

The Effects of Covid-19 Lockdowns on Income Distribution in South Africa: A Literature Review Perspective

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Abstract

The discussion of COVID-19 and public health policies has gained importance since the emergence of the pandemic, but the effects that the pandemic has had on income distribution has not yet been given much academic attention. Income distribution is key for economic growth and human development, and promotes unity, solidarity and togetherness in society. It helps to understand poverty, and increases economic growth. However, the COVID-19 pandemic and lockdown measures used to contain and prevent the spread of the disease have had effect on households, unemployment, health and social protection. Lockdown regulations impacted on the income distribution as people could not work or travel without having permission from the authorities. The measures also restricted people regarding the manner in which they spent and distributed their income. Lockdowns led to the suspension of basic services and locked down activities such as reservations, local and international flights, and other support services. The paper found that the lockdown measures had tremendous effect on employment, production, and demand, resulting in a decline in the demand and supply of many industries, thus lowering income distribution. The paper also found that the pandemic lowered and deepened the existing inequality in income distribution and affected economic development in the country. To arrive at these assertions, the paper adopted a qualitative methodology design and explanatory approach.

Key words: COVID-19, Lockdowns, Income distribution, South Africa



Introduction

The discussions on coronavirus (COVID-19) and public health policies have gained importance since the emergence of the pandemic, but the effect of the pandemic on income distribution have not yet been given much attention. As COVID-19 is a new pandemic that is affecting the whole world, a review of the literature shows that there is a lack of relevant studies that have investigated the effects of the lockdown measures used to contain its spread on income distribution in society (Ullah, Wahab, Saeed, Khan, Ali, Humayun, Abbasi, Saud, Naveed, Khan, & Fahad, 2021). The lockdown measures that South Africa put into place to contain COVID-19 have negatively affected the distribution of income. This paper aimed to review the effect of the COVID-19 lockdown measures on income distribution in South Africa. There has been many investigations into the impact of COVID-19 on health distribution in society, and on the health and assistance of workers in the hospitals (Lu, Stratton, & Tang, 2020). Unfortunately, the available literature fails to give enough in-depth analyses of the effect of the COVID-19 lockdown measures on income distribution in the country, hence, showing the need for a serious academic study that analyses these effects, as will be shown in this paper.

The paper focused on South Africa as a case study, as South Africa is one of the countries that was most affected and battered by the pandemic in Africa and also the world. The use of a qualitative research method uses documents analysis and investigation. The documents analysed and studied for the purposes of this study included textbooks, internet sources and a computer desk-top research. This qualitative research method adopted the exploratory and explanatory approaches. The findings presented three ways in which the COVID-19 pandemic affected income distribution and economic growth in South Africa. This is consistent with prior quantitative evidence on the effects of COVID-19 on health and health workers, and economic growth in South Africa (Jain, Budlender, Zizzamia, & Bassier, 2020a; Ranchhod & Daniels 2020). It was found that the pandemic's effect on the labour market affected the statistical measures that reduced the means through which people received earnings and/or various amounts of income.

The study found that many employees experienced the effect of the pandemic on their earnings and employment during these COVID-19 times. The lockdown measures that were implemented had a severe long-lasting effect on informal work, wage labour and self-employment. The other vital finding is the fact that COVID-19 largely affected the



employment sector, leading to loss of earnings, and halting the distributional mechanisms for income distribution to the people. Household spending, consumption reduction, lack of understanding related to the current digital world, and jobs losses were some of the major effect of COVID-19 on labour market income. The other critical finding was that COVID-19 affected people's earnings in the communities, leading to a decrease in the factors underlying the resilience of households to counter future possible effects. The findings of this paper presented that the COVID-19 pandemic has revealed and exacerbated the existing imbalances and inequalities in service delivery and income distribution (Stewart, 2000). The qualitative method adopted for this study produced data that income distribution in the country has been immensely affected by COVID-19 and the lockdown measures that were adopted to contain its spread.

The paper is organised as follows: the first section presents an introduction to the paper. The next section reviews the literature and defines key concepts used in this paper. In this section the literature review will include the analysis of the income distribution, lockdown measures and the effects of COVID-19 on income distribution. The section following that discusses the research methodology and design used. It includes a discussion of the methods used in data collection, sampling, research instrument and data analysis. This is followed by the section discussing the findings to present the manner in which COVID-19 lockdowns affected the income distribution in South Africa, and the final section concludes the paper and offers recommendations.

Literature Review

It is obvious that the COVID-19 pandemic has affected and still is affecting the whole world. This pandemic arrived in South Africa later than in other countries, however, despite the delay, the pandemic created a lot of distress when entering South Africa. On 23 March 2020, President Cyril Ramaphosa declared that the first cases of the pandemic had arrived in South Africa and declared the state of the emergency. The lockdowns were intended to curb and prevent new infections in the country. Scholars have presented that the fight against the spread of the COVID-19 pandemic have created mixed reactions from different countries creating policy choice problems (Casale & Shepherd 2020). At the beginning, the COVID-19 pandemic lacked the vaccines and pharmaceutical drugs to treat it, since it was a new virus, presenting a new disease that was unknown to the world. The only available mechanisms to mitigate and prevent it from spreading to a large population was the use



of lockdown measures that included physical distancing, use of masks, washing of hands, and use of sanitizers on hands. However, it has been argued that these lockdowns measure broke social and economic contacts (Arndt, Davies, Sherwin, Harris, Makrelov, Robinson, Levy, Simbanegavi, Van Seventer, & Anderson, 2020).

It has been presented that the economic impact of lockdowns led to an overall drop in demand in the labour market, which intensified job losses, business closures, and increased the underemployment rate in the country (Ranchhod & Daniels, 2020). Some scholars have further argued that approximately 40% of employed South Africans lost their jobs during Level 5 lockdown (Jain et al., 2020a). They further argued that half of the jobs lost was because of the permanent lay-offs or business closures all over in the country (Jain et al., 2020a). Casale and Shepherd (2020) argued that the highest employment losses were experienced by vulnerable people such as women, less skilled workers, informal workers, low-income earners, and those with a history of unemployment who reside in townships (Casale & Shepherd, 2020). Ullah et al. (2021) argued that the COVID-19 effects were also evidenced in household poverty presenting that “two in five South Africans to lose their main source of household income over the initial lockdown, and almost every second household ran out of money to buy food during April”.

Köhler and Bhorat (2020: 12) argued that “the partial labour market recovery along with the roll-out of social assistance interventions did lead to some economic recovery for South African households”. Other scholars have argued that the effects of the COVID-19 pandemic on the labour market have deepened the inequality that resulted in poorer households benefiting less from the partial recovery. The effects also affected the government’s social assistance interventions that were targeted to assist the population (Jain et al., 2020b; Köhler & Bhorat, 2020). On comparing the income distribution for April and June, Jain et al. (2020: 8) found “evidence of a decrease in household poverty rates by between 3 and 6 percentage points for the general population”. This shows that the effects of COVID-19 pandemic on economic recovery are so obvious, and that it deepened poverty as the lockdown measures prevented people from working. The pandemic also decreased the sources of income for many people as it led to decreased earnings.

It has been argued that the effects of COVID-19 pandemic had immense effects on public healthcare, and this also likely to affect the income distribution in South Africa. There is also a study that investigated the effects of COVID-19 on medical students and health



workers. Han and Yang (2020) found that COVID-19 threatened the lives of the health workers in the hospitals, as contamination was unavoidable. The transmissions of COVID-19 have become a nightmare, and a major threat to medical students (Stirling & Harmston, 2015), who are busy helping infected and diseased people suffering from the virus (Asaad, El-Sokkary, Aedh, Alamanan, & Khalil, 2019). The World Health Organisation (WHO) reported that in Italy, more than 15,000 health workers were infected and more than 19,000 were tested positive in Spain (WHO, 2019). These studies show that scholars have examined the effects that the pandemic has on the healthcare of people in society. There is a close link between income distribution and healthcare in society. This is because a strong income distribution is based on strong healthcare systems and vice versa. This means that previous academic work has investigated the effects of COVID-19 pandemic on the health sector, while overlooking its effects on the income distribution.

Furthermore, the literature presented that the COVID-19 pandemic affected the entire system of food distribution in Africa (Köhler & Bhorat 2020). The effects can be seen on the food system ranging from farming and primary supply to the final demand in society. This is because “food is significant to the consumer in the society and global peace and economy depend on food security in the world” (Telukdarie, Munsamy, & Mohlala, 2020: 1). Though COVID-19 had a lower effect on the production of food, however, there was a decrease in the distribution of food, which led to a scarcity of food in the country. Some communities reported cases of starvation, as food levels in the supermarket were low (Telukdarie, et al., 2020: 1). During the pandemic, the areas of “food and beverages manufacturing sector that were affected included operations, safety, supply chain, training, emergency responses, awareness, incident management, recreating business models, digitalization, and other unanticipated impacts” (Telukdarie et al., 2020: 1). The literature also shows that further to this, COVID-19 has affected the consumer behaviour related to food consumption and supply (Telukdarie et.al., 2020: 1).

Scholars have examined the effects of the COVID-19 pandemic on food supply and consumption by studying agri-food supply chains. They found that at a global level, the agri-food sector has been largely affected by the pandemic. When the pandemic started there was a considerable amount of food in the supply chains. However, during the pandemic a number of imbalances in food supply and consumption started to instigate fear and pressure. The COVID-19 pandemic lockdown measures that brought about the “stay-at-home order led to higher demand for food because people spend more money to



stock up food supplies” (Cariappa, Acharya, Adhav, Sendhil, & Ramasundaram, 2020: 8). It was found that a number of “cases led to panic-buying which induced a temporary scarcity of grocery supplies, followed by drastic changes in consumer behaviour” (Cariappa et al., 2020: 9). Sen (1985), on the other hand, said disruption in consumer behaviour can prompt a decrease in household capabilities (Sen, 1985). This thus affected the income distribution in society.

Some scholars have also found that the increased food insecurity caused by the COVID-19 pandemic has resulted in a reduction of the household earnings and income. It has also affected the measures of purchasing and the means to purchase food, rather than a supply shock such as drought (Workie, Mackolil, Nyika, & Ramadas, 2020). They further found that the effects of COVID-19 have generated problems in terms of food supply and logistics issues related to food distribution (Workie et al., 2020). It can be understood that the “source of insecurity is a collapse in earnings, transfers via social protection are important to counter the effects of lockdowns, at least in the short run” (Workie et al., 2020: 7). It is undebatable that the effects of COVID-19 pandemic on the food sector have been examined and scholars have offered tremendous global responses that helped to curb the spread of the pandemic in the sector of food framing and supply. While it is good to note that income distribution is crucial, the above literature shows that how COVID-19 affected the area of income distribution has been overlooked and given less attention.

Scholars have argued that the COVID-19 pandemic has caused effects on the “various macro-economic aspects, significant instability in credit markets, exchange rates, energy, and primarily, the expected upwelling in unemployment, and the shrinkages in the overall economic activity” (Köhler & Bhorat, 2020: 17). In addition, the COVID-19 pandemic has caused economic, health and political crises in many areas. This will mean that the period post-COVID-19 is going to badly affect income distribution which will lead to insecurity in our society. It has been argued that the aftermath of COVID-19 in the country will lead to economic, social, and political crises that will increase the hardship of the people if its effects are not contained in time (Workie et al., 2020). This vulnerability, together with the effects of COVID-19 on income distribution, is likely to aggravate socioeconomic losses, which will affect the right to education, security, and social wellbeing. It will also affect the income distribution by deepening poverty and depriving the poor and other vulnerable people food and other basic needs. The above-mentioned are the effects that scholars have projected will be caused by the COVID-19 pandemic measures that were instituted to



contain and prevent the disease. Control measures like lockdowns, social distancing, confinement, mass quarantine, and transport restrictions have badly affected life in society (Workie et al., 2020).

Lockdown Measures

For the purpose of fighting the pandemic and to contain its spread in the country, the government established a long-run response, including a lockdown. The lockdown measures limited the size of public gatherings, imposed travel restrictions, suspended schools, closed ports of entry, and cancelled government events (Workie et al., 2020). Scholars have divided the lockdown measures into two categories. Firstly, these lockdown measures were established to compel people to stay at home, and to only travel when it is unavoidable and under strict adherence to the measures. This meant that those employed would work from home, as they were unable to go to work. However, those going to work, would go to work under restricted instructions and policies to guide them how, and where they can spend their income. Secondly, the measures included the closing of non-essential industries and informal activities, thus leading to the decrease in production of income, as large number of employees were laid off.

This meant that the lockdown measures, together with economic challenges already present in society intensified economic hardships and made life in the society a burden. This would have direct effects on household consumption, exports and investment, and jeopardise the entire economic system in the country. It can be argued that the COVID-19 pandemic that forced the government to put preventive and containment measures in place, is equal to putting the country under general strike. This is because the lockdown measures forced the employees to leave their workplaces to stay at home in confinement. For example, the “platinum mines came to a complete standstill for 5 months, while under lockdown industries could operate at various levels” (Van Heerden & Roos, 2021: 10). These scholars further mentioned that the lockdowns measures and policies to contain COVID-19 have made “the capital stocks of all affected industries inactive or partly inactive for specific periods of time” (Van Heerden & Roos, 2021: 10). These measures and policies have also “reduced equivalent proportions of the labour force that are employed in each industry” (Van Heerden & Roos, 2021: 10).



It has also been indicated by The Labour Force Survey for quarter 2 of 2020 that “the number of employed persons decreased by 2.2 million to 14.1 million compared to the first quarter of 2020” (Van Heerden & Roos, 2021: 11). Statistics reported by Statistics South Africa showed that the “unemployment rate according to the expanded definition of unemployment increased to 42% in quarter 2 of 2020” (StatsSA, 2020: 3). It has also been argued that the lockdown measures reduced the speed at which industries were permitted to operate, reduced the number of workers in those industries, and that resulted in a reduction in the production of goods and services (Van Heerden & Roos, 2021).

As argued earlier, the lockdown measures limited the movement of people in the cities, and labourers in industries and markets. Therefore, it is obvious that the measures had an impact on economic growth, employment, and the capacity of people to earn an income to sustain their lives. Scholars have presented that the government established measures and policies that affected industrial production, jeopardising the economy. As the labourers’ doors were shut by the policies, and these workers could not go to work to perform their daily duties, the economy was affected, which in turn, affected income distribution.

The effects of the COVID-19 pandemic have led to “the creation of poverty as it deepened inequality in accessing income, assets, employment, health care, and social protection, as well as along gender lines” (Gisselquist & Kundu, 2020: 8-9). It should be noted that inequality as an effect of COVID-19 was experienced in the labour market. Scholars have found that inequality was felt in the labour market, as “workers in elementary occupations, the urban informal economy, and people without unemployment insurance have been most affected by social distancing policies and the overall drop in demand” (Lakuma & Nathan, 2020: 14; Schotte, Danquah, Osei, & Sen, 2021: 7). The effects of the COVID-19 lockdown in South Africa “caused a substantial disruption of labour markets, with already disadvantaged workers bearing the heaviest burden” (Espinoza, Ranchhod, & Leibbrandt, 2020, p.8; Rogan & Skinner, 2020: 6). However, despite the stringent early confinement policies implemented to reduce contagion, COVID-19 infections in South Africa continued to surge rapidly (Balde, Boly, & Avenyo, 2020).



Income Distribution

The concept of income distribution consists of two words, namely, income and distribution. Income distribution plays a key role in society. It also influences the social cohesion of society, and to some extent, influences the level of Gross Domestic Product (GDP), by determining and defining the level of poverty. It is vital to understand what needs to be distributed, to whom, why and when. One can ask whether this distribution is done, of what, and by whom? At this stage, the distribution focuses on the distribution of goods and monetary income, like pre-tax and post-tax income, and also includes subsidies.

Stewart argued that in the income paradigm of social welfare, the need to extend the distribution of income to people keep society peaceful and prepares a good future for the population (Stewart, 2000). Stewart further argued that the distribution of social income, as well as private income, the distribution of capabilities or functioning, the distribution of basic needs goods and services, or of human development achievements (Stewart, 2000) are insignificant in society. It can be said that the effects of the COVID-19 pandemic on economic growth, job opportunities, food security and social welfare are going to pose threats to income distribution. This is because those effects threaten the production of goods and basic needs.

Furthermore, it is equally important to understand to whom and among whom the distribution is needed. The distribution of income to the population has the purpose of helping them to achieve their basic needs. Stewart argued that due to some critical issues surrounding the wellbeing of society, the relevant income distribution must be done by the government among groups, not individuals. This means that this income distribution is to be done between groups of different ethnicities, religions, regions and communities, as well (Stewart, 2000). This distribution of the income is also referred to as horizontal distribution, which differs from the normal vertical measures of distribution among households or individuals (Stewart, 2000).

It is important to argue that horizontal income distribution can create and intensify conflict between groups, once it encounters the effects of the COVID-19 pandemic. The third category of the distribution of income within the unit is society. This requires the need to



assess inequality, and policies to address the inequality that are made at the local and/or national levels. The need to distribute income at the local administrative unit is critical.

It should be noted that the word 'income' plays a key role in society. At first, the word income is understood as a proxy for economic socio-welfare. From economy perspective, the income distribution provides for two main groups, namely, "the functional distribution of income and the size distribution of income also known as the distribution of income among persons". Piketty (2000: 22) maintained that the "functional distribution of income is an integral part of the economic analysis of relative prices, output and employment". It has been argued that in the "functional distribution of income each type of labour, each natural resource and capital asset is determined by labour market" (Piketty, 2000: 22).

This means that the effects of the COVID-19 pandemic on economic growth and the market labour will largely affect the income distribution in society. This is because the functional distribution of income depends on the labour market, and yet the effects of COVID-19 threaten the functionality of the labour market. As the lockdown measures led to the growth of unemployment, and have also been equated with a national strike, the effects thereof on income distribution are huge.

Another category of income distribution is the distribution of income between people or between households. This type of distribution of income is based on household savings, self-investment in human capital, or the purchase of education for children, as determined by price signals (Piketty, 2000: 23). The COVID-19 pandemic has increased unemployment rates and affected informal activities which reduced the income at a personal level. This will lead to challenges that affect the income distribution in the country, because of the loss of jobs and unemployment which may prevent many people from having good sustainable earnings (Akbay & Naji, 2020). Furthermore, the COVID-19 pandemic has caused economic crises, as workers and employees have lost their jobs, hence, losing personal income (Farzanegan, Gholipour, Feizi, Nunkoo & Andargoli, 2020). At a global level, the rising prices of oil and gold, and also of many of the most basic commodities, and a sharp drop in the stock markets have been among the effects of the COVID-19 pandemic (Akbay & Naji, 2020).



Methodology

Research design

The paper adopted a qualitative research approach to gain an understanding of the effects of COVID-19 on income distribution. It has been said that a research design “is a framework or plan for a study that is used as a guide in collecting and analysing the data” (Pandey & Pandey, 2015: 18). This is important part of the process of collecting and analysing data. Qualitative researchers utilise a conceptual framework to develop typologies, models and theories from the bottom up (Auriacombe, 2011).

This paper used a qualitative method to develop a research guide that helped to collect data that would lead to an understanding of the effects of the pandemic. This is because qualitative research focuses on the nature and quality of things. For this purpose, unobtrusive research techniques were used. The concept of “qualitative research usually means any kind of research that produces findings that are not based on statistical procedures, or other means of quantification” (Auriacombe, 2007: 89). It is an inquiry of understanding that explores social or human problems. Since the COVID-19 pandemic is a disease that affects people and causes human problems, qualitative research helped the researcher to gain a holistic picture of the topic, to analyse words and concepts, and to report and conduct the study in a natural setting (Auriacombe, 2007).

Data Collection

Data collection was done through unobtrusive research techniques/methods. Kellehear (1993) argues unobtrusive is the examination of concrete rather than self-reported behaviour. Its advantage is the achievement of repeatable results (Kellehear, 1993). It has been noted that it is a technique that studies social behaviour without affecting it (Babbie, 2001). It also counteracted and eliminated bias and promoted a helpful content analysis (Huysamen, 1994). Auriacombe further argues that it is a technique that can be used to make references by systematically and objectively identifying and describing the specified characteristics in the documentary texts (Auriacombe, 2011). Hence, the use of the unobtrusive method in this study is relevant because it provided useful tools such as data-mining, digital traces studies and cultural analytics. This helped understand the amount of



data surrounding the research topic in the realm of social behaviour (O'Brien, Colquhoun, Levac, Baxter, Tricco, Straus, & O'Malley, 2016).

Process of data analysis

According to Partington (2003: 113), in qualitative data analysis there is "little standardisation with no absolutes where a specific type of qualitative data relates to a specific type of analysis". Neuman (1994: 518) argued that "no single qualitative data analysis approach is widely accepted", while Schurink (2005: 14) posited that "there are always variations in the number and description of steps for the same process of data analysis by different authors".

In the process of analysing data on income distribution and the effects of the COVID-19 pandemic, the study adopted an inductive approach, using a conventional content analysis. This method was selected, as it provided the necessary data that helped to understand the effects of the COVID-19 pandemic on the income distribution in the country. This approach provided a subjective interpretation of the textual data that identified emerging themes.

Results and discussions

The purpose of this paper was to review and explain the effects of the COVID-19 lockdowns on income distribution in South Africa. When exploring those effects of COVID-19 on the income distribution on an analytical level, it is crucial to also review the effects of the COVID-19 pandemic on economic growth, employment, industry, informal and formal sectors, and households. According to Kalenkoksi and Pabilonia (2020: 1), the lockdown measures diminished employment and the number of hours spent by employees at work, and had differential effects by gender, couple status, and parental status.

COVID-19 pandemic effects on income distribution

The findings presented in this paper agree with previous quantitative research on the effects of COVID-19 on economic growth and households, together with health, food security and transportation. The findings of this study showed the macro-level effects, caused by COVID-19 threaten the country, society, and community at large. These effects involve and relate "to social structures, political, economic, and cultural changes, as well



as participation in the labour market” (Villa-Vicencio, Buchanan-Clarke & Humphrey, 2016: 18). These macro-level effects have found to threaten national security and contribute to the high level of unemployment that deepens poverty in society. However, these macro-level effects alone cannot explain the rise of insecurity and crime, unless they are intensified by micro-level effects, such as households, lack of informal jobs, and lack or less personal earnings of persons in the society.

Unemployment

The effects of the COVID-19 pandemic were first noticed on employment, affecting the mode and hours of working. The findings show that its effects were rampant on both formal and informal jobs. Scholars concurred that at the beginning of COVID-19, these employment and economic effects were present in each country, and the lockdown measures to contain the spread of the disease similarly affected the economy, social protection, and labour market forces (Andersen, Maclean, Pesko, & Simon, 2020). The economic effects of COVID-19 occurred whether governments established lockdown policies or not, as recent quantitative experiments have suggested (Andersen et al., 2020). This, therefore, affected the income distribution in the country, as people did not have the freedom to utilise their hours to work and generate income to sustain their lives. This paper then agrees with Kalenkoski and Pabilonia (2020: 1) who argued that the lockdown measures “decreased employment and hours for all groups, differential effects by gender, couple status, and parental status”. The paper also agrees with Garrote Sanchez, Gomez Parra, Ozden, & Rijkers (2020: 6-7) who found that “workers with tertiary education are much more likely to be able to work from home, and that education explains a large share of the variation in the ability to work from home”. In addition, this finding was supported by Farré, Fawaz, González and Graves (2020: 8) who said that “COVID-19 has led and caused disproportionate employment losses among those whose jobs cannot be conducted remotely, and specifically those with lower levels of education”. This, therefore, escalated to affect the income distribution in the country, leading to poverty and food insecurity that risked intensifying insecurity and crime in society.

Labour market

The study found that the COVID-19 lockdown measures affected the labour market, both men and women were affected, and their production was reduced. Scholars have argued



that in the labour market, women and young children were more affected by the COVID-19 pandemic than men (Montenovo, Jiang, Rojoas, Schmutte, Simon, Weinberg & Wing, 2020; Zamarro, Perez-Arce, & Prados 2020). This was intensified by the fact that the “service-oriented sectors of the economy where women’s employment is concentrated are classified as nonessential” (Alon, Depke, Olmstead-Rumsey, & Tertilt, 2020). It was also partly aggravated by the loss of jobs that increased unemployment in the country, and this had effects on the South African labour market.

The paper found that the effects of the COVID-19 pandemic can be seen in gross employment losses and labour reallocation in the country. This reallocation has by and large led to the destruction of jobs and a lack of earnings to sustain households (Barrero, Bloom, Steven & Davis, 2020). The repercussions of the above were the immense effects on the employment sector that reduced the production and demand. This, therefore, resulted in a decline in the demand and supply of many industries, thus lowering the income distribution.

Formal and informal activities

The study found that the COVID-19 pandemic had immense impacts on both formal and informal activities. This means that it had effects on both the formal and informal sectors in the country. While the formal sector includes those jobs that are legal, the informal sector involves those jobs that are considered illegal such as hawking, among others. Due to the lockdown measures that included instructions to stay at home and work from home, social distancing and travel bans, the activities in both sectors were heavily affected.

Many people working in the informal sector do not have websites and the internet skills that would have enabled them to continue selling their products via online platforms. The study also found that there was a loss of production in most industries, leading to a lack of supply of goods at the market. This finding agrees with that of Madeira, Palrão and Mendes (2021) that the COVID-19 pandemic has had devastating effects on economic growth, as it prevented main activities such as restaurants, hotels, entertainments and tourism, and both national and international travels from taking place. This reduced the income generation at national and at individual levels. This resulted in inequalities in income distribution which, in turn, affected the intensity of the GDP. Therefore, the paper found that COVID-19 pandemic and the lockdowns measures adopted to contain its spread in the



country, deepened the inequality of income distribution, hence, impacting negatively on the economic development and sustainability in the country. This is because an “equitable distribution of income, as well as the achievement of social goals, are, essential aspects of development, over and above economic growth” (Kalenkoski & Pabilonia, 2020: 4).

Household income and expenditure

Schoonbroodt (2018: 11) argued that “in coupled households, members of the couple jointly decide how much time to devote to market work, household production, and their children, which may depend on relative income, social norms, productivity differences in time inputs, and bargaining power”. However, the paper found that as the lockdown measures to contain and prevent the spread of COVID-19 brought about the closure of many activities, including schools and child-care facilities, there were immense effects, as the demand for household care was intensified. The effects of the COVID-19 pandemic on households were seen in expenditures, food supply and consumption, water and energy use, transportation, and vehicle maintenance. Celik, Ozden and Dane (2020: 103-107) argued that at household level the “COVID-19 pandemic and anxiety created by lockdown measures altered consumption priority preferences, increased in their nutrition expenses, increased family expenditures, and increased cleaning, hygiene expenses and increased their water-electric-gas expenses”. Furthermore, Celik et al. (2020: 108) argued that the COVID-19 pandemic’s lockdown measures increased the prices of basic commodities such as “food, beverage, hygiene and personal care products, and telecommunication”. However, the study found that the lockdown measures have decreased the prices of expenditures on transportation and vehicle maintenance, since transportations and travels were restricted. In addition, it is an unfortunate fact that the price drop led to economic crises, thus affecting income distribution in the households.

Conclusion

By collecting novel qualitative evidence, this paper is able to speak to the policy-makers and scholars about the effects of the COVID-19 pandemic lockdown measures on income distribution in the country. It has been found that income distribution is the driving force and the main key for economic development and human growth. This is because income distribution promotes unity, solidarity and togetherness, and helps understand the factors leading to poverty and economic growth. However, it has been shown that the lockdown



measures impacted on the income distribution because it deepened poverty through heavy job losses and increased the high rates of unemployment in the country. The lockdown measures also heavily affected the transport industry and tourism sectors, as it restricted both local and international travels.

These lockdown restrictions had tremendous repercussions on the production of goods and the distribution of supplies. This also affected the labour market forces, leading to low income and earnings at individual levels. The measures also restricted employees and people from leaving their households, unless permission was granted from the authorities. This, therefore, restricted people from working unless employed in an essential sector with unique skills and facilities. Furthermore, the lockdown measures restricted people in terms of the manner in which they spent their income, it led to the shut-off of all industries that were considered non-essential, leading to the low production of goods. It also led to loss of employment and a large decline in production and demand.

In order to make income distribution sustainable there is a need to address the effects posed in it by the COVID-19 pandemic. Therefore, the government needs to increase funds and distribute them equally so that none is left behind, particularly those people who stay in the communities highly stricken by COVID-19. Furthermore, the government should create mechanisms and policies to support the workers affected by the COVID-19 pandemic to ensure that they do not lose their earnings. The most affected or vulnerable were found to be those low-wage workers in low-income households.

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