

# **HOW TO CONTINUE THE LOCKDOWN AND ENABLE A SAFE RETURN TO WORK**

20 April 2020

## **FRAMING THE PROBLEM**

SA needs to maintain the lockdown until health indicators demonstrate otherwise.

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### **• Social Problem**

- Food insecurity
- Social transfers are insufficient
- Where funds are available, these are extremely difficult for applicants to access
- Businesses have closed or liquidated and let their staff go on short wages or on no pay at all
- Short term interventions are attempting to provide urgent relief

### **• Fiscal Problem**

- We face significant fiscal constraints exacerbated given the recent ratings downgrade
- Absence of export revenue to maintain the balance of payments; and the reduction in tax makes Government funding of any Covid-19 relief efforts beyond the very short term, unsustainable

### **• Economic Problem**

- Increasing evidence of businesses under extreme financial stress.
- Risk of sustained lockdown is that businesses stall so badly that they are unable to recover at all
- Knock-on consequences on employment, turnover, revenue are obvious
- SMEs are the hardest hit
- Breakdown in value chains

## **What must be done immediately**

- Include further value chain inputs for the category of the regulated essential goods and services
- Expand essential goods and services in the regulations, including
  - Construction of emergency premises, low cost housing, and repair and maintenance to non-essential businesses and services
  - all exports, subject to PPE provision (and test kits) for the ports staff
  - all perishable products
  - goods that are high revenue earners, subject to quantity limits & delivery only
  - All forms of food products are included, pre-prepared and fast food outlets subject to stringent social distancing controls.

## Which sectors should be allowed to return to work on an incremental basis during the lockdown?

- These proposals are based on a bottom-up assessment of sectors a combination of factors to consider: COVID-19 transmission risks, Contribution to economy, Economic & employment stress

### Option A: Recommended

A systematic and carefully calibrated phasing of sectors returning to work

### Option B

Gradual expansion of value chain through exemptions

- **The governing principles governing both these options are the same:**
  - Strict health protocols to limit the spread of the virus.
  - Commuter transport solutions
  - Massive upscaling of production and availability of mitigation interventions
  - Contribute to testing
  - Encourage remote return to work wherever possible.
  - Require continued lockdown for the vulnerable (over 60s and unmanaged pre-existing illnesses)

# PHASED RETURN TO WORK

## OPTION A

A systematic and carefully calibrated phasing of sectors returning to work

*Risk-based, phased approach to reopening the economy*  
*- get people back to work safely and as quickly as possible*  
*- dual approach transmission risk and economic value at risk*

### Impact of measures

- Economy is in critical condition, **exponential risks** to jobs, SMEs and whole industries
- **Pragmatic plan** for phased reopening (sectors and timing) to provide certainty, immediate relief while dealing with transmission risks
- **Workable protocols per workspace** and commuting space

### Cost

Positive on a net basis - return-to-work is value creating and self-sustaining

### Source of funds

- Businesses will implement health mitigation intervention and fund development of necessary tools and protocols with industry

### Lead departments

Presidency  
DTIC  
DoH

### Other departments

COGTA, SAPS, NT

### Stakeholders

Business sectors  
Trade unions  
Workers, SMEs

### Description of the measure & key risks

- Reopen the economy safely in phased approach: start with **lowest transmission risk x highest economic value**
- Government and industries **design protocol standards at sector level**; businesses develop customised protocols per 16 archetypal work and commuting spaces
- **Safest commuter transport** options implemented (taxi industry support and employer solutions)
- Those that can work remotely, over 60s, or with unmanaged health conditions will stay at home
- Businesses / industry can be **relocked if non-compliant or if epidemiological progress changes**
- **Compliance and monitoring** are critical (requires coordination between government and business CEOs)
- **Risks:** *pace of phasing (transmission risks v too late to resuscitate the economy), enforcement*

## How can this be done?

- Health and Safety protocols engagement by an expert team with industry groupings, as well as SME and informal, own-account worker sector.
- Risk based Occupational Health and Safety assessments and mitigation plans to be implemented by the relevant businesses.

## What must be kept under lockdown at this stage?

- Most sectors, until released.
- Places where there are large scale, gatherings such as : schools and universities, religious gatherings, and funerals, dine-in restaurants hotels, taverns and bars.
- The borders must remain closed for people. Restrictions on passenger aviation and road travel to remain for now.
- Sectors that cannot put in place safe work solutions

## Other solutions that will contribute to maintaining the lockdown?

- Food security
- Basic education
- Emergency funding from multilateral organisations, such as the IMF.
- Expedited decision on increase of various C-19 relief grants for child grant recipients
- Institutional rescue where required (e.g. UIF)