



18 April 2020

Attn: His Excellency President MC Ramaphosa
President of the Republic of South Africa

AND

The Honourable Minister Ebrahim Patel

AND

The Honourable Minister Tito Mboweni

Dear Sirs,

RE: The Economy and Jobs Post-Lockdown: A policy document for economic recovery in light of the COVID-19 pandemic

The Trade Union Solidarity would like to commend and laud government for taking swift and decisive action in locking down and isolating the South African populace. This was almost certainly the best means at government's disposal to address not only the impact which the virus is likely to have on the health of South Africans, but also to limit the impact which it will have on the South African economy. However, despite the fact that it was the optimal option, it does not mean that it is without consequence.



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The lockdown will have far-reaching and drastic implications for the South African economy with some analysts projecting that Q2 GDP in 2020 could shrink by as much as 23.5% due to the lockdown and GDP could contract as much as 8.5% for the year. Likewise, South Africa's already unbearably high and pernicious rate of unemployment is set to skyrocket to heretofore unknown heights as even the US economy has seen its jobless claims rise to vast multiples of its previous highs. South Africa, according to some analysts could see its unemployment rate reach as high as 50% during this year.

It should be noted that concerns about the economy should not be viewed through the lens of a trade-off between health on the one hand and wealth of the other. These are, after all, two interrelated features of human well-being. A healthy nation is essential to economic flourishing just as economic prosperity is crucial in order to facilitate the health of our populace. A rise in unemployment and poverty, which would result from a protracted lockdown, correlates with a rise in mortality and poor health outcomes such as malnutrition and disease.

We needn't, therefore, have to choose between either being uncompromising in our attack on the virus or uncompromising in our fight for economic prosperity. We must choose both.

It is in this light that we send the attached proposed measures for a sustainable economy as a crucial part of the campaign against the pandemic. We firmly believe that the only choice should not be *between* health and work; the choice should be *for* healthy work wherever possible.



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As the Minister of Finance highlighted in his April 14th address to the media “Beyond the Covid crisis, a major risk facing the economy and the fiscus is if long-run economic growth returns to the pre-crisis averages of between 1 to 2 percent. Higher levels of economic growth need to become a non-negotiable objective” and later “In the absence of urgent structural reforms, the considerable fiscal actions to mitigate the current crisis may leave the fiscus on at the edge of a cliff.”

Our plan, consequently, makes proposals for, *inter alia*, a more dynamic labour environment; greater business freedom and trade; various fiscal measures as well as general policy propositions to foster certainty and trust in the South African economy.

We realise that the battle will not be over by the end of April, therefore our proposed economic measures have been designed for the “new normal” after the lockdown.

If we are able to overcome this trying time together, we will be able to overcome all the other challenges facing our country together. We at Solidarity pledge our support to work together with the government to secure a bright future for everyone in this beautiful country. We very much look forward to working with government in this regard.

Yours sincerely

A handwritten signature in black ink, appearing to read "D. Hermann", written over a horizontal line.

Dr. Dirk Hermann

CEO: Trade Union Solidarity



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We include with this letter the following:

A) Our proposal for economic renewal and reform post-lockdown – The Economy and Jobs Post-lockdown: A policy document for economic recovery in light of the COVID-19 pandemic



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