

Post-Covid-19 Recovery and Reforms for Output Growth in South Africa: From Rebound to Recovery

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The purpose of this study is to investigate the impacts of Covid-19 shocks on South Africa's economy and determine whether post-pandemic reforms could boost output growth in the country. The study employs a monthly time series data spanning the period 2020M3 – 2022M6. It uses two proxies for the Covid-19 shocks: i) total confirmed incidences/cases and ii) total deaths while using the Stepwise Least Squares (STEPLS) regression method for the analysis. The findings indicate that the Covid-19 shocks exert a strong negative effect on output growth in the country. Conversely, governance reforms and production variables have a significant positive impact and are capable of boosting output growth in the country. The social implications of this finding is that it provides valuable information on the need for reforms especially a reform mix comprising products and innovation in the use of modern technology and human capital development. There should be full implementation of post-pandemic reforms like the supply-side and demand management policies as well as sustaining pandemic-related supports in the short-run and permanent lifting of all lockdown restrictions. This study is the first empirical effort in South Africa to determine whether post-pandemic reforms could boost output growth in the country.

Key Words: Post-Covid-19 Recovery and reforms, Output Growth, STEPLS model

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