and implementation of competition policy actions for governments as well as competition authorities. Regulation actions for governments should comprise: (a) Support of market competition norms and enforcement, (b) Keep markets open while reviewing protectionist measures and (c) Eliminate government interventions in the medium to long term. In accordance to the policy actions for competition authorities, government should enforce competition and advocacy, prioritise these actions on critical areas affected by the crisis.

- Government should execute state interventions
- Authorities should systematically monitor market price increase
- Authorities should provide guidelines on lawful interaction between competitors
- Government should reduce the application of exceptions for public policy consideration while handling merger control
- Authorities should ultimately seek for procedural flexibility

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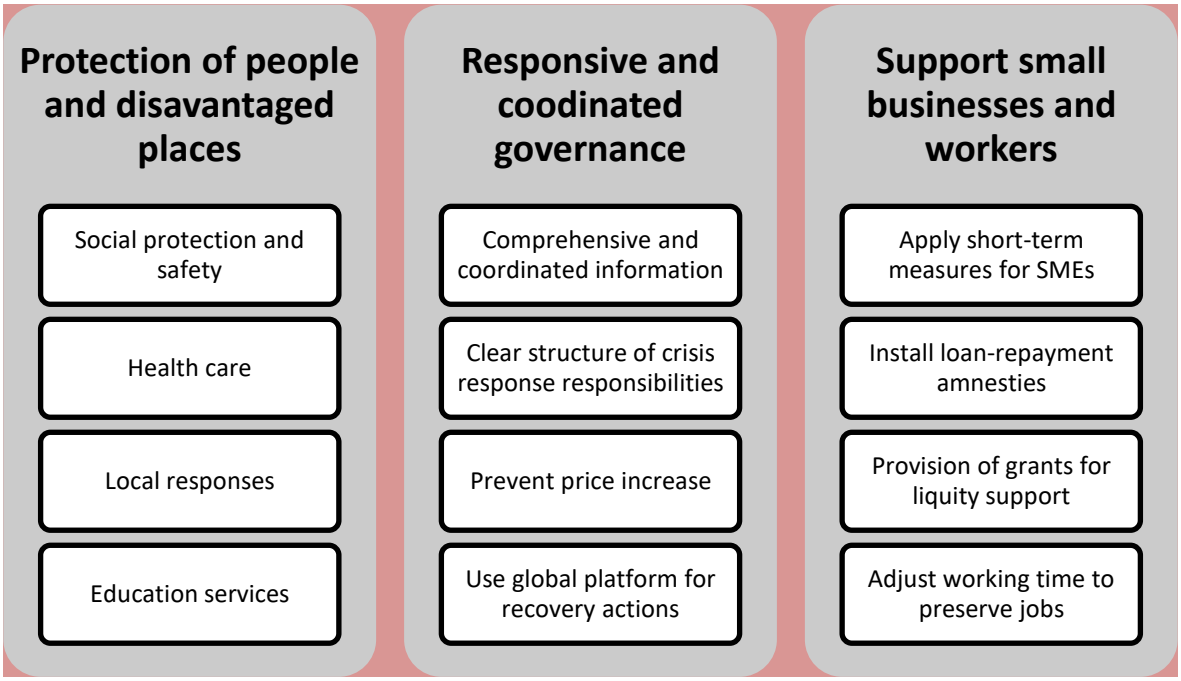
The OECD equally defined policy responses to the pandemic issues related to the protection of people and societies as depicted on figure 9 below:



Source: OECD (2020)
Figure 9: Protection of people and societies

(f) 4.2.6 COVID-19 Economic Performance Recovery

Based on the below secondary published by the International Monetary Funds (2021) and the Statistics of South Africa, recovery of economic performance in South Africa will depend on the improvement of the GDP and the balance of payments since current results highlight severe economic recession worsen by the pandemic. Figure 10 depicts that GDP have drastically decreased following mutlitple economic restrictions. By the second quarter of 2020 when the country was in the pandemic lockdown, the GDP went down to -51% keeping the country in an economic recession A weak and negative GDP means less investments, low interest rate, increase of unemployment rate. The expenditure side of the GDP shows that fixed investments decrease by 59.9%, public expenditure declined by 0.9%, household consumption dropped by 49.8% while exportation went down by 72.9% and importation by 54.2% as published by the Sharesa (2021).

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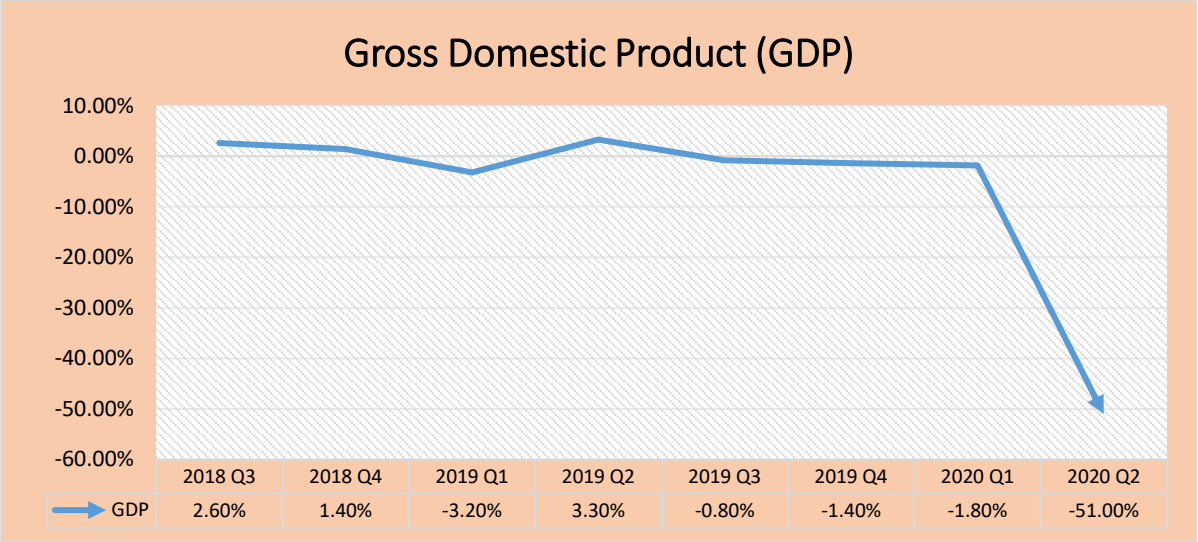
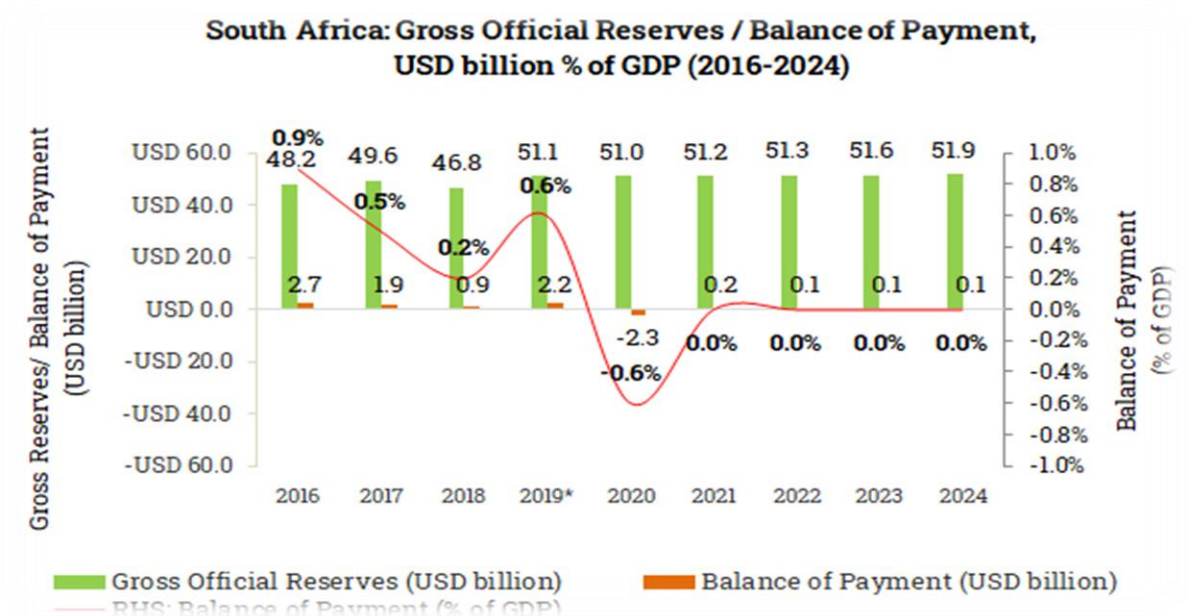


Source: Own Compilation
Figure 10: Gross Domestic Product (GDP)

Figure 11 shows that the balance of payments from 0.6% of the GDP down to -0.6% of the GDP in 2020. This result is also explained by the continuous current account deficit balance over years. It moved from -2.5% in 2018 down to -3.7% of the GDP in 2020.



Source: IMF (2021).
Figure 11: South Africa – Balance of payments during the pandemic

As displayed on figure 12, primary data revealed that 57.70% of the respondents agree and strongly agree that COVID-19 Banking revitalisation, COVID-19 Financial policies, COVID-19 Management Process, COVID-19 Stakeholders Involvement and COVID-19 Future perspectives will significantly contribute to the economic performance recovery during and after the pandemic. Although 17.30% of the respondents are not sure of the relationship, only 25% disagree and strongly disagree on their impacts.

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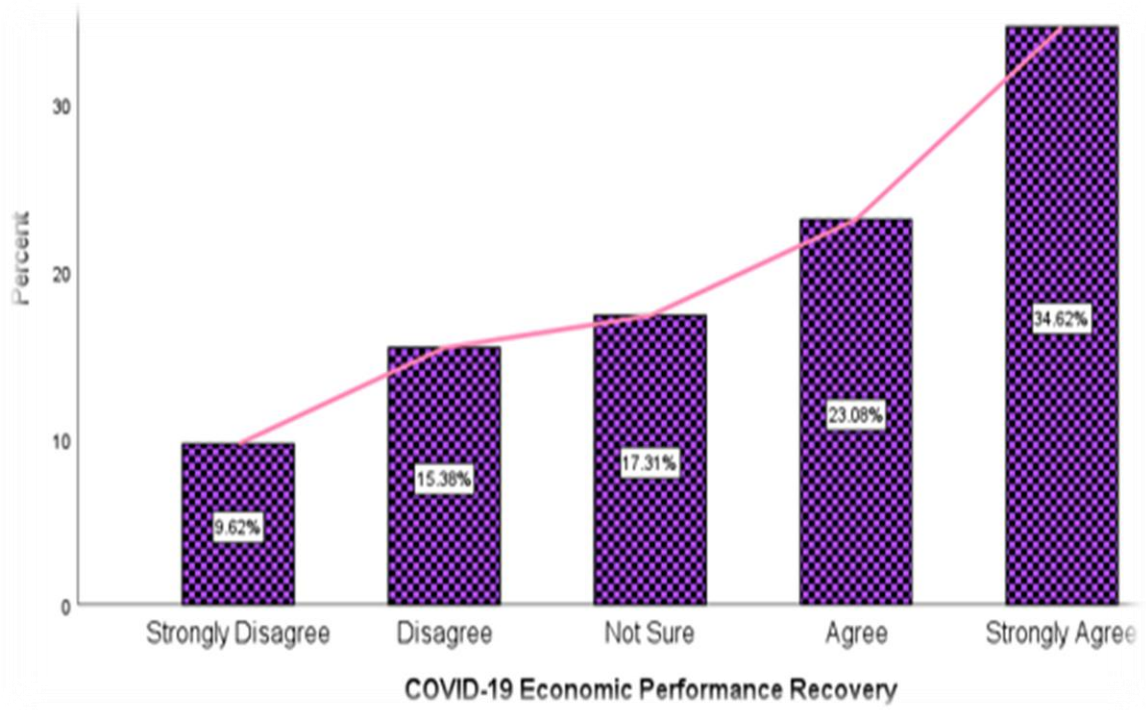
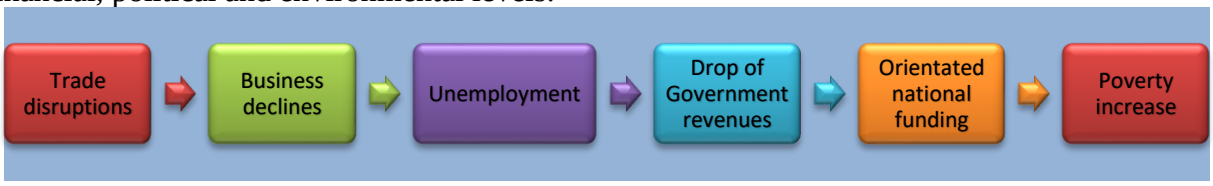


Source: Own compilation
Figure 12: Frequency – COVID-19 Economic Performance Recovery

4.3 COVID-19 Current Situation

Since the globalisation is at the origin of the spread of the virus through flows of people, ideas, products and services, nationalism might take over the global synergy for protection purposes. Although it is difficult to go back to the exact state of the pre-pandemic status quo, countries will develop xenophobia and protectionism to ensure minimum economic stability through restriction of international cooperation and global threat prevention. From easier-to-ensure to difficult-to-ensure risks, the global economic shutdown is far not insurable due to the large spectrum of collateral and correlated damages in all countries at social, economic, financial, political and environmental levels.



Source: Own compilation
Figure 13: COVID-19 Challenges

Trade disruptions: Trade disruptions include decrease of the commodity prices, restrictions of the financial measures besides the increase of economic dumping and the currency decrease.

Business declines: Many companies and organisations have close down due to the lack of operations. For those that only went through decline of business transactions chose the retrenchment method to remain in the market.

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Unemployment: Unemployment and underemployment are the direct consequences cause by the pandemic. It reaches more than 30% in the third quarter of 2020 when the pandemic took place (OECD, 2020).

Drop of Government revenues: The decline of economic operations reduces government revenues. Additionally, public health restructuration remains the responsibility of the government for protection purposes.

Orientated national funding: Considering the decrease of the government revenues, internal funding on education, social and business has been reviewed at a low level to first tackle public health emergency. Besides strengthening the health sector, the security and safety systems equally required solid investment.

Poverty increase: The pandemic causes the increase of poverty since many people lost their job, businesses had shut down and people are dying considerably.

Despite the negative aspect of the pandemic, an improvement on technological innovation and adaptation have catalysed the acceptance of the digital transformation with an improvement on e-commerce, e-teaching, e-meetings and e-business management.

Based on the primary and secondary data collected from accredited sources, figure 14 depicts the conceptual framework for economic performance recovery in South Africa during the Covid-19 pandemic

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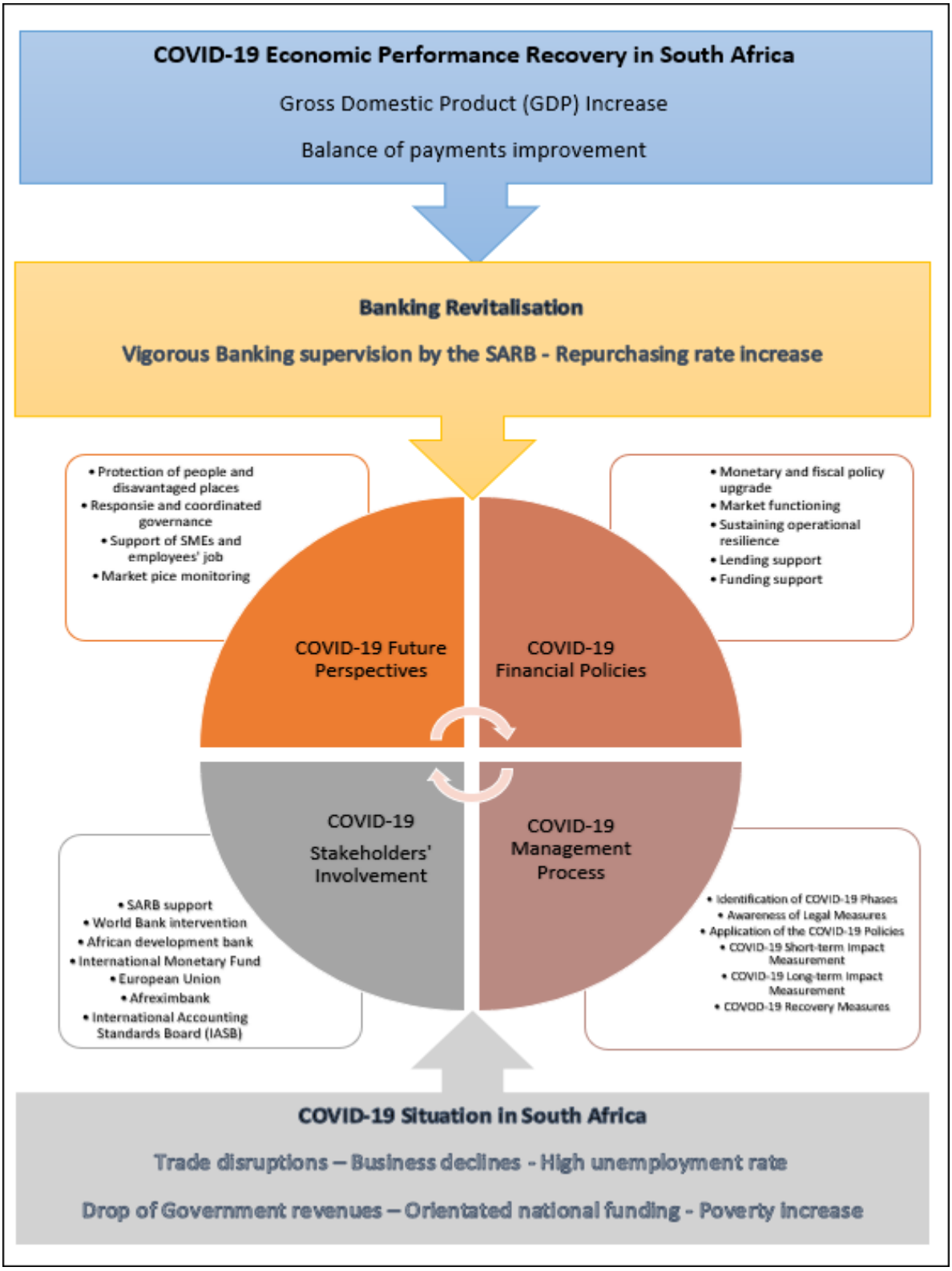

Source: Own compilation

Figure 14: A framework for COVID-19 economic performance recovery

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5. Conclusion and Recommendations

5.1 Conclusion

Although the COVID-19 pandemic is a global issue, countries face different types of consequences depending on their existing economic strength. 15%, 12% and 28% of the respondents were respectively economist, bank officers and business owners. 5%, 15%, 12% and 13% of them were respectively financial managers, housewives, bank tellers and public administrator. The statistical model depicts that 96.90% of the COVID-19 Economic Performance Recovery' behaviour depends on the movement of COVID-19 Banking revitalisation, COVID-19 Financial policies, COVID-19 Management Process, COVID-19 Stakeholders Involvement and COVID-19 Future perspectives since the correlation is very strong and positive with coefficients that are respectively 96.4%, 95.1%, 95.6% and 94.9%. The stakeholders' involvement component was not significant with a p-value of .143 but its combination with other factors enhances economic performance recovery. The regression standardised residual for C19EPR with an asymmetric probability distribution characterised by a negative skewness of - .531 long left tail and the Kurtosis of -.977.

For banking revitalisation, repo rate should be increased while banking regulations, loan guarantee scheme and the provisional mortgage forbearance to borrowers initiated with the pandemic should be suspended. Structural reforms should be implemented to sustain the implementation of the recovery plan namely the restructuration of trade policies and lowering barriers entry for business movements, supporting labour-intensive sectors like agriculture and tourism for inclusive growth and catalysing education and skills development. Effective pandemic management process should observe identification of COVID-19 phases, awareness of legal measures, application of the COVID-19 policies, COVID-19 short-term impact measurement, COVID-19 long-term impact measurement and the COVID-19 recovery measures. National and global pandemic -related stakeholders should be improved to support direct fiscal support and government guarantee schemes in addition to measures to provide regulatory flexibility or other macroprudential support, provide liquidity to banks markets, alleviate US Dollar funding shortages, lessen funding constraints from the shift of investors to safe assets and to support market functioning and ensure market integrity. As part of the future perspectives to mitigate the pandemic issues, government should execute state interventions, authorities should systematically monitor market price increase, authorities should provide guidelines on lawful interaction between competitors, government should reduce the application of exceptions for public policy consideration while handling merger control and authorities should ultimately seek for procedural flexibility. In overall, recovery of economic performance in South Africa will depend on the improvement of the GDP and the balance of payments since current results highlight severe economic recession worsen by the pandemic. Furthermore, standard local issues like incessant trade disruptions, business declines, unemployment, drop of government revenues, orientated national funding and poverty increase should be improved as well.

5.2 Recommendations

As part of the recommendations, the South African government only has to observe decentralised and implement international policies defined in the settings of the pandemic. Additionally, further internal measures should be taken following guidelines as enforced by global pandemic-related stakeholders.

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