

Address by Mrs Thamo Mzobe, Chief Executive Officer of National Development Agency, for 'Leadership in Crisis and Beyond' conversation in celebration of Dr Joyce Banda's 70th birthday on 20 May 2020

Her Excellency Dr Joyce Banda

Her Excellency Dr Arikana Chihombori-Quao

Her Excellency Ameenah Gurib-Fakim

My other Colleagues on this esteemed Panel

And our Zoom audience

Good Afternoon,

South Africa, like the rest of the world, is consumed by the Covid-19 pandemic. I am going to outline briefly the extreme socio-economic measures taken by our government in demonstrating leadership in times of this pandemic.

Money transfers

South Africa suffers from a deep rooted history of perpetual poverty and inequality brought about by apartheid. This pandemic has magnified the gaps, hence the R500 billion Covid-19 economic relief package announced by President Cyril Ramaphosa to deal with the pandemic. Ironically, these funds are available to many of the citizens without discrimination. A small win for the leadership. The funds are being channeled towards saving businesses and job losses, keeping food on tables and keeping essential aspects of the economy going.

Markets and Sustainability

The economy and markets have of source taken a huge knock – too many citizens have lost their jobs, small and medium sized companies are struggling to keep open and indicators of overall performance are dismal. The national Unemployment Insurance Fund (UIF) is doing the best it can to top up the salary short-falls where companies are struggling. And so are several other schemes who are closing gaps where there are shortfalls including home bonds and car repayments and so on.

The President also announced the formation of the Solidarity fund to respond to the COVID-19 crisis in South Africa. It is a platform for the general public, civil society and the public and private sector to contribute to the consolidated effort to fund various initiatives. Some of these initiatives are meant to curve the negative impact this pandemic has had on the South African economy.

Experts have indicated that #Level4lockdown regulations would shrink the economy by 30% - the regulations of course are good for limiting the spread of the pandemic, but it is true that the economy will take a while to recover. On a positive note, at #Level4lockdown we have gradually opened up several major economic contributors such as manufacturing, some mining and retail.

Statistics South Africa shows that as early as February, 12, 3% of companies were in liquidation compared to a year ago. Domestic VAT is 4.3% lower compared to year-on-year basis. Company taxes are also reduced by about 55%.

Therefore revenue collection decline, business rescue strategies, how to better invest and become more economically viable in the future will become critical conversations to be had as a nation.

One of the top big topics is how labour market policies will change in future to improve increased economic participation by South African citizens without discriminating on foreign nationals.

Productivity South Africa, an entity of the Department of Employment and Labour, with other stakeholders is championing a research study on how South Africa can become more productive in future.

Food security

The pandemic has been instrumental to showcase sharply those that are the most vulnerable and those who are not as vulnerable. Government has stepped up to secure food parcels and living grants through the Department of Social Development (DSD) and distributed through its agencies, the National Development Agency (NDA) and South African Social Security Agency (SASSA). In addition many funds of goodwill have come forward as well as companies who are also doing their bit to support those vulnerable South African struggling through this period.

The Department of Social Development has been instrumental in securing foot soldiers (civil society organisations) on the ground in many poor communities to create awareness and educate citizens on Covid-19, to provide daily hot meals at Community Development Care Centre's, providing shelters for victims of gender violence and the homeless, elderly and disabled.

On our National Development Agency funded projects, we have prioritized and provided markets for:

- The sewing cooperatives who are making the much needed cloth masks for industries and communities
- The agricultural small scale farmers whom we have linked with The Department of Agriculture, Forestry and Fisheries to access the disaster support fund
- Volunteers from CSOs that are in the advocacy and community development space who are doing door-to-door visits to reach vulnerable communities.

Conclusion

A lot is being done towards managing the pandemic. Leadership is being tested. Leadership is assisting us through the crisis – this pandemic is new for us all. But truly the South African leadership has come together, even the various political players, faith Based organisations and other Civil Society Organisations to ensure South Africa thrives through this. It is encouraging that perhaps for one, the survival of humanity is placed before the needs of the economy. We are now learning new lessons about the ability of society to survive. We are also beginning to charter a new discourse for life beyond Covid-19. We will need to adapt to the new economy that will be presented by the outcomes of this pandemic. Whatever is awaiting us, I am confident in the strength of the partnership between government, business and civil society to lead South Africa ahead.

Thank you ladies and gentlemen.