

Covid-19

pressure on Ramaphosa

President told to honour public service pay pact; plan to reopen economy slowly backed

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PRESIDENT Cyril Ramaphosa's key allies yesterday piled on the pressure ahead of his address to the nation later today and demanded that his administration immediately honour the public sector wage agreement.

While Cosatu backed Ramaphosa's plan to gradually reopen the economy as long as proper protocols are developed to keep the workers safe from coronavirus, the trade union federation also demanded that the non-payment of public servants' salary increases be resolved as workers deserve better.

Cosatu affiliate, the National Education, Health and Allied Workers Union, which is also the country's largest public sector union, yesterday insisted that Finance Minister Tito Mboweni prioritise the payment of salary increases for front line workers fighting Covid-19 when he revises the Budget and reverse the decision to cut the public service wage bill.

Apart from the Unemployment Insurance Fund and reprioritising R130 billion from the current Budget, which will be tabled

by Mboweni on a date expected to be announced by Ramaphosa today, global partners and international finance institutions have also been approached.

Ramaphosa unveiled his administration's R500bn socio-economic response to Covid-19 on Tuesday and undertook to provide details today of measures to be taken beyond the 35-day lockdown to reopen the economy.

The response includes R100bn to protect and create jobs, R50bn in temporary social relief, R40bn for the health response and emergency water supply, increased sanitisation of public transport and facilities, food and shelter for the homeless.

Ramaphosa also secured a R200bn loan guarantee scheme with major banks, the National Treasury and the SA Reserve Bank to cover companies' operational costs such as salaries, rent and payment of suppliers.

Economist Mike Schussler yesterday

said the country should be able to access at least R400bn through the International Monetary Fund special drawing rights and special coronavirus funds established by the IMF, the World Bank and BRICS's New Development Bank.

He advised Ramaphosa to allow most shops and factories to resume functioning with physical distancing enforced while schools should be reopened.

Schussler suggested that cafés and restaurants should be kept closed for another week or two while members of the public should be forced to wear masks.

He said public transport should also resume with physical distancing and subsidised trips for operators to maintain fewer passengers.

Internationally recognised epidemiologist and infectious diseases specialist Professor Salim Abdool Karim, the government's chief adviser on Covid-19, also suggested a systematic approach to keeping infection rates low while easing the lockdown in stages.

Karim has warned that an abrupt return to normality may increase the spread and the plan should include a

systematic easing of the lockdown over several days and a stepwise approach to reduce risk of rapid transmission taking into consideration economic imperatives and social disruption.

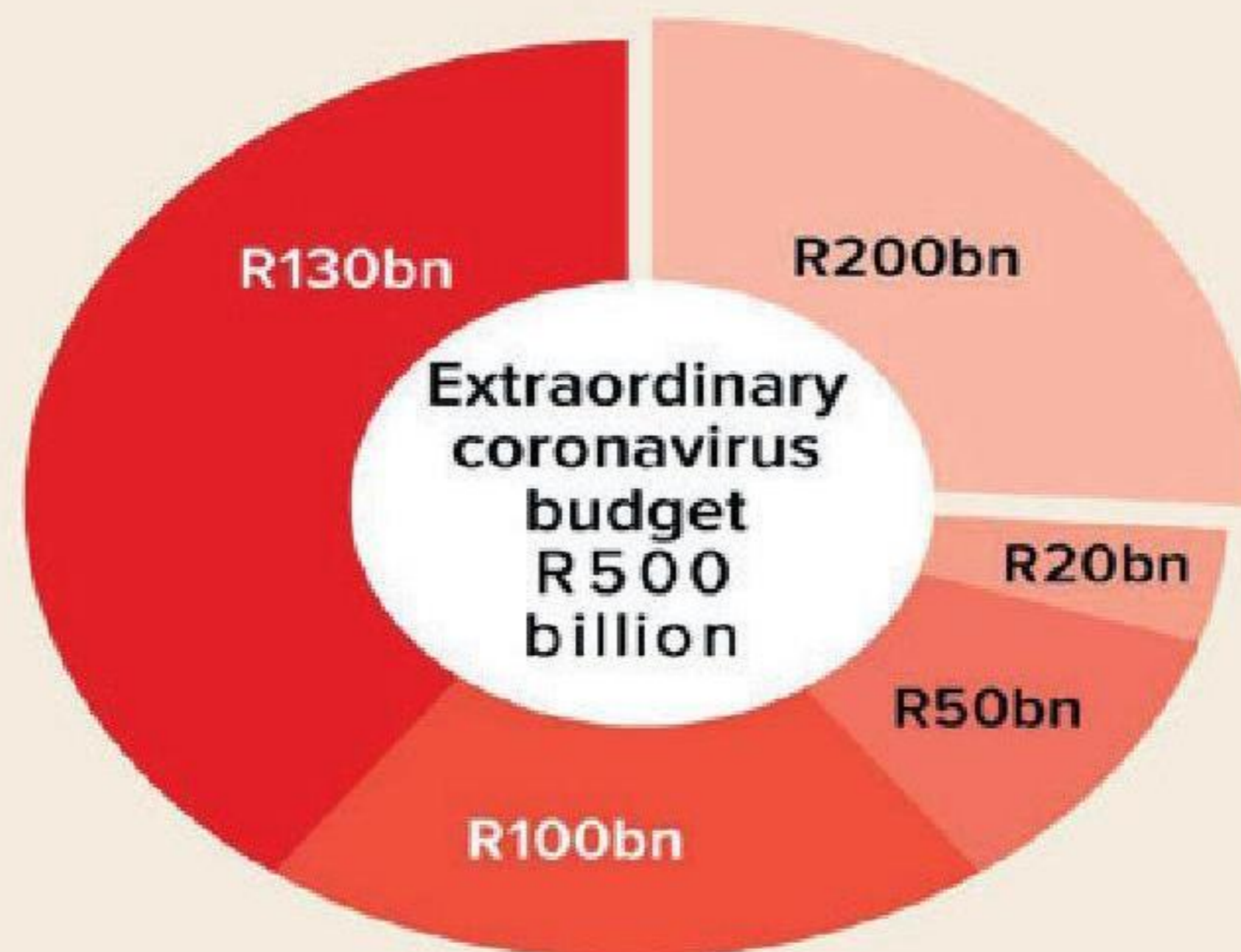
Cosatu spokesperson Sizwe Pamla said: "Workers and employers must begin a process of consultation in the bargaining councils to conduct risk assessments."

Cosatu also believes Ramaphosa's Covid-19 economic and social response is still R500bn short. "Nothing less than a R1 trillion stimulus plan will be sufficient to turn our already bleeding economy around and save workers from the pain of skyrocketing unemployment levels," said Pamla.

"Corruption of any kind must not be tolerated. The ANC-led government must lead decisively to root out all forms of corruption that might rear its ugly head as we endeavour to raise funds to fight... Covid-19," Cosatu insisted.

ECONOMIC RESPONSE TO COVID-19

- **The first phase** - began in mid-March when the coronavirus pandemic was declared national disaster. The measures included tax relief, the release of disaster relief funds, emergency procurement, wage support through the UIF and funding to small businesses.
- **The second phase** - is our economic response to stabilise the economy, address the extreme decline in supply and demand and protect jobs.
- **The third phase** - is the economic strategy, which will be implement to drive recovery of the economy as the country emerges from this pandemic.



- R130bn for health
- R100bn for protection and creation of jobs
- 50bn for corona virus grant
- 20bn for municipalities
- 200bn for loan guarantees scheme

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