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EVALUATING THE IMPACT OF GOVERNMENT SOCIAL PROTECTION ON HOUSEHOLDS' WELFARE DURING THE COVID-19 PANDEMIC IN SOUTH AFRICA

Abstract:

This study evaluates the impact of government social protection interventions on households' welfare in South Africa. The study uses survey data comprising 393 observations and the multinomial logistic regression technique to analyse the effect of government interventions. For robustness purposes, a negative binomial regression model is also estimated, whose results corroborates the main results from the multinomial regression model. Our findings show that government economic interventions through social protection significantly reduced the likelihood of a reduction in household income. Covid-19 grant/social relief grant, unemployment insurance, tax relief and job protection & creation were all significant in sustaining household income and consumption during the pandemic. The findings support the use of government social protection in providing a safety net for low-income groups in South Africa.

Keywords:

Social protection, Government intervention, Households' welfare, Covid 19 pandemic, Multinomial logistic regression

JEL Classification: D10, D12, D60