

25 April 2020

Attn: His Excellency President MC Ramaphosa

President of the Republic of South Africa

Dear President, Ramaphosa,

RE: Department of Tourism and race as criterion for relief.

Solidarity has almost 200 000 members in various workplaces across South Africa. Many of our members also work in the tourism sector. In the bigger Solidarity Movement, which includes AfriForum and Solidarity Helping Hand we have 500 000 members.

Like all South Africans, our members and their families are severely affected by the corona crisis. Once again, as Solidarity, we would like to give our support to the government's efforts to fight the coronavirus and its consequences. We stand together in this battle.

You have called on fellow South Africans, on several occasions, to stand together in this fight against this new invisible enemy, in order to protect the lives of our loved ones and our resources. You have called on all South



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Africans to pray together. Now is the time for South Africa's "Thuma Mina" moment. Everyone must do his or her part.

Solidarity has answered to this call and did our part as a community institution. We have developed comprehensive plans to enable employers and employees to work in a healthy environment. We have shared those plans with you and several Ministers. We have also made economic proposals which we also shared with you. Each day, Solidarity Helping Hand is helping thousands of people in need. We are working together on many levels, as you have requested.

You are right. This invisible virus knows no colour and discriminates against no one. Everyone is affected and everyone must stand together. However, the Department of Tourism has decided differently. Unlike the virus, the Tourism Relief Fund discriminates based on race. Race is a criterion for help.

During one of the biggest crises in South Africa, South Africans are still divided by race.

You ask for everyone's help, yet the Minister of Tourism does not want to help everyone. Tourism is going to be the last sector to recover after the Covid-19 crisis. This sector is severely affected by the government's regulations and it will take a long time to recover.

This Fund excludes large businesses, most white-owned micro-businesses and small enterprises that are not tax-registered (most of them being black-



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Deel van die Solidariteit Beweging

owned). Only companies with a turnover of less than R5 million per year and registered for tax purposes qualify for help from this Fund.

A small group of black owners, only 7% of the sector, will qualify for the lion's share of the relief. In total, 93% of owners, including thousands of small informal black businesses, are excluded from receiving any assistance.

Of the 350 000 employees in the sector, two out of three are black. This fund excludes the vast majority of these breadwinners.

In the process, this fund is committing double discrimination in a crisis – first towards the white business owners and secondly towards all workers, white and black alike. Hunger does not spare those whose employers are white, yet the Tourism Relief Fund does.

In court documents the Department of Tourism offered black empowerment, which was designed for a specific purpose, as its defence. The purpose of black empowerment is to correct the disadvantages of the past. This fund is not about benefiting those previously disadvantaged; it is about survival.

According to black economic empowerment regulations micro enterprises are exempt from black economic empowerment requirements in normal circumstances.

Amid the Covid-19 crisis black empowerment, with the many administrative and financial obligations that come with it, suddenly applies to these undertakings



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In this crisis, the hurdle that must be overcome by white companies became much higher than what it is under normal circumstances.

On 28 April 2020, Solidariteit and AfriForum will meet the Department in the High Court to ask that these racial limitations be removed. This case should not be on the court roll. Help offered based on race will divide South Africa in this time of crisis.

You said that the coronavirus could leave a positive legacy, which is bringing South Africans together through the determination for survival.

This help offered based on race can divide South Africans. It can be the negative legacy of the corona crisis.

Solidarity calls on you to intervene for the sake of the corona legacy, so that parties reach a settlement out-of-court to the benefit of all South Africans.

We propose the following:

- That the Department of Tourism withdraw any race-based qualification criteria in respect of economic assistance under the Covid-19 Intervention for the tourism sector;
- That the Department of Tourism withdraw any and/or all qualifying criteria so adopted, to the extent that your client regarded race in the allocation of the funding supra; and



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- That each party pay its own costs.

We have submitted a similar proposal to the legal team of the State Attorney but have not yet received any feedback. However, we do believe that a political solution is possible and desirable in this case.

We are convinced that, within the above terms, a settlement will be the best for everyone in South Africa and the battle against the coronavirus.

For the sake of the legal process, we would like to request that you respond to this letter by Monday, 27 April at 09:00.

In the meantime, Solidarity will continue to do everything in its power to help fight the virus fearlessly and to help people to work in a healthy environment.

We are praying for you and everyone in our beautiful country.

Yours faithfully



Dirk Hermann



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