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The Socio-Economic Effects of the COVID-19 National Lockdown on South Africa and its Response to the COVID-19 Pandemic

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Abstract: The coronavirus (COVID-19) pandemic has caused a global public health emergency. In the absence of approved and effective prophylactics and therapeutics, almost all countries have resorted to some version of national lockdown coupled with social distancing and enhanced hygiene measures to curb the spread of the pandemic. The COVID-19 has infected almost fifty million people globally, with more than a million deaths so far. Although national lockdowns have been employed as the primary response to the COVID-19 pandemic, they have also resulted in untold economic devastation to South Africa. Millions of people in the informal sector have been impoverished due to the COVID-19-induced lockdown. More people have become unemployed, the Gross Domestic Product (GDP) of almost all the nations have significantly contracted and public debt has rapidly increased while South Africa's national budget has been severely strained. This article examines the socio-economic effects of the COVID-19-induced lockdown on South Africa and its response to the COVID-19 pandemic. Reference will be made to Tanzania and Sweden which have shunned lockdowns. This is done for comparative purposes and to inform policy reform.

Keywords: Covid-19; unemployment; socio-economic effects; pandemic; economy

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1. Introduction

The first coronavirus (COVID-19) case may have been detected as early as 17 November 2019 in the Chinese city of Wuhan in Hubei Province but the official announcement from the Chinese government is that COVID-19 was detected in December 2019 (World Health Organisation, 2020 and Labuschaigne, 2020). The World Health Organisation (WHO) declared the coronavirus disease or COVID-19 or Severe Acute Respiratory Syndrome Coronavirus-2 (SARS-CoV-2), a global pandemic on 11 March 2020 (Farina and Lavazza, 2020). COVID-19 spread from China and immediately hit countries such as South Korea, Iran and Venezuela before they were all overtaken by Italy (Ozili and Arun, 2020). Within no time, the United States of America (USA) had overtaken Italy to become the country with the most cases and most deaths to date (Balogun, 2020). South Africa recorded its first COVID-19 case on 5 March 2020 with the first fatality following only 22 days later (Mkhize, 2020).

Dr Nkosazana Dlamini Zuma (Minister of Cooperative Governance and Traditional Affairs, "COGTA"), declared COVID-19 a national state of disaster in South Africa on 15 March 2020 in terms section 27(1) of the Disaster Management Act 57 of 2002. From the midnight of 26 March 2020, the government of the Republic of South Africa implemented the first instalment of one of the most stringent lockdown on the African continent as a strategy to slow the spread of COVID-19 (Labuschaigne & Staunton, 2020). The declaration of the national state of disaster which implied and/or included a redirection of public resources, was a swift response to minimise the economic impact and negative effects of the COVID-19 pandemic (National Treasury, 2020b).

Global crises are associated with varying degrees of economic destruction since such times are commonly characterised by relocation of people, limitations and deferrals on the transportation of goods and the interruption of supply chains (Krugel & Viljoen, 2020). The COVID-19 pandemic is no exception. The negative socio-economic effects of COVID-19 are even worse for South Africa since China, where the coronavirus originated, is South Africa's biggest trading partner in Asia (Krugel & Viljoen, 2020). According to the International Monetary Fund (IMF), a one percentage point drop in Chinese growth would reduce the South African economic growth by 0.2 percentage points (Krugel & Viljoen, 2020, p. 3). Another exacerbating factor is that South Africa's economy has not yet fully recovered from the 2007-2008 global financial crisis (GFC). Since then, the South African economy has been declining to date (Ministry of Finance, 2020). With or without the ongoing negative effects of COVID-19, the South African economy has been growing slowly for a protracted period (Ministry of Finance, 2020). The fiscal weakness was already present in South Africa before the COVID-19 pandemic. This is evidenced by the poor growth of the Gross Domestic Product (GDP) and the fast rate at which interest rates are growing in South Africa (Ministry of Finance, 2020).

This article examines and analyses the socio-economic effects of the COVID-19 restrictions on the South African economy and its response to the pandemic. In relation to this, a comparison will be made with other countries such as Tanzania and Sweden that have shunned total national lockdowns in a bid to recommend possible lessons to South Africa in respect thereof. Thereafter, an examination into the adequacy of the South African response to the COVID-19 pandemic is provided. Accordingly, a discussion of South Africa's policy framework for the COVID-19 pandemic is provided. Lastly, some concluding remarks are proffered.

2. Overview Literature Review

South Africa's strict total lockdown has been praised as a necessary early response to the COVID-19 (Umviligihozo *et. al.*, 2020). Considering South Africa's low GDP per capita, poor infrastructure, clusters of high density populations and the high rate of transmission of COVID-19, it was necessary to take prompt steps to curb the spread of COVID-19 so as to avoid a public health crisis (Umviligihozo *et al*, 2020). Although COVID-19 could pose a public health risk to South Africa, it is argued that there is no conclusive evidence yet that lockdowns are effective in slowing down the spread of the COVID-19.

There are also contradicting views on the enforcement of a strict total lockdown on South Africa. Arndt, *et al* (2020), argue that South Africa's lockdown has negatively affected employment (labour markets) and production sectors of the South African economy. This is true as most businesses in South Africa were either completely shut down or operated fewer hours due to the lockdown (Stats SA, 2020). De Villiers, *et al* (2020), contend that lockdown imposed by the South African government did not slow the spread of COVID-19 sufficiently. It is further submitted that the longer the lockdown persisted, the more the South African economy was negatively affected (De Villiers, *et. al.*, 2020).

Despite the opposing views above, very little has been written on the effectiveness of South Africa's response to the COVID-19 pandemic. Consequently, the article examines the socio-economic effects of the COVID-19 national lockdown on South Africa and the adequacy and effectiveness of its response to the COVID-19 pandemic.

3. Socio-Effects of the Covid-19 Pandemic on South Africa

A recent report by the Department of Trade, Industry and Competition (DTIC) has shown that COVID-19 has caused a monumental setback to the South African government's efforts to address gender imbalance and women empowerment initiatives as some of the funds which were originally budgeted for these initiatives have to be redirected towards public health care (DTIC, 2020). Additionally, female-headed households have been and will continue to be more affected by the COVID-19 pandemic than the male-headed households since more females than males are in the informal sector which does not benefit from employment insurance relief (DTIC, 2020).

Additionally, health workers can be negatively affected psychologically due to their direct interaction with COVID-19 patients (DTIC, 2020). The DTIC has also discovered that doctors and nurses are suffering from physical and mental exhaustion due to longer working hours. The DTIC also noted that nurses have less motivation to work in South Africa (DTIC, 2020).

The COVID-19 pandemic has radically altered people's lifestyle in South Africa. Measures such as lockdown, social distancing and other "innovative" ways of greeting each other such as elbow/fist bumps were introduced to ensure the safety of the South African population. Quarantined individuals lived in isolation with limited social interactions for protracted periods of time. This has resulted in an increase in mental conditions such as depression and anxiety due to "the extended periods of separation they endure away from their loved ones" (Torales, *et. al.*, 2020). This new social set-up has negatively affected the mental health of a number of individuals in South Africa and other countries (WHO, 2020). Additionally, living in isolation due to stay home orders or quarantine has caused several negative emotions to arise as more people struggle to adapt to the novel COVID-19 way of living (WHO, 2020). More people continue to suffer from anxiety and fear of contracting the COVID-19 and being affected by its negative financial effects (WHO, 2020). These changes have also affected the physical well-being of South Africans in ways such as loss or changes in sleeping patterns and eating habits, which in turn worsens other pre-existing health conditions (WHO, 2020). A survey conducted by the South African Depression and Anxiety Group (SADAG) revealed that more than two thirds of South Africans' mental health worsened during the COVID-19 lockdown, while almost fifteen per cent experienced suicidal thoughts due to loneliness and anxiety (SADAG, 2020). Cases of drug abuse have been on the rise in South Africa since more people look for ways of dealing with the stress (Assisted Recovery Centres of Africa Johannesburg, 2020).

More individuals are anxious about their livelihoods as extended lockdowns have placed a severe amount of strain on Small to Medium Enterprises even in South Africa (WHO, 2020). Consequently, many support groups in South Africa are offering emotional respite to individuals whose mental health has been adversely affected by COVID-19 (Department of Health, 2020). The fear of being infected by COVID-19 forces people to shun social interactions since large gatherings have been cited as one of the major spreaders of COVID-19. Such behavioural change has negatively affected the tourism and transport industries of South Africa (Department of Trade, Industry and Competition, 2020). It it will take time before people can get over the COVID-19 fear and trauma, especially those who would have either lost their beloved ones or have had some family members go through the pain.

4. Economic Effects of the Covid-19 Pandemic on South Africa

The COVID-19 induced nationwide lockdown resulted in substantial revenue losses emanating from the economic shock of the COVID-19 pandemic in South Africa (National Treasury, 2020d, p. 1). The concomitant measures to protect the public from the health risks that are posed by COVID-19 have significantly slowed South Africa's economic growth (National Treasury, 2020d). Owing to the COVID-19 total lockdown, the lack of confidence in the sustainability of South Africa's monetary policies has increased the cost of borrowing unlike the position in other developing countries such as Tanzania (Ministry of Finance, 2020, p. 4). In May 2020, Mr Ebrahim Patel (South Africa's Minister of Trade, Industry and Competition), estimated that the South African economy will be losing about R13 billion each day the national state of disaster persists (Department of Trade, Industry and Competition, 2020). However, Mr Patel's estimation may be inaccurate as it was simply arrived at by dividing South Africa's annual GDP by the number of days in a year. Not all industries have completely shut down and more companies are expected to resume their operations gradually since the state of disaster still in place. Moreover, both the IMF and the South African Reserve Bank (SARB) projected that the South African economy will contract by at least 6% in 2020 due to COVID-19 (Department of Trade, Industry and Competition, 2020). However, in October 2020, the Minister of Finance revised this percentage upwards to 7.8% and argued that the GDP will return to a growth of 3.3 per cent in 2021 (National Treasury, 2020d). Considering that South Africa's annual GDP is usually around R5 trillion, the 7.8% rate at which its economy is shrinking could translate to almost R400 billion loss.

The COVID-19-induced lockdowns slowed the economic growth by about 2.1% and this status *quo* is expected to continue over the next three years in South Africa (National Treasury, 2020d). Tax revenues for the year 2020/2021, which are the South African government's main source of income are estimated to be R312.8 billion lower than projected in the 2020 Budget Review (National Treasury, 2020d). South Africa has just experienced its biggest recorded decline in economic output in the second quarter of 2020 which was caused by its strict COVID-19 lockdown (National Treasury, 2020d, p. 13). The South African GDP contracted by 51% in the second quarter compared to the same period last year owing to the total COVID-19 lockdown (National Treasury, 2020d, pp. 2). The second-quarter results of South Africa's economic growth were weaker than the ones projected in the June 2020 special adjustments budget (National Treasury, 2020d, p. 13). Due to the aforesaid GDP decline, economic experts project that it would take at least 5 years to return to pre-COVID-19 conditions in South Africa (DTIC, 2020 and De Villiers *et. al.*, 2020).

Many Small to Medium Enterprises (SMEs) have closed and some will never open while others are struggling to due to low revenues intakes which they incurred during the national lockdown in South Africa (National Treasury, 2020d). Some businesses reduced their operating hours leading to lay-offs and reduced relevant wages while some employees were put on unpaid leave (Stats SA, 2020). In relation to employment, the COVID-19–induced lockdown has mostly affected the unskilled and semi-skilled employees and those in the informal sector (Department of Trade, Industry and Competition, 2020). Workers that are involved in the informal sector are left more vulnerable as they usually do not have access to Unemployment Insurance Fund (UIF) and most of the times they operate on a no work, no pay basis, especially during the COVID-19 pandemic lockdown in South Africa (Stats SA, 2020, p. 9).

As a direct result of reduced household and business income resulting from austere restrictions on movement during the total lockdown, there were significant increases in job losses, large-scale business closures and international goods trade was almost completely halted due to the closed borders (National Treasury, 2020d, p. 3). The COVID-19 pandemic and the national lockdown led to unemployment as businesses closed and millions were unable to seek employment due to the travelling restrictions in South Africa. The DTIC had projected that around 700 000 jobs will be lost in 2020 in South Africa as a result of COVID-19 (Department of Trade, Industry and Competition, 2020). However, by June 2020, the number of unemployed people had increased by 2.2 million as more businesses closed due to the lockdown, leaving South Africa with only 14.1 million employees (National Treasury, 2020d). Thus, in a population of 59.6 million people, with a labour force of 18.4 million, only 14.1 million South Africans were employed as of June 2020 (National Treasury, 2020d, p. 16). South Africa's unemployment rate increased by 2.3 per cent to 42 per cent as most businesses were forced to shut down during the lockdown. The lockdown has resulted in the highest level of unemployment in South Africa since the 2008 Quarterly Labour Force Survey (National Treasury, 2020d, p. 17). Consequently, millions of dependents have been affected due to these massive job losses (Arndt *et al*, 2020).

Household expenditure among the South African population has also changed relative to the lockdown restrictions as some people were either working reduced hours or were put on unpaid leave. This has resulted in high-contact, consumer-facing sectors such as leisure, alcohol and tobacco experiencing a sharp drop in South Africa due to COVID-19 lockdown measures (National Treasury, 2020d, p. 16). On the other hand, an increased spending on communication and utilities has been proportional to the increased home-based work in South Africa (National Treasury, 2020d). Although goods and services inflation has largely declined in South Africa, it is submitted that this decline must be attributed to a reduced demand and the fall in oil prices (National Treasury, 2020d, p. 16).

With respect to the various sectors of production in South Africa, agriculture was the only sector that increased output during the first half of 2020. Productivity in the agriculture, forestry and fishing industry grew by 11.7 per cent in the first half of 2020 compared with the same period in 2019 in South Africa (National Treasury, 2020d, p. 18). The lockdown resulted in a near-complete shutdown of the construction sector, which employs over one million people across South Africa (National Treasury, 2020d). Lockdown restrictions severely affected land and air transport as well as support services. Consequently, the effects of travel restrictions outweighed the intended gains from increased demand for networking and data services to support remote work and business continuity in South Africa (National Treasury, 2020d, p. 19).

COVID-19 has further worsened the instability of South Africa's public finances as more than half a trillion rands have already been channeled towards stimulating the economy (National Treasury, 2020c). Furthermore, most South African municipalities' revenue have drastically fallen at a time when the demands on them are increasing as more people fail or defer payment of their bills due to reduced household income (President Cyril Ramaphosa, 2020). A combination of low savings levels by the National Treasury and high government deficits will expose South Africa to higher borrowing risks, increase interest rates and slow economic growth through lower private sector investments (National Treasury, 2020c, p. 1). The National Treasury has estimated that a debt default would cost South Africa at least R2 trillion in lost economic activity by the end of 2030 (National Treasury, 2020c, p. 1). South Africa's current spending patterns indicate that monetary deficits will remain higher than 12 percent of GDP for the foreseeable future due to a reduced tax base due to the COVID-19 pandemic (National Treasury, 2020c, p. 1). This is one of the primary reasons why South Africa lost its investment-grade credit rating by Moody's rating agency (National Treasury, 2020d).

5. South Africa's Response to the Covid-19 Pandemic

South Africa, like several other countries, responded to the COVID-19 shattered economy by providing a R500 billion stimulus packages to its citizens (De Villiers, 2020). However, it must be noted that the COVID-19 stimulus package was made up of tax payer's money and debt instruments from both domestic and international institutions (De Villiers, 2020). In August 2020, South Africa secured a R70 billion from the IMF. International debts such as the IMF loan are denominated in foreign currency which is usually the American dollar and given the gradual decrease in value of the South African rand, repayment costs will most likely be very high (Bradlow, 2020). Another problem of loans is that if COVID-19 lasts longer, South Africa might be forced to seek for more loans which may ultimately lead to debt dependency and a weaker negotiating position for South Africa (Bradlow, 2020; van Heerden, 2020). South Africa's resort to the IMF reflects lack of political will to reduce the ever-increasing public sector wage bill or get rid of the redundant workers at state owned entities such as the South African Airways (SAA), Transnet and Eskom (van Heerden, 2020).

As part of South Africa's economic recovery strategy, its government has promised to modernise network industries, reduce barriers to entry and increase regional integration and trade (National Treasury, 2020d, pp. 2). The government of South Africa is also determined to reduce non-interest spending growth and raise tax revenue. However, due to low nominal GDP and revenue growth, these interventions have failed to South Africa's stabilise debt. Debt-service costs are the fastest growing expenditure and will claim 21% of South Africa's revenue in 2020 -2021 as most of the state owned entities continue to receive government bailouts (National Treasury, 2020c, p. 1). Between 2007-2008 and 2019-2020, the stock of the South African government net loan debt increased by almost 600 per cent from less than R500 billion to almost R3 trillion mainly due to South Africa's undisciplined expenditure (National Treasury, 2020c, p. 1).

In South Africa's commitment to continue improving food security and alleviate poverty, an additional R6.8 billion was allocated to the Department of Social Development to extend the special COVID-19 social relief of distress grant for three months until 31 January 2021 (National Treasury, 2020d). A further R1 billion was allocated for food relief to vulnerable households. In total, short-term social grant-based relief amounts to R48 billion in 2020-2021. It is submitted that although the government of South Africa is committed to relieve its citizens of the devastating effects of COVID-19, such relief is not sustainable in the long run considering the reduced tax base as many people have lost their jobs.

As part of the response to the COVID-19, South Africa also promulgated some regulations to enforce the lockdown restrictions. By the beginning of June, more than 230 000 people were arrested for violating lockdown rules (Labuschaigne, 2020). Some of the people, especially those in the informal sector were justified as they were not benefiting from some of the government grants which targeted those who had lost their employment due to the national lockdown. Some of the rules and regulations were irrational, arbitrary and did not strike a balance between the public health and economical needs. For example, the ban on tobacco and related products led to millions of money being lost by the South African government in tax even though there was no evidence that smoking aggravates COVID-19 patients (Labuschaigne, 2020). The decision by the Minister of Small Business Development and Tourism to prioritise black-owned businesses has been criticised on racial grounds and failing to employ financial need as the relevant criterion (Labuschaigne, 2020).

5.1. Flaws in South Africa's Response to the COVID-19 Pandemic

South Africa's response to COVID-19 has been characterised by appalling policy regulatory inconsistencies and loopholes (Labuschaigne, 2020). In October 2020, the Minister of Finance conceded that part of the R70 billion IMF loan could be directed to pay public servants salaries (Democratic Alliance, 2020). This is lamentable and tantamount to a renege of promise by the finance minister who had initially intended for the IMF loan to address public health needs and solve the balance of payments problems caused by the COVID-19 pandemic (Democratic Alliance, 2020).

Another loophole in South Africa's response to the COVID-19 pandemic is corruption. There have been reports and allegations of corruption even during the COVID-19 Personal Protective Equipment (PPE) tender award processes and diversion of funds by some senior government officials and private service providers (Labuschaigne, 2020). In the Eastern Cape, the court had to intervene to halt the payment of R10 million for the production of 100 scooters which were to be used as mobile ambulances because they did not meet the basic requirements for patient transport (Friedman, 2020). There have also been reports that some food parcels were not reaching the intended beneficiaries (Labuschaigne, 2020). It has also been reported that the South African National Defence Forces (SANDF) had spent R200 million for an undisclosed coronavirus drug (Skiti, 2020). As of late September 2020, the Special Investigative Unit (SIU) was investigating about 700 companies for COVID-19 related corruption contracts worth almost R8 billion (Friedman, 2020). To date very little has been done to address COVID-19 related corruption since of the people involved have strong political ties.

Furthermore, it is argued that the South African government's stimulus package falls short of providing sufficient relief. It has been predicted that South African households will most likely lose up to 40% of their income regardless of them qualifying for the Temporary Employer/Employee Relief Scheme (TERS) since, on average the amount is lower than the beneficiary's salary (DTIC, 2020). It has been further contended that the government's stimulus package does not address the plight of households in the informal sector as some of the grants such as the TERS was specifically meant for employees who were affected by COVID-19

(Department of Trade, Industry and Competition, 2020). About 30% of South African households may not benefit from the stimulus package because they belong to the informal sector.

Another cause for concern for South Africa's response to the COVID-19 pandemic is the termination of some of the relief such as the TERS and the Caregivers grant whilst the lockdown still persists. In October 2020, SASSA announced the termination of the Caregiver grant. The government of South Africa also officially announced that the TERS (UIF) will not be extended beyond 31 October 2020. However, there seems to be a misalignment of priorities by the government of South Africa in that while it terminated the TERS and Caregivers grant, the Minister of Finance authorised the awarding of R10.5 billion to SAA whilst South Africa is in the middle of an economic turmoil aggravated by the COVID-19 pandemic. The argument that the TERS and Caregiver grants were terminated because of lack of money is unjustifiable due to the SAA multi-billion rand cash injection.

The SAA cash award is inconsistent with the Minister of Finance's initial promise that spending reviews will be undertaken to ensure effective use of limited resources. There is no economic justification for another multi-billion rand cash injection into an unprofitable entity such as the SAA which has making losses perennially whilst the caregivers grant is terminated. It seems SAA has been awarded special status in this case. South Africa's biggest enemy is an unrestrained spending thirst. South Africa's public wage bill is untenable and needs to be reduced to redirect and channel more funds towards economic recovery from COVID-19 (Democratic Alliance, 2020).

Furthermore, Tito Mboweni's award of money to SAA is at odds with the MTEF Technical Guidelines which provided that for the purposes of the medium-term, "measures towards debt stabilisation should be accompanied by a refocusing of spending from consumption to investment in strategic economic infrastructure" (National Treasury, 2020c, p. 2). Clearly, a multi-billion rand cash injection into SAA is by no means and standards an investment.

6. Comparative Analysis: Policy Lessons for South Africa

6.1. Tanzania

Since South Africa is a developing country, it will be fair to compare it with another developing country that has adopted a completely different COVID-19 policy response. The only notable African country that did not enforce a protracted lockdown is Tanzania (Saleh, 2020). After a short partial lockdown, schools and universities were reopened from 1 June and all economic activities were operative (OCHA, 2020). It is argued that Tanzanian government made a good decision to open schools since the current available information about COVID-19 shows that the disease is more fatal among elderly people with some underlying co-morbidities. Borders were also reopened and there was no mandatory quarantine for incoming travellers (OCHA, 2020). Although Tanzania risked its population from imported infections by quickly reopening its borders, it must also be understood that Tourism is one of the biggest contributor to its GDP (Saleh, 2020). Mr Magufuli made it clear that he was putting the country's economic before anything else (Saleh, 2020). His justification was that there have been other viral diseases that did not require the economy to be shutdown (Saleh, 2020). So far, it seems that Tanzania's prioritisation of the economy has been effective as there is no evidence that lockdown curbs COVID-19. Paradoxically, countries such as South Africa, the USA, Italy, Spain, the United Kingdom that have enforced prolonged lockdowns seems to have more COVID-19 cases and fatalities (Balogun, 2020). However, Tanzania shunned a total lockdown and instead recommended homemade remedies such as steam therapy and encouraged washing of hands to curb the spread the COVID-19 pandemic (Saleh, 2020). It seemed these homemade remedies were effective as the President of Tanzania declared that Tanzania was COVID-19 free on 8 June 2020 despite criticism from neighbouring and European countries (Saleh, 2020). The Tanzania National Bureau of Statistics (NBS) reported a 5.7% GDP growth in the first quarter of 2020 (NBS, 2020). Information for Tanzania's GDP the second and quarters was not yet released at the time of writing this article. South Africa may learn from Tanzania whose population is almost the same as South Africa that lockdown does more harm to the economy than curb COVID-19. Regard will also be given to Sweden which although it is a developed nation, its different policy response to the COVID-19 pandemic will provide some pertinent lessons to South Africa.

6.2. Sweden

Having examined the COVID-19 -induced lockdown's devastating effects on South Africa's economy, this sub-heading explores the socio-economic impact of Sweden's partial lockdown for South Africa to draw some policy lessons. Unlike South Africa, the Swedish government did not initially impose any lockdown neither did it enforce strict social-distancing policies (Farina & Lavazza, 2020). It has been argued that Sweden's lockdown measures have led to a low death rate (Farina & Lavazza, 2020). Sweden managed to slow the spread of the COVID-19 without a complete lockdown by encouraging its citizens to be responsible through frequent washing of hands, avoiding crowded places and urging the elderly to stay home whenever possible (Paterlini, 2020). Michael Ryan, Executive Director of the WHO Health Emergencies Program suggested that Sweden may be an example for other countries regarding the management of future pandemics. (Pierre, 2020, p. 479). However, as shall be evident later, not only did the Swedish government's response was effective, other aspects like the institutional framework, cultural and also demographical traits may play a bigger role in curbing pandemics.

Swedish businesses including restaurants and bars remained open during the peak of COVID-19 (Paterlini, 2020). This means more jobs were saved and the government continued to receive revenue through tax. Although no country has managed to escape the COVID-19 pandemic unscathed, Sweden is emerging to be the least damaged economy in the European Union mainly because it did not mandate a national lockdown (Miltimore, 2020). In fact, Sweden's GDP grew by 0.1% during the first quarter of 2020. Sweden opted for voluntary, trust-based measures. Compared to South Africa's 7.8% GDP contraction forecast, Sweden's National Institute of Economic Research predicts that its GDP will fall by only 3.6% in 2020 as more business sectors remained operative throughout the 2020 (Swedish Economy Report, 2020). Sweden's unemployment is expected to rise by less than 3% to 9.1% between the end of 2019 and the end of 2021 due to COVID-19 (Swedish Economy Report, 2020).

However, borders and schools for students below 16 years old remained open as it was thought (Farina and Lavazza, 2020). Slight restrictions such as banning gatherings of more than 50 people were later implemented to protect and safeguard society from contracting COVID-19 (Farina and Lavazza 2020). Sweden's top epidemiologist Anders Tegnell conducted a research on the effective of lockdowns to curb the slow of viral diseases and concluded that lockdowns and closing borders have no historical scientific basis (Paterlini, 2020). His conclusion can be justified considering that lockdowns were also in place when then the Spanish flu killed between 17 to 50 million people in 1918.

Sweden's response to the COVID-19 pandemic was based on both scientific-economical, institutional, cultural and constitutional considerations (Farina & Lavazza, 2020). From a scientific-economical perspective, it was deemed that closure of all businesses would not stop a virus that had already reached the Sweden because it is impossible for human being not to have complete contact (Farina and Lavazza 2020). It was also thought that closing borders was ridiculous because COVID-19 was already in every European country (Paterlini, 2020). It was further argued that forced quarantine was not necessary and unjustifiable due to the possible resultant psychological and adverse economic effects, factors which South Africa either did not consider or gave very little weight (Farina & Lavazza 2020). Sweden's Public Health Agency (PHA) epidemiologists averred that a complete lockdown was unsustainable in the long run since it could lead to increased depression and domestic violence (Pierre, 2020). It is submitted that Sweden's approach balanced both public health and economical needs. Unlike the South African approach, in Sweden, the responsibility not to spread communicable diseases lies on individual citizens and not on the government (Farina & Lavazza, 2020; Paterlini, 2020) Sweden's policy response is consistent with fundamental constitutional rights such as the freedom of movement and freedom of assembly as provided for in Chapter 2, articles 8 and 24 of the Swedish Constitution which determines the nature of government's policy response during epidemics (Farina & Lavazza, 2020).

Another pertinent factor that shaped Sweden's response to the COVID-19 pandemic is its institutional arrangements. The level of institutional trust in society determined the extent to which Swedish institutiones influenced social behaviour in responding to the COVID-19 pandemic. For example, political cultures with low institutional trust often adopt coercive leadership measures, whereas high institutional trust leads to a more consensus-based approach (Pierre, 2020, p. 480). The high level of society's trust in Swedish "institutions is an indispensable incubator for informal but effective coordination with very low transaction" costs (Pierre, 2020).

From the beginning of COVID-19, the Swedish Prime Minister and other Cabinet ministers were not operationally involved in the management of the crisis (Pierre, 2020, p. 483). The Swedish Cabinet encouraged citizens to follow the experts' advice from the PHA and the National Board of Health and Welfare (NBHW) regarding slowing the spread of COVID-19. In Sweden the NBHW and PHA oversee the healthcare system managed by regional governments while the NBHW oversee nursing homes and other elderly care facilities managed by local authorities and this approach might reduce corruption since it does not involve a lot of political decision-making (Pierre, 2020, p. 483). South Africa may adopt a similar approach also.

Unlike South Africa, Sweden's model of crisis management is significantly different in terms of the more subtle role of Cabinet ministers (Pierre, 2020, p. 483). In South Africa, a high visibility of the President and Cabinet members has been providing leadership and to send a message to the public that the crisis is handled at the top level of government. The rather relaxed role of the Swedish Cabinet should not be seen as an abdication of the political leadership (Pierre, 2020, p. 483). Pierre (2020) argues that when in a crisis, it is best not to alter institutional roles and hierarchies but to the extent possible let institutions act and interact, in familiar roles and relationships. Conversely, South Africa came up with a National Coronavirus Command Council whose constitutionality remains debatable and the Inter-Ministerial Committee on COVID-19 is chaired by the Minister of Health Zweli Mkhize. Additionally, while South Africa can declare a state of disaster in terms of section 27 of the Disaster Management Act to centralise authority and make additional resources available during a pandemic, in Sweden that option can only be invoked when the country is in a state of war (Pierre, 2020, p. 484). It is submitted that Sweden's approach is preferable as it does guarantees the citizens' constitutional freedoms which is one of the reasons why South Africa's lockdown has been criticised as being equal to a state on emergency which is declared under section 37 of the Constitution of the Republic of South Africa of 1996.

7. Concluding Remarks

Although South Africa's total lockdown managed to slow the spread of COVID-19 at the beginning of the outbreak, it has had a negative effect on the South African economy. The lockdown in South Africa has resulted in untold economic meltdown and a myriad of unprecedented social deterioration, especially, to those in the informal sector and SMEs. A comparative analysis of Sweden and Tanzania's policies on the COVID-19 pandemic shows that there is no conclusive evidence that a complete lockdown is the universal solution to the curbing of the

COVID-19 since the economies of Sweden and Tanzania performed better than that of South Africa. The analysis of Sweden's approach also shows that a countries' institutional arrangements and political culture determines how it respond to disasters and emergencies.

As evident from the discussion above, it can be concluded that South Africa's response to the COVID-19 pandemic is being derailed by corruption, policy inconsistencies, incapacity and lack of adequate resources. Furthermore, South Africa continues to suffer from a growing public debt and misplaced priorities such as the cash injection into the SAA which has to date received more than R70 billion tax payer since 2012. Thus, the SAA and other unsustainable state-owned enterprises (SOEs) are putting enormous pressure on the South African economy (Ministry of Finance, 2020). These bailed SOEs could have been given the money that was meant to relieve those who are adversely affected by the COVID-19 lockdown in South Africa.

In light of these policy shortcomings in South Africa's response to COVID-19, it is recommended that South Africa should work towards achieving high institutional trust and adopt consensus based values in line with the Swedish example. Furthermore, South Africa cultivate a culture in line with Sweden's approach, that teaches its people that role of curbing the spread of COVID-19 lies with them. It is further recommended that South Africa's COVID-19 response should be spearheaded by medical professionals rather than politicians as is the case with Sweden, so as to curb corruption. Those involved in corruption, fraud and embezzlement of COVID-19 relief aid must be prosecuted and penalized in terms of the anti-corruption laws of South Africa. Furthermore, South Africa's COVID-19 policies and related relief measures should also be extended to those that work in the informal sectors. It is further recommended that South Africa should not impose another strict lockdown but that it should instead channel its resources and formulate policy that focusses on the protection of vulnerable groups such as the elderly and those with underlying health conditions while opening up the economy. This approach will achieve a much needed balance between promotion of public health and the need to revive the South African economy. South Africa's COVID-19 policy response should have due regard to the relevant ethical and moral principles as well as the constitutional rights of its citizens to ensure that the rule of law is respected (Farina & Lavazza, 2020). South Africa should also provide due consideration to the psychological effects of a complete lockdown considering that cases of depression, suicide and attempted suicide are on the rise.

Contrary to what was argued by Labuschaigne and Staunton (2020), that South Africa does not have the ability for an economic rebound from the COVID-19 pandemic on itself but it should mainly rely on debt relief, the authors submit that South Africa should continue to rely on borrowing as that would increase foreign debt without growing its foreign currency deposits at the SARB (National Treasury, 2020d). South Africa should focus on increasing GDP to reduce its accumulated debt. Lastly, it is recommended that South African policy makers must prioritise the privatization of non-profitable SOEs such as the SAA to reduce government expenditure and channel more funds to the combating of the COVID-19 pandemic and its negative socio-economic effects in South Africa.

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