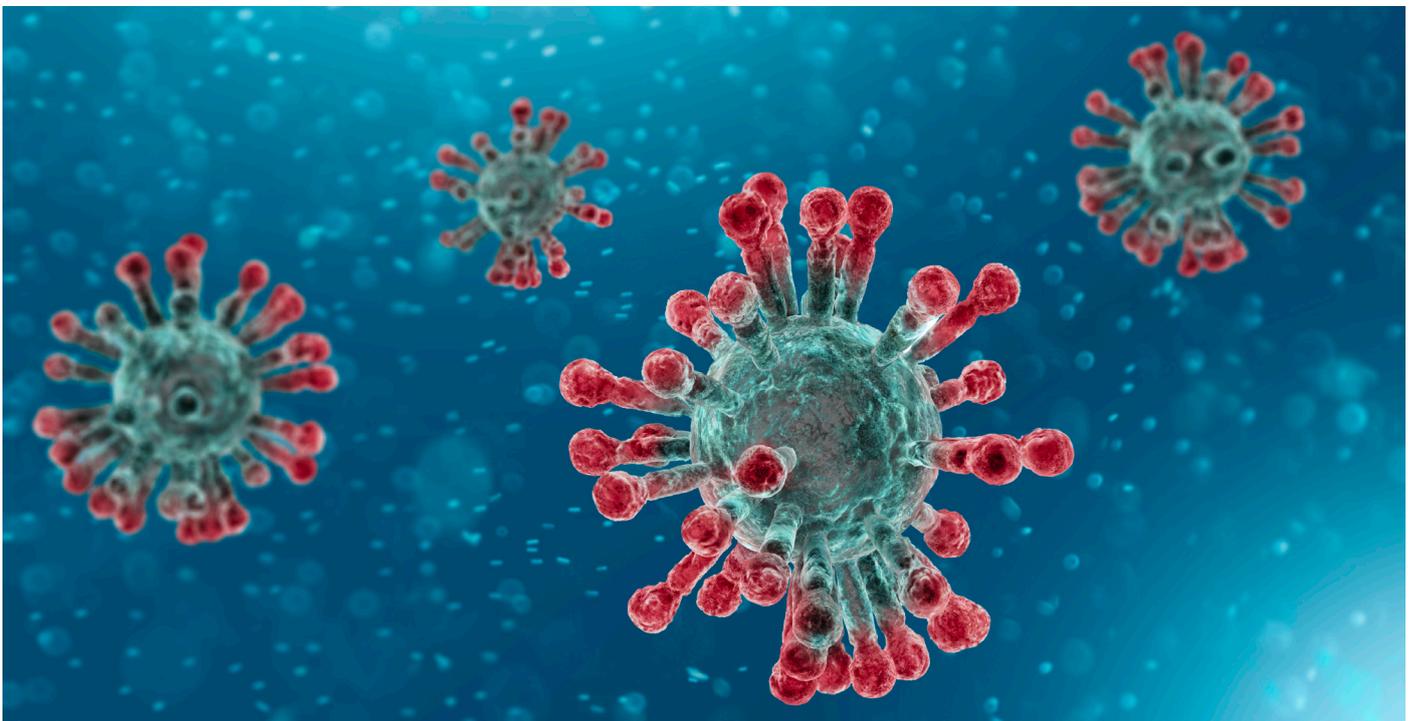


# COVID-19

## A GGA RESPONSE

APRIL 2020



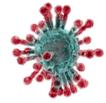
### Establishing a risk profile of socio-economic vulnerability in South Africa during the COVID-19 pandemic using GGA survey data (2017-2019)

Good Governance Africa is a registered pan-African, non-profit organisation. Through cutting-edge research and trend analysis, regular publications and advocacy work, we aim to improve governance across our five key areas:

LOCAL GOVERNANCE | NATURAL RESOURCES | NATIONAL SECURITY | CHILD DEVELOPMENT AND YOUTH FORMATION  
ETHICAL VALUES AND SPIRITUALITY



*A health professional sprays disinfectant on a homeless man's hands at a temporary shelter in Pretoria. PHOTO: Rodger Bosch/AFP*



# Contents

EXECUTIVE SUMMARY .....	4
INTRODUCTION .....	5
OVERVIEW: SOUTH AFRICA AND THE GLOBAL COVID-19 PANDEMIC .....	5
A “SNAPSHOT” OF SOUTH AFRICANS WHO MAY BE AT HEIGHTENED SOCIO-ECONOMIC RISK .....	8
SUMMARY STATISTICS .....	9
CROSS-ANALYSIS BETWEEN GROUPS .....	15
CONCLUSION .....	20

# EXECUTIVE SUMMARY

To assist with the emergency response to COVID-19, Good Governance Africa (GGA) has compiled a socio-economic profile of vulnerability of the average South African citizen encountered in our work, based on aggregated data from research that we have undertaken across nine municipalities in five of South Africa's provinces over the past three years.

The aim is to assist government, the private sector and civil society in formulating the best possible socio-economic relief for those whose livelihoods will be most impacted by the lockdown and afterwards. Since the South African government announced the extension of the lockdown, which was deemed necessary to contain the spread of the disease, identify hotspots and “get ahead of the curve”, the economic consequences for all, but particularly the country's poorest, have become clear. The lived reality of many South Africans who reside in informal settlements means that they are unable to isolate and adhere to quarantine measures. Also, small businesses and informal traders will be unable to operate as they did before the lockdown.

The government has announced an extensive programme of fiscal relief to compensate businesses and individuals for loss of revenue and income over this period and beyond. However, the Department of Small Business Development has said that informal traders would only qualify for relief if they registered with the department and the businesses must be South African-owned. This means that some three million informal workers are likely to fall through the net. As we resume economic activity, there is much uncertainty and fear.

Like many African countries, and unlike countries such as Italy hit hard by COVID-19, South Africa has a youthful population. GGA's research reveals high unemployment across the 18-39 age group, with 18-29-year-olds likely to be dependent on their parents and the elderly for support. Self-employment is high among the middle-age groups. Those individuals are particularly vulnerable to the socio-economic effects of the pandemic because they are not allowed to trade during the lockdown. Women, in particular, are at heightened risk.

Our research suggests that young to middle-aged individuals, especially females, seem to be most at risk of the economic shocks caused by the lockdown and will likely be the first to feel the future impact of the pandemic on the country's economy. The overwhelming majority of our sample lives on an income of less than R2,299 a month, many of whom are self-employed and unable to operate under the strict lockdown measures. Income grants among the sample are not high, thus many of the participants are not receiving wages if they are unable to work. It is evident from our research that immediate and ongoing support must be provided to those whose livelihoods have been decimated, but who are not recognised in the “formal economy” sector or who fall through the safety net of social grants. In solidarity with the country, GGA is ready, able and willing to offer pro bono support to government, the private sector and civic organisations in this critical “whole of society” response.



# INTRODUCTION

The following report will provide a socio-economic “snapshot” of communities surveyed by Good Governance Africa (GGA) through several projects across nine municipalities in five provinces in South Africa based on data aggregated from variants of our standard citizen governance survey run over the past three years. Our aim is to assist in the emergency response by understanding the needs of some typical communities based on our work, given the impact of COVID-19 during this lockdown period and beyond.

## 1. OVERVIEW: SA AND THE GLOBAL COVID-19 PANDEMIC

On 26 March, 2020 South Africa began a 21-day lockdown to prevent further transmission of the COVID-19 virus, which would otherwise have overwhelmed our healthcare system, given the exponential trajectory of its spread. The aim of the lockdown is to lower community transmission, allow for the identification of hotspot areas, prepare medical care centres and initiate active case finding. There are several high-risk individual profiles that have been identified by the World Health Organization (WHO), but South Africa remains in a unique position due to our ongoing battle with HIV and TB. The country still heads HIV infections globally, and Prof Salim Karim, head of the COVID-19 Ministerial Advisory Committee suggests that those with low CD4 counts may well be adversely affected. Furthermore, the individuals who are likely to be infected by either HIV or TB tend to live in vulnerable communities with limited access to healthcare, livelihood security and financial assistance.



On 9 April, President Cyril Ramaphosa announced an extension of the nationwide lockdown for a further two weeks to prevent further transmission of COVID-19 and to allow for healthcare providers and government departments to prepare adequately. Lockdown restrictions have forced many small and informal businesses to close unless they are considered an “essential service”. On 21 April, the President alluded to an update on the current lockdown deadline (currently 30 April) with a phased economic roll-out and recovery plan to be shared on 23 April. Accordingly, yesterday he announced that a phased easing of lockdown and resumption of economic activity would commence 1 May.

The WHO commended South Africa for its swift action and scientific approach to delaying the spread of the disease, as President Ramaphosa stated, continuing that, “while a nationwide lockdown is probably the most effective means to contain the spread of the coronavirus, it cannot be sustained indefinitely. Our people need to eat. They need to earn a living. Companies need to be able to produce and to trade, they need to generate revenue and keep their employees in employment.”

It is to this end that the current report serves as a diagnostic tool to be used in the immediate response to the crisis in terms of assisting to allocate resources for those most at risk or in need. Figure 1 below provides a comparison between South Africa and several other countries. South

Africa’s trajectory is unique in that we started to flatten our curve very soon after we began seeing an average daily increase. The risk of overwhelming the healthcare system was evident with what has been witnessed in countries like Italy and the UK. However, a parsimonious reason for this tapering is not necessarily a reflection of reduced incidence and prevalence; rather, it is plausible that after the so-called “first wave” of citizens tested (largely those who used private healthcare funds), there was a lull before state-sponsored testing commenced. It is for this reason that we should remain cautious in interpreting preliminary data too hastily or without due diligence.

Figure 1

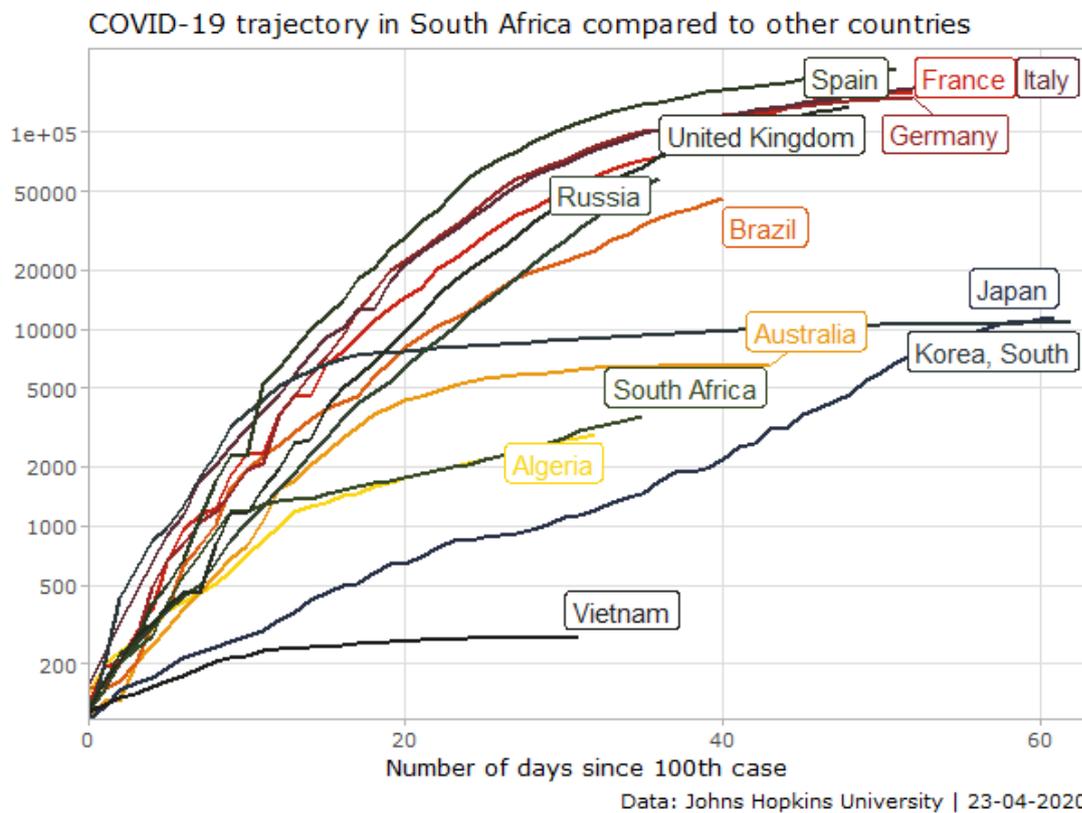
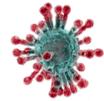


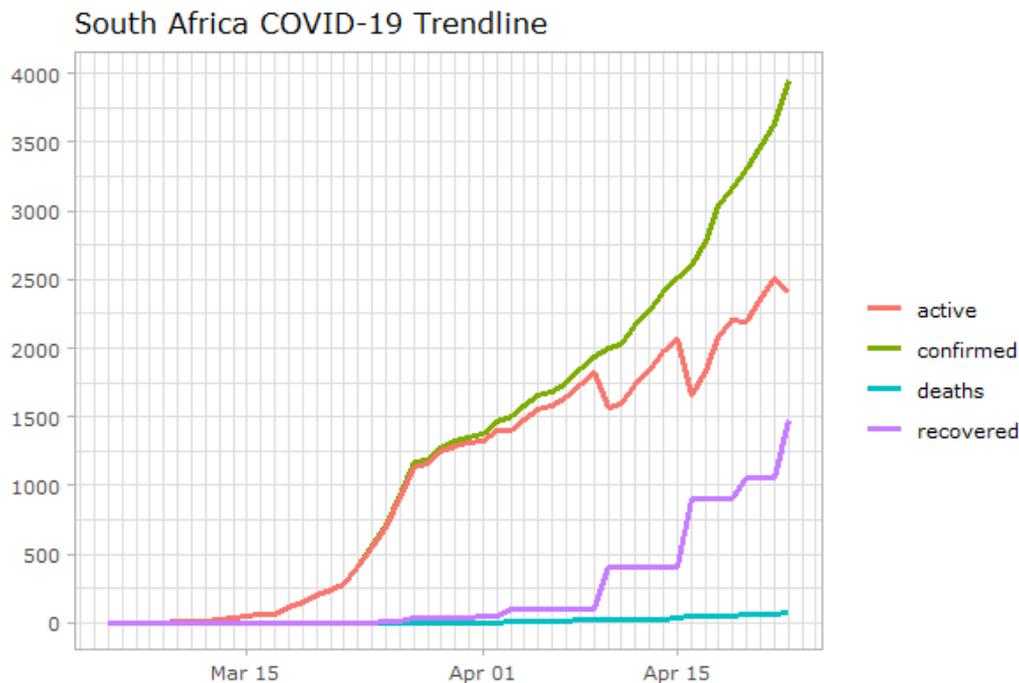
Figure 2 provides the various trendlines for confirmed cases, active<sup>1</sup> cases, deaths, and recoveries for South Africa since the first confirmed case on 1 March, 2020. What is important to note is that someone who tests positive for COVID-19 would have been infected two weeks prior with the virus, so there is a “lagged” effect to consider when examining the cumulative numbers. The graph indicates that from around 27 March there was a change in the trajectory of confirmed cases. What is encouraging is the low number of deaths (75) recorded, which, if accurate, tends to indicate that the healthcare system has been able to cope with the outbreak thus far. There are concerns, however, over underreporting, delayed screening and testing onset. Community healthcare workers have been deployed (~28,000) across the country to actively test and screen individuals who may be infectious or at high risk of contracting the disease. When newer and more efficient testing becomes available, there will be a marked increase in the number of daily tests. This will assist in

1 Active cases = confirmed – (deaths + recovery)



coping with the inevitable rise in case numbers when lockdown eases.

Figure 2



Source: Johns Hopkins University | 24-04-2020

In terms of preparing the healthcare system, the South African government is taking many necessary steps to slow the transmission of the epidemic. However, what remains of great concern is how this lockdown, and further transmission prevention strategies, are going to impact the country’s socio-economic situation.

The living conditions of many South Africans who reside in informal settlements will challenge the implementation of isolation and quarantine measures. Small businesses and informal traders will be unable to operate as they did before, and currently they are at risk of not receiving the fiscal support needed to survive.

The economic consequences of the lockdown are being dealt with by a relief fund, known as the Solidarity Fund, in order for the government to assist businesses that will be affected during the lockdown. The fund will support registered small, medium and micro enterprises (SMMEs) with debt relief finance and business growth and resilience facilities, which require the submission of an application to the Department of Small Business Development. Minister Khumbudzo Ntshavheni announced that informal traders would only qualify for the fund if they registered with the department and the businesses must be South African-owned.

According to Stats SA, three million people work in the country’s informal sector, which includes street vendors, domestic workers and waste pickers. Vendors who sell essential items such as fruit and vegetables may continue to operate, others such as street-food vendors will not be allowed to operate and will need financial support. The informal economy accounts for 35.2% of the total non-agricultural employment of South Africa (World Bank 2018).

## 2. A “SNAPSHOT” OF SOUTH AFRICANS WHO MAY BE AT HEIGHTENED SOCIO-ECONOMIC RISK

To gain some insights into those most vulnerable in the current aftermath, we examine three surveys conducted by GGA between 2017 and 2019, which represents the sum total of our survey work in South Africa.<sup>2</sup> This may serve as a useful aid in understanding the make-up of typical communities, and those whose members may be at risk.

Data is provided for a total number of 3,180 participants. The survey results aggregated in the following data analysis are variants of GGA’s citizen governance survey conducted in nine different municipalities across five provinces.<sup>3</sup>

The performance of these local municipalities on the latest national rankings of GGA’s Government Performance Index (GPI) released in 2019 is presented in Table 1 below. The ranking covers 213 municipalities across the country and the indicators capture three core clusters: administration, economic development, and service delivery.

The municipalities range from the top 10% to bottom 10% performers nationally, with a mean position (102) very close to the average (106,5). Accordingly, we propose that some analysis could provide valuable insights into typical citizens residing in the most vulnerable areas around the country.

**Table 1. Government Performance Index Rankings (2019)**

Location of survey	GPI Rank	Municipality	Province
Soweto	70	City of Johannesburg	Gauteng
Thembisa	69	Ekurhuleni	Gauteng
Bojanala	148	Madibeng Local	North West
Moretele	164	Moretele Local	North West
West Coast	21	Saldanha Bay Local	Western Cape
Oudtshoorn	42	Oudtshoorn Local	Western Cape
Mbizana	206	Mbizana Local	Eastern Cape
Tokologo	135	Tokologo Local	Free State
Lejweleputswa	63	Matjhabeng Local	Free State
Average ranking	102		

<sup>2</sup> The data used in this report combines the survey data from all three reports. Missing values are excluded from the exploratory data analysis; therefore, some comparisons have less participants than others.

<sup>3</sup> These comprise: “*Citizen Governance, The Informal Economy and Enterprise Development*” conducted in Tembisa and Soweto, Johannesburg (2019), “*Audit Performance and Service Delivery at Local Government Level*” conducted in municipalities across the Western Cape, Free State and North West provinces (2019), and finally the “*Mbizana Municipality Local Governance Report*” conducted in Mbizana, Eastern Cape province (2017).

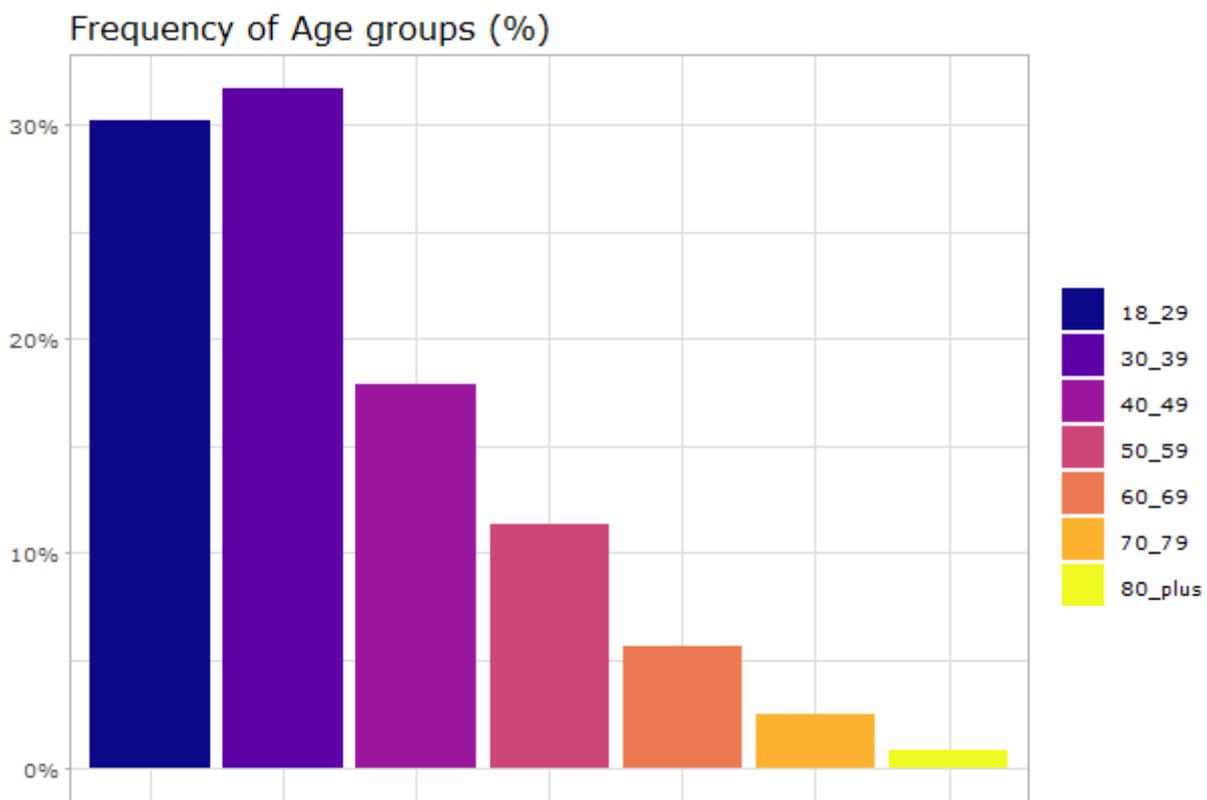


## 2.1. SUMMARY STATISTICS

Below, we summarise the sample group demographics and then probe who may be most vulnerable to socio-economic hardship during this lockdown period and beyond.

First up, in terms of age, Figure 3 provides the frequency of each age group across the entire sample. In terms of the skew, the plot alongside indicates that 50% of the sample lies between 18-39 years old, with the 75th percentile under 79 years of age.

Figure 3

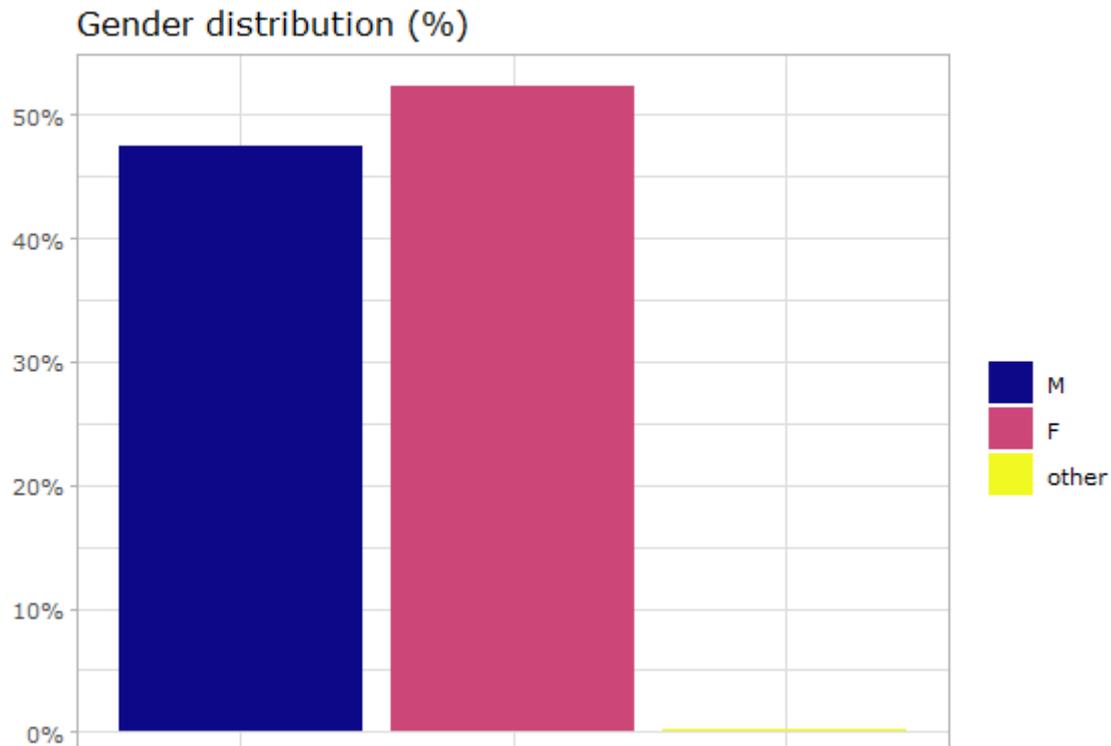


Source: Good Governance Africa

Gender appears to be more or less evenly split between the group, slightly favouring women (52.3%) over men (47.4%) as indicated in Figure 4 below. Of interest is that a fraction of the population self-reports gender as other (0.3%).

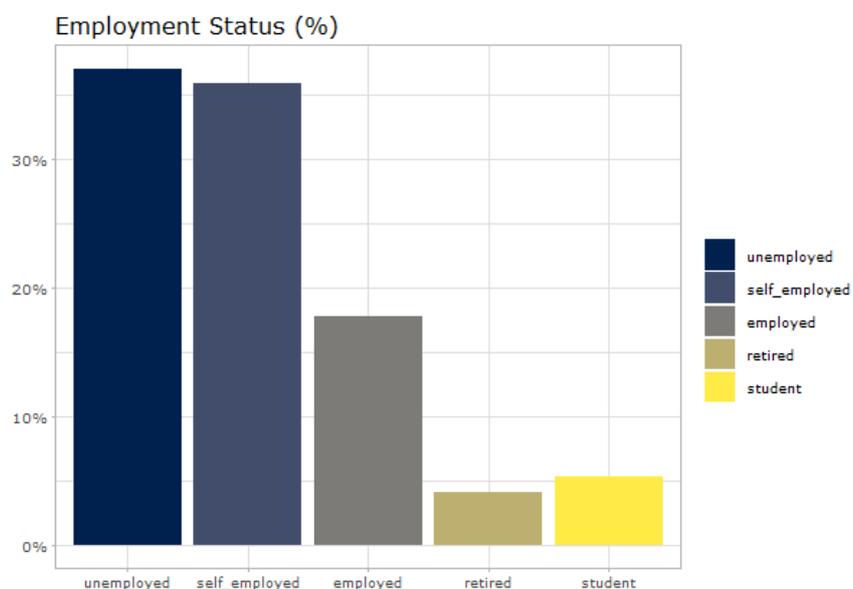
**Figure 4**

The predominant employment status among the group is “unemployed” (37%), marginally ahead of “self-employed” (36%) and “employed” (18%). This is concerning for those who do not trade or



work in an essential service and who would have to cease working during the lockdown period (see Figure 5) and reaffirms the need for urgent intervention and support.

**Figure 5**



Source: Good Governance Africa

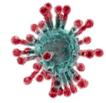
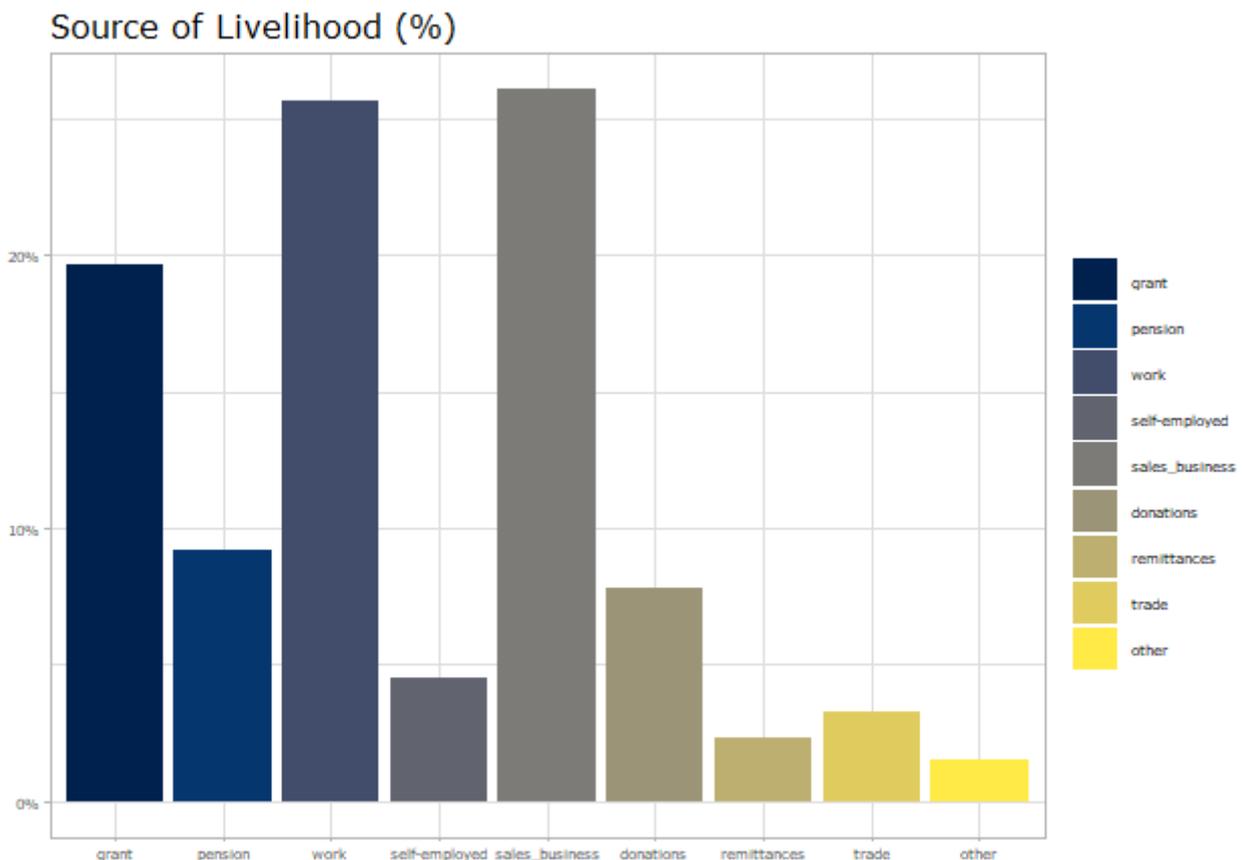


Figure 6 demonstrates that the sources of livelihood for most participants arise from sales and business (26%), then “work”, followed by “grant funds”. Further elaboration is provided in Table 2 below.

Figure 6



Source: Good Governance Africa

Source of livelihood is another important indicator that may help in understanding the impact of no economic activity for the income of vulnerable communities. Table 2 provides a breakdown of the type of livelihoods used to source income in the regions surveyed.

Given that sales or business was the most frequent source of livelihood reported by participants, the lockdown would have hit hard, as most of these businesses would have had to close shop.

Those who “work” may have been forced to take unpaid leave unless their work is considered an essential service and those who are “self-employed” forced to stay at home. This would suggest that around half of the participants across the survey could have no earnings for some of March and all of April 2020, with the negative impact on disrupted supply chain logistics having marked effects on wholesale and retail from May 2020 onwards.

**Table 2: Source of livelihood across sample**

Source of livelihood	% of total
Grant	19.65
Pension	9.16
Work	25.61
Self-employed	4.54
Sales or Business	26.10
Donations	7.78
Remittances	2.29
Trade	3.31
Other	1.55

Household income amongst participants is extremely low as evidenced by our aggregated data, averaging below R2,299, according to the visual barplot below in Figure 7. Alarmingly, 65% of the participants are living in the lowest category that we measured. Bearing in mind that social grants amount to just short of R1,900 per month and it is evident that the vast majority are living on the borderline of poverty.<sup>4</sup> The boxplot confirms that 75% of our participant households exist on less than R5000/month.

Drawing from the Living Conditions Survey (2015), Stats SA states, “The provinces with the highest headcount of adult poverty are Limpopo (67,5%), Eastern Cape (67,3%), KwaZulu-Natal (60,7%) and North West (59,6%). For these four provinces, significantly more than half of their population were living in poverty. Gauteng and Western Cape had the lowest proportion of adults living in poverty at 29,3% and 33,2%, respectively.”

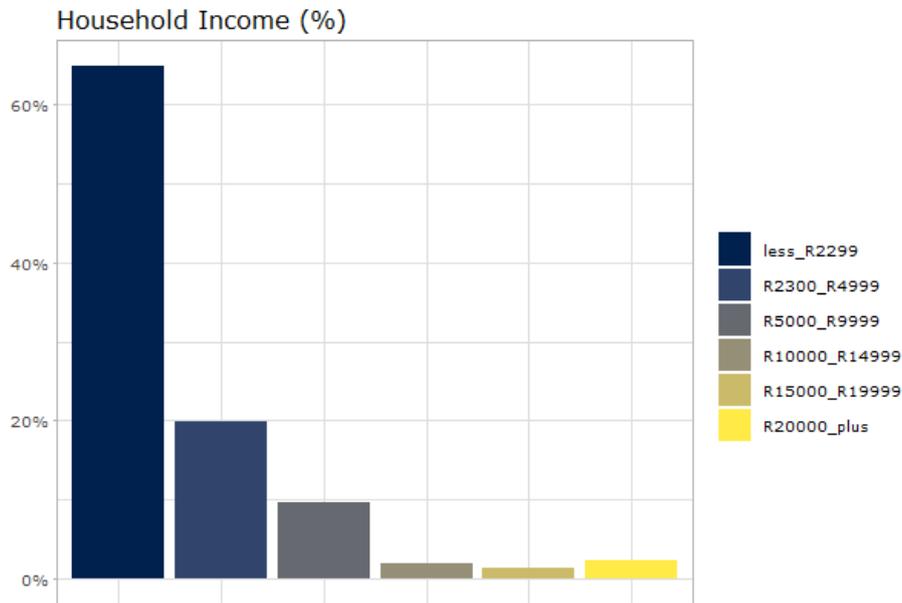
We might only expect that given the significant downswing in the economy and contraction in growth over the past five years figures would not have improved. Given the current situation with COVID-19 and the lockdown, the situation is dire with food security in question, and civil unrest and riots on the increase. President Ramaphosa has announced emergency measures, which are discussed below.



<sup>4</sup> According to Statistics South Africa (2019), Inflation-adjusted national poverty lines for 2019 (per person in month in Rands) amounted to an upper-bound poverty line of R1,227; lower-bound poverty line R810 and food poverty line R561.



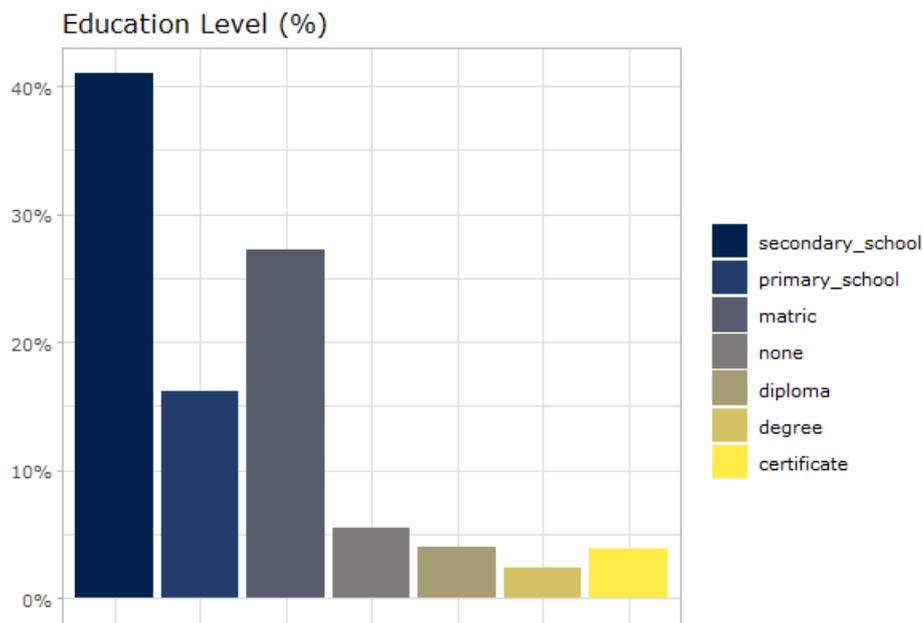
Figure 7



Source: Good Governance Africa

Figure 8 shows the distribution of education level amongst the participants. The largest category is comprised of participants with 41% secondary school level, 16% primary school level and 27% with a matric level education. The boxplot figure below indicates the level of education spread, which lies predominantly below matric level, with hardly any participants proceeding to tertiary level. For most of our participants, work possibilities in the formal sector would be severely constrained since the standard requirement is matric.

Figure 8

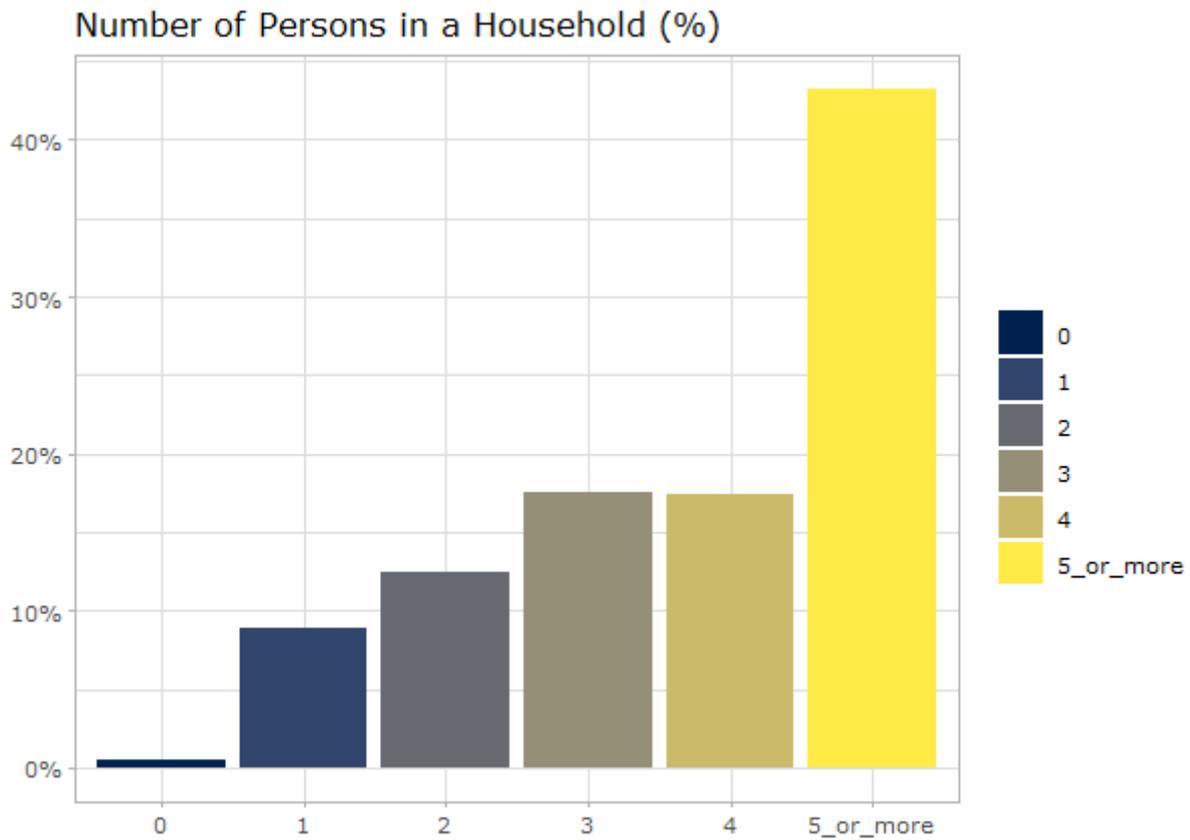


Source: Good Governance Africa

Moving onto household size, we note that most of the participants have five or more people living in their household (see Figure 9 below). It follows that many would depend on one or more family members' employment to support the house. Again, there is a great risk of households going hungry during this lockdown period unless they can access food parcels. Civil society and advocacy groups have called for emergency income support to assist individuals unable to access funding via the Department of Small Business Development. Some businesses will also be unable to pay their workers' wages; thus wage support for vulnerable communities is essential.

Accordingly, President Ramaphosa has announced an increase in social grants, with an extra R300 for child support in May, and an extra R500 from June to October. (Since clarified to be R300 per child in May and thereafter R500 per caregiver irrespective of the number of children in their care.) For the unemployed and who do not current qualify for grants, he announced the establishment of a Coronavirus Fund. An additional R100 billion will be allocated to those who have lost jobs.

Figure 9



Source: Good Governance Africa

Finally, access to healthcare remains critical during this period, especially for those who have ongoing TB or HIV treatment. Figure 10 encouragingly indicates that 80% of the participants do have access to healthcare. However, a recent letter by doctors to the president reveals that many patients are avoiding their local hospitals to make way for COVID-19 patients. This could disrupt treatment for critical illnesses already affecting a large portion of more vulnerable individuals in South Africa.

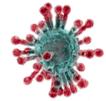
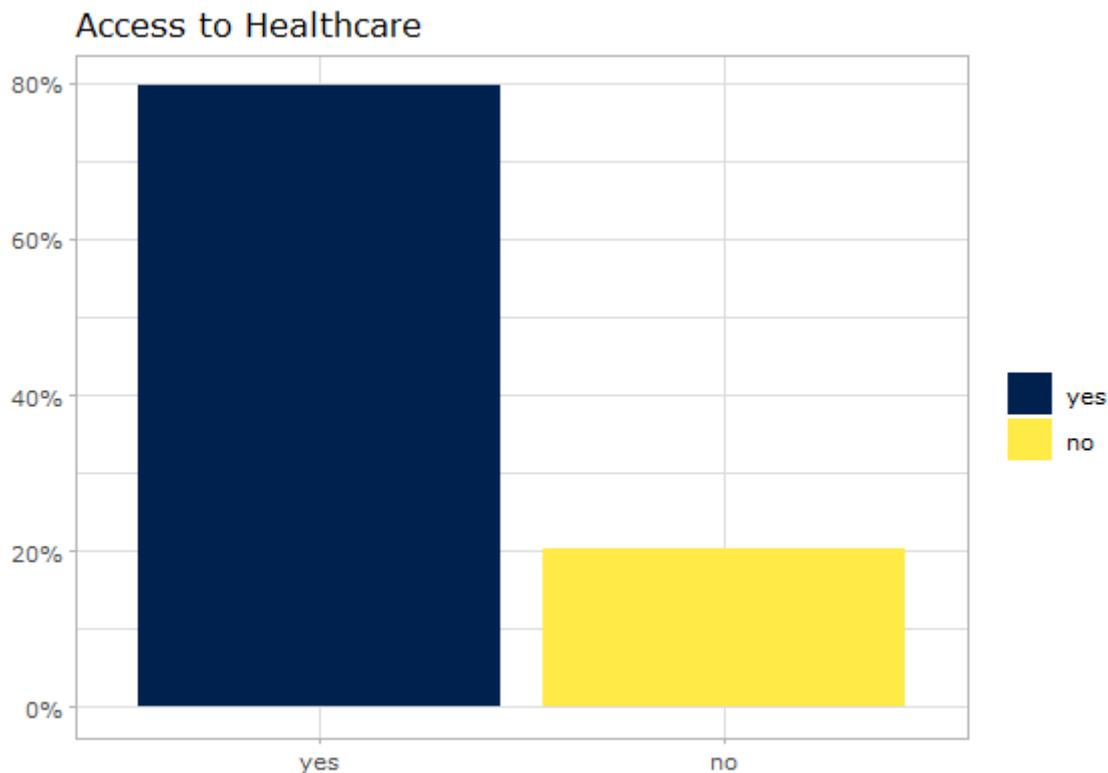


Figure 10



Source: Good Governance Africa

## 2.2. CROSS-ANALYSIS BETWEEN GROUPS (AGE AND GENDER)

The above analysis paints a portrait of the general risk scenario for an average South African, based on our work. However, above and beyond this, we note at least two additional factors to consider. Our country profile differs from others such as Italy, with a large proportion of elderly citizens. On the contrary, South Africa, indicative of the so-called “youth bulge” on the African continent in general, has a predominantly young population. For this reason, below, we provide some cross-analysis that factors in age (see Table 3).

We are also aware that gender factors into the current debate in a notable way. According to StatsSA (2019), reporting on the LCS of 2015, “When looking at the poverty headcount by sex using the UBPL, adult males and females experienced a headcount of 46,1% and 52,0%, respectively. Adult females experienced higher levels of poverty when compared to their male counterparts, regardless of the poverty line used.”<sup>5</sup> Simply put, women are at greater risk.

<sup>5</sup> According to the LCS 2014/15, approximately 40,0% of South Africans were living below the UBPL. The poverty gap (the distance away from the poverty line) and severity of poverty measures were larger for female-headed households compared to households headed by males. The proportion of females living below the UBPL was 16,9 percentage points more than that of households headed by males (49,9% versus 33,0%). Almost six out of every 10 households headed by males (59,3%) compared to over seven out of every 10 households headed by females (74,8%) in traditional areas were living under the UBPL.

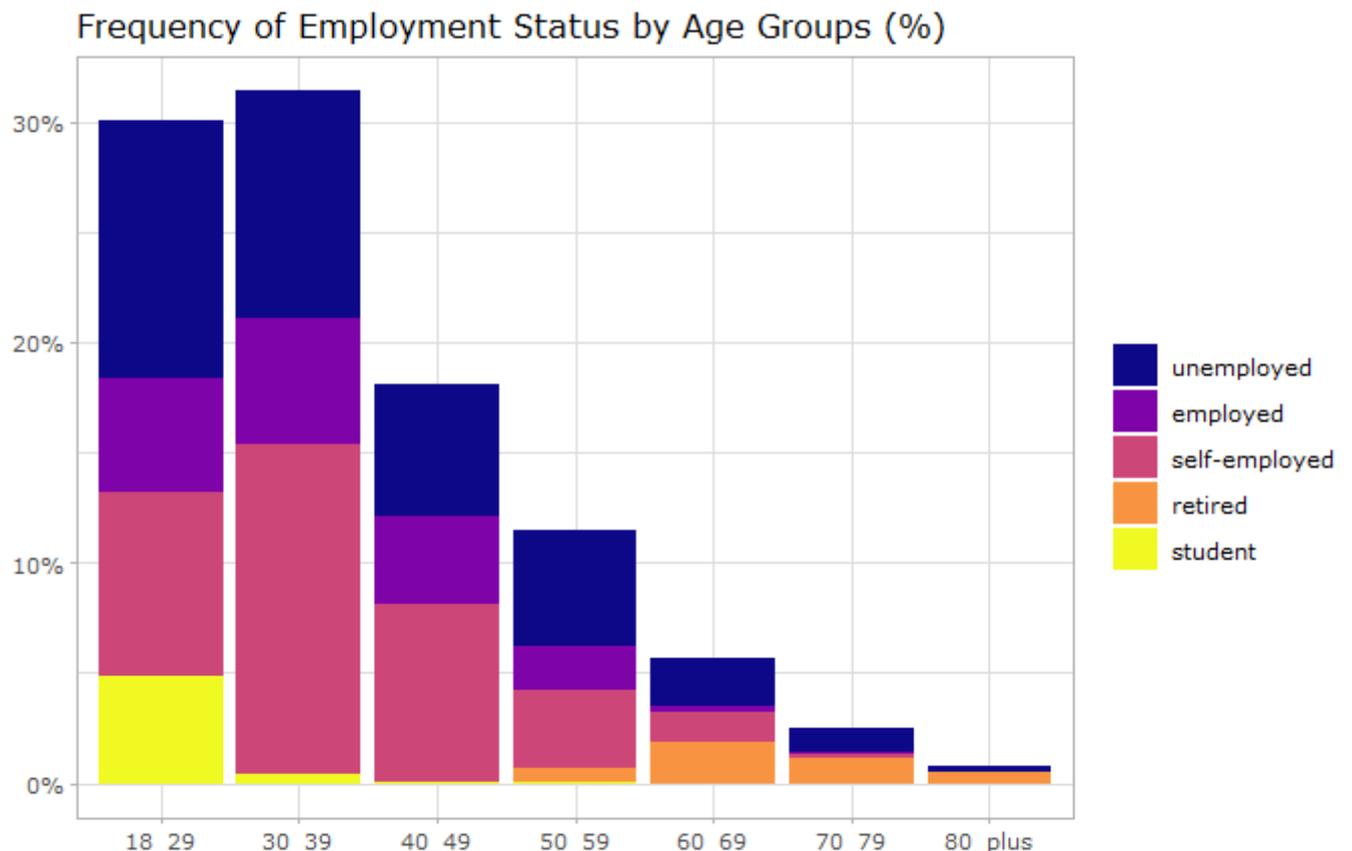
**Table 3: Gender by age group range (%)**

Gender	18_29	30_39	40_49	50_59	60_69	70_79	80_plus	n
Male	54	49	44	44	34	25	21	1420
Female	46	51	56	56	66	75	79	1581
Other	0.1	0.4	0	0	0	0	0	5
Total	100	100	100	100	100	100	100	3006

In the higher age groups between 60 and 80+, the female gender appears more frequently, which might be expected given the genderised effect on longevity. Amongst the lower age groups there is a more normal distribution of each gender.

The employment status across the age groups is important to note because it can provide an indication as to which age group is at risk of economic hardship (see Figure 11 below). Unemployment remains high across ages 18 and 39 within the sample group. The age group 18-29 is likely to be dependent on their parents and elderly for support. Self-employment is high amongst the middle age groups. These individuals are particularly vulnerable as they will not be allowed to trade during the lockdown. Self-employed individuals are likely to fall into the group of informal traders and may not have access to funding if their businesses are unregistered.

**Figure 11**

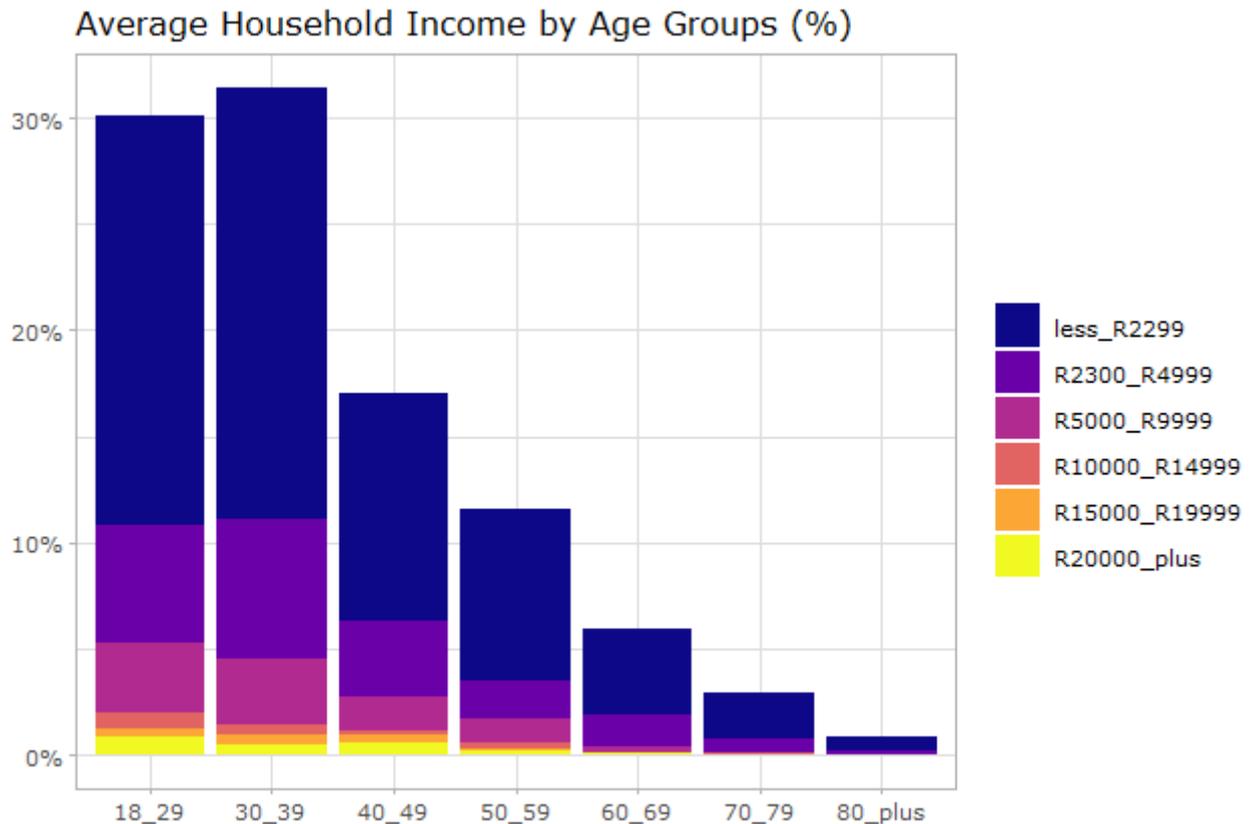


Source: Good Governance Africa



Following the indication of employment status, Figure 12 provides a view of household income earning between the age groups. As noted above, most of the participants between 30-49 are self-employed and Figure 16 indicates their earnings to be less than R2,299. These individuals are unlikely to have savings available to support the basic needs of their families without earnings from their trade.

Figure 12



Source: Good Governance Africa

Figure 13 (below) indicates what percentage of participants within each age group receives income grants. Between the two younger age groups, 7% are receiving income grants from government, which is higher than any other age group.

Therefore, most participants within the 18-29 and 30-39 groups are not receiving grants, and if they are unable to work, the majority will not have access to an income.

Figure 13

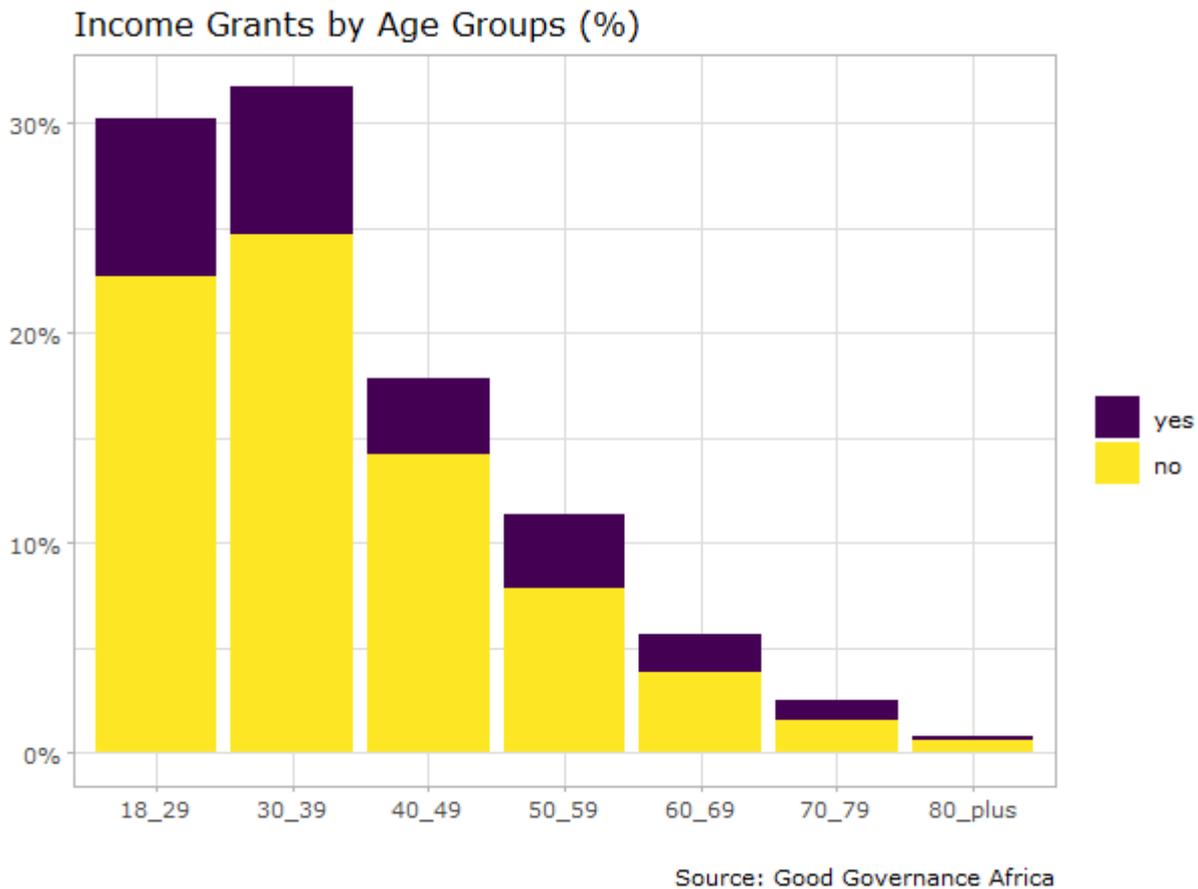
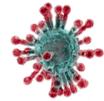


Table 4 indicates the share of income grants between men and women across the sample. Within the “yes” category, women are shown to be more likely to receive an income grant than men.

**Table 4: Income grants per participant by gender (%)**

Gender	Yes %	No %	n
Male	21	56	1462
Female	79	44	1613
other	0	0	8
Total	100	100	3083

In a social and economic sense, women are believed to be more vulnerable due to the nature of their employment in the labour force. This has had a major impact on employment opportunities for South Africa’s population and will have a particularly negative effect on the ability of workers in the informal sector. Table 5 provides an overview of how employment status is distributed among the genders in the sample. Of those who are unemployed in the group, 63% are female and only 36% are male. Of those who are self-employed 59% are men and they are likely to be supporting a family with their income. Women are primary caregivers and if they are unable to gain income themselves, or receive financial support from their partners, this could lead to hunger within many households.



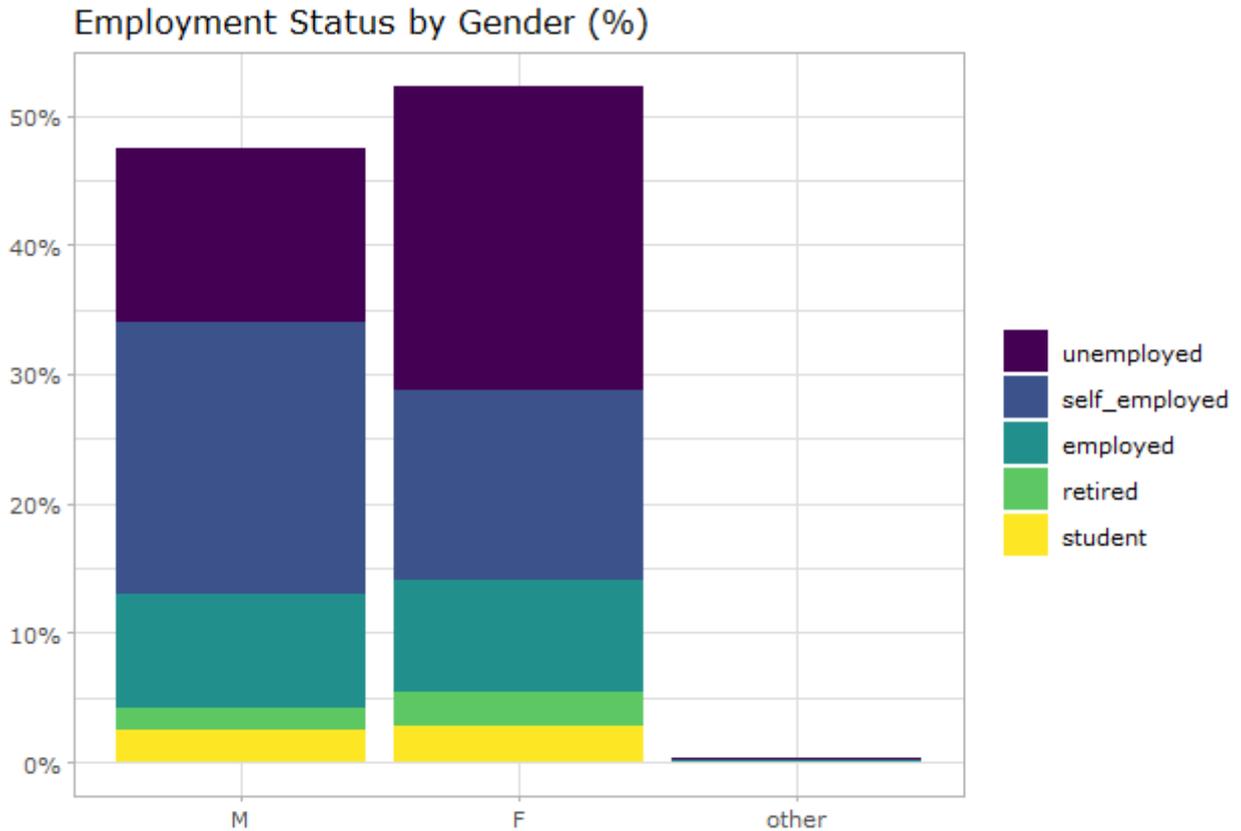
**Table 5: Employment status by gender (%)**

Gender	unemployed	self-employed	employed	retired	student	n
Male	36	59	49.9	38	48	1424
Female	63	41	49.5	62	52	1569
other	0.2	0.3	0.6	0	0	8
Totals	100	100	100	100	100	3001

Figure 14 shows the proportions of employment status across the entire sample between genders. Overall, 23% of women in the sample group face unemployment, while just 14% of men are unemployed. Formal employment is fairly even between the genders at around 8% respectively. Self-employment, as mentioned above, is dominated by men in the sample group, although the difference overall is just 6%.

The fact that all three groups: unemployed, self-employed and employed are currently at risk, not to mention students and the retired elderly, paints a worrying picture. Within this frame, the fact that women reflect the highest combined total of unemployed and self-employed reinforces the concern expressed above in terms of pre-existing exposure to poverty, and heightened vulnerability now and in the aftermath of the pandemic.

**Figure 14**



Source: Good Governance Africa

# CONCLUSION

The analysis above provides a snapshot image of the socio-economic status of typical South Africans as encountered in our research across nine locations through surveys conducted by GGA. Young and middle-aged individuals seem to be most at risk of the economic shocks caused by the lockdown and will likely be the first to feel the future impact of the pandemic on the country's economy. Our research confirms that women are primarily at risk.

The overwhelming majority of the sample group lives on income of less than R2,299 a month, many of them are self-employed and may be unable to operate under the strict lockdown measures. Income grants among the sample are not high, thus many of the participants are not receiving wages if they are unable to work. Household sizes of 5+ residents are the norm. The lack of funds to provide for oneself and household dependants poses a severe threat to livelihood sustainability and human security. Before Coronavirus struck and the lockdown ensued, unemployment and poverty were already serious socio-economic issues in South Africa.

Given the figures scrutinised in our research, it is evident that immediate and ongoing support needs to be provided to those whose livelihoods have been decimated, who are not necessarily recognised in the "formal economy" sector and/or who fall through the safety net of social grants. It is clear that a phased release from lockdown will follow, perhaps first to enable manufacturing and agri-business to resume.

However, a nasty cocktail of the pre-existing legacy of inequality, recent state capture and resultant economic decline, combined with predisposing risk factors related to employment, health, education level, lack of income-generating possibilities and gender make intervention a matter of urgency.

We need to hope for the best, but prepare for a worst-case scenario and a longer-term game. As President Ramaphosa recognises, "We have to balance the need to resume economic activity with the imperative to contain the virus and save lives." Solidarity implies accepting responsibility for the negative consequences of harm through taking and sustaining positive, applied social action. Our work confirms its necessity and the immediacy of an adequate and proportionate response. As an established not-for-profit, GGA is ready, able and willing to offer pro bono support to government, the private sector and civic organisations in this critical "whole of society" response.

23 April 2020

**Alain Tschudin, PhD**  
**Executive Director, Good Governance Africa (SADC)**  
**Professor, WITS School of Governance**

GGA, for our part, continues to work actively in the communities where we serve through ongoing research, intervention and advocacy. We have established a COVID-19 task team and all of our programmes are actively devising related responses, e.g. child development and youth formation, natural resources, national security and ethics. The current document constitutes our local governance and grassroots democracy team response. Our other related outputs are available on the GGA website [www.gga.org](http://www.gga.org)

