

Dr Nkosazana Dlamini Zuma

Launch of the Report on the Socio Economic Impact of COVID-19

19 August 2020

Facilitator for this Session Dr Ayodele Odusola;

Minister of Health Dr Zweli Mkhize;

UN Resident coordinator my sister Mrs Nardos Bekele Thomas;

Chairperson of the Solidarity Fund my sister Ms Gloria Serobe;

Panellists;

Participants and guests;

Ladies and Gentlemen.

Welcome to this landmark launch of the report on the socio economic impact of COVID-19. South Africa now joins 41 other nations on the continent who with the assistance of the United Nations have completed a preliminary assessment of the impact of the pandemic. I say preliminary, because the effects of the virus are bound to be with us for some years.

In the short five months, since we discovered the virus on our shores, it has altered our way of life forever. Not since the Spanish Influenza of 1918 has the world been confronted by a health and economic challenge of such proportion. The Spanish Flu decimated about 300 000 South Africans. Since we did not wish to repeat the mistakes of 1918, we declared a state of national disaster on 15 March just ten days after the first case was discovered. This was complemented by the instituting of a national lockdown from 26 March 2020. This was to better prepare our health system, flatten the infections curve and curb infection rates. All this was aimed at saving lives and livelihoods.

The virus also arrived on our shores at a time when our economy was underperforming. Thus, the virus accentuated the long standing realities of hunger, poverty, unemployment, inequality and apartheid spatial planning. These realities also include a lack of access to basic services such as water, sanitation, housing, health and education, all of which are critical in the fight against any pandemic and disaster. Consequently, the pandemic affected all of us, but the effects on the most vulnerable in our society are far greater. The virus has confirmed that South Africa continues on the path of two economies.

The vast majority, who are African and female, have limited access to quality basic services such as water, sanitation, health care, education and transport. The face of poverty and inequality in South Africa continues to be a rural or township woman with a baby on her back. Women have also lost the most, Stats SA informs us that of the 3 million jobs lost, 2million of those are women. They have also lost income which is up to 75% in the informal sector, this despite them earning 30 percent less than men. Women also carry with them the extra burden of having to take care of loved ones, including children or community members who may be sick. Consequently, they are more likely to be infected by the disease, especially in the rural setting where access to health care facilities are very limited. We have also seen a spike in Gender Based Violence, thus placing an extra strain on women everywhere.

In short one's destiny in South Africa is largely dependent on which side of the tracks one is born. Indeed, the COVID-19 virus confirms what the UN Secretary General said in this year's Mandela lecture --- whereas we are all sailing in the same sea others are sailing in super yachts and the majority are clinging to the floating debris.

The crisis also highlights the weaknesses in our health system which favours those in the super yachts. Therefore, as part of our longer term response we have prioritised the acceleration of the implementation of the National Health Insurance.

Even in the optimistic scenario the report shows a shrink in our economy and millions will lose jobs. Already our economy has shrunk by 2% from a very low base and it is estimated that it will decline between 5 and 7%. Effectively, we are going to register a negative economic growth figure.

We are therefore called upon to transform the economy with an emphasis on ownership patterns and the structures. As we transform our economy, we must also pay attention to building the asset base and access to credit for the vulnerable, particularly those in the informal and SMME sectors.

Guests and colleagues, the report also observes that; *“the higher the level of education achieved by the head of household, the lower the probability of this household falling into poverty”*. This resonates with our focus on the education system and the skills revolution. This has to be complemented by the accelerated adoption of technology. We will therefore have to develop an ICT support plan to the Economic Recovery strategy which we have adopted. That strategy must bring about a more equal digital society which is central to our sustainable growth path aspirations. Our experiences particularly in the education system which saw the education of the privileged even during hard lockdown, make us align ourselves with the observations of the report. Indeed, *“technology and digitisation has proven to be a “human right” as it redefined access to work, income and schooling during the lockdown”*.

Distinguished Guests and Colleagues, the report also calls for a differentiated approach which focusses on specific household and gender dimensions. It also calls for targeted responses directed at sectors which have been most affected by COVID-19. In our view that differentiated and targeted approach must also take a spatial dimension. To that end, we would therefore like to reextend our invitation to the United Nations family to support us in the delivery of the District Development Model. Research and development remains our weakest link in the delivery of the DDM. To this end, we hope the UN family will assist us with global experiences and working models, as you have already done with regards to Zero Based and Gender Responsive Budgeting.

We must never lose sight of the purpose of us undertaking integrated development and planning, ultimately it must enable ordinary citizens to actively participate in their own development. Thus, this valuable report must be translated and developed into a popular version which we must disseminate to our people in their languages and on various platforms including radio and social media. In so doing the findings of the report can inform our local development plans and the District's One Plans and One Budgets. To this end, we would like to see this socio economic impact study finding its way into the profiles of each and every district and metro profile.

Resident coordinator, the perception survey embedded in the report is an important tool towards developing resilient, sustainable, vibrant and climate smart communities. We must therefore collaborate to ensure the building of community organisation and entities. An important programme in this regard is the Community Works Programme which we are currently remodelling.

Again, in this regard, the UN family has global experiences in building active community institutions through various models such as the Asset Based Community Development (ABCD) and Micro Financing. Of interest to us is that because of the self-selection and targeting rituals of these models women and youth tend to be the main actors. We will be knocking at the door of the United Nations as we finalise this remodelling exercise.

Our collaboration ought to also entrench the established solidarity, partnerships and goodwill we have thus far built with South Africans, from all sectors and walks of life. The victories we have recorded could have not been achieved without that solidarity and sacrifices. South Africans have largely heeded our call to stay at home, wear masks, wash hands, sanitize and maintain a safe social distance. Sadly over 11 000 of them have succumbed to the virus. Some of these are brave health care and frontline workers. We take this opportunity to reextend our condolences to their families, friends and colleagues. To honour them we must continue and remain vigilant in our fight.

Resident Coordinator, let me once again take this opportunity to thank you and the UN family for producing this landmark publication.

Amasegenalehu!!

With those few words we wish to declare the report launched.

I thank you