

## ABRIDGED VERSION OF THE ZCTU INPUT IN THE FIGHT AND MITIGATION AGAINST COVID-19 (CORONAVIRUS)



While the government, through advice from the Tripartite Negotiating Forum(TNF) declared the pandemic a national disaster and instituted measures that included:

- i. Banning of all non-essential travel (excluding returning residents) and traffic, both inbound and outbound, except for movement of cargo;
- ii. Ban on entertainment and recreational activities such as nightclubs, bars, beerhalls, movie houses, swimming pools, gymnasium and sporting activities;
- iii. ban public gathering that exceed 50 people in the following: religious fellowships, weddings, conferences, workshops and funerals; and,
- iv. Restricted hospital visits which have been reduced to one visit per day involving relative per patient and
- v. A total lockdown for 21 days starting Monday, 30 March 2020.
- vi. Expedition of COVID-19 testing to be decentralized to provincial centres;

and whilst the ZCTU had already put in place migratory measures against exposure to COVID-19 infections namely allowing its workers to work from home, as well as scaling down on activities that have the potential of exposing staff and its members to the virus such as cancellation of its annual event, the ZCTU calls for:

- 1. Employers in both formal and informal economy to put in place robust COVID-19 mechanisms to protect workers in risky sectors, especially service sectors where there is more person to person contact. Enhanced COVID-19 Occupational Safety, Health and Environment (OSHE) standards, Personal Protection Equipment (PPE), and workplace reorganisation (work shifts) without undermining workers job security are critical. This process should be undertaken through effective social dialogue and in line with World Health Organisation (WHO) and International Labour Organisation (ILO)'s guidelines on COVID-19 as well as national realities. Workplace social dialogue mechanisms such councils should take centre stage in developing a win-win outcomes. Workers livelihoods and that of their families should not be sacrificed at the expense of profits.
- 2. Reprioritisation and efficiency of Government expenditures: Government has four avenues in which it can create fiscal space namely; Official Development Assistance (ODA), domestic revenues mobilisation, deficit financing and reprioritisation and efficiency of expenditures. However, out of the four avenues, and in the context of COVID-19 crisis, Government must concentrate on reprioritisation and efficiency of expenditures in order to free-up resources that can be used to support efforts to deal with direct and indirect impacts of COVID-19 pandemic.
- 3. Enhanced social protection support: It is critical for the government to learn from other countries on how they are managing the COVID-19 crisis in order to minimize the economy's contraction as well as protecting its citizens and businesses against the direct and indirect shocks of COVID-19. For instance, the Australian Government announced an economic stimulus of US\$10.19 billion, mainly for job security, business continuity and for SMEs owners; whilst in South Korea its economic stimulus US\$9.8 billion will focus on focus on vulnerable sectors such

as Small and Medium Enterprises (SMEs) and others in the informal economy. In USA, the stimuli package consists of \$500 million to be distributed to each taxpayer with an average amount of US\$1,000, depending on income and household size, among other measures. Japan, Canada, South Africa, among others are following suit.

It is therefore, critical for the Government to be responsible and be awake to the realities of its workers and citizens, majority who depend on the informal economy which has already been disrupted and impacted by the COVID-19 Government measures. Stimuli options can be tailor-made according the country's Social Protection Policy Framework, whose measures are grouped into five broad categories namely:

- i. Social Assistance
- ii. Social Insurance
- iii. Labour Market Interventions
- iv. Livelihoods and Resilience Interventions.
- v. Social Support and Care

The 2019 Labour Force and Child Labour Survey indicated that only 2 percent of the population is covered by some sort of social security scheme. This leaves 98 percent of the population vulnerable to the direct and indirect shocks of COVID-19 pandemic. Provision of socio-economic support will also lessen the care burden of women given their gender-roles.

Therefore, the table below presents the scenarios that the Government can support through at least provision of food packages or food allowances based on the Food Poverty Line which was pegged at \$1,863.00 as at December 2019.

Scenarios	No. of Persons	% Population to be targeted	FPL (ZWL) Dec 2019 <sup>1</sup>	FPL (USD) Dec 2019 <sup>2</sup>	FPL @ current rate (ZWL) <sup>3</sup>	Estimated total support (ZWL)	Estimated total support (USD) <sup>4</sup>
Scenario 1 - employed persons already working poor	2.897.064 <sup>5</sup>	100	1,863	111	2,777	8,045,960,394	321,838,416
<i>Scenario 2</i> - 95.4% of employed in vulnerable employment	2,763,799 <sup>6</sup>	95	1,863	111	2,777	7,675,846,215	307,033,849

Scenarios for Government's COVID-19 social support

<sup>&</sup>lt;sup>1</sup> ZIMSTAT

<sup>&</sup>lt;sup>2</sup> RBZ interbank exchange rate USD1:ZWL16.77,

https://www.rbz.co.zw/index.php/research/markets/exchange-rates/13-daily-exchange-rates/811-december-2019

<sup>&</sup>lt;sup>3</sup> Calculated as Dec 2019 FPL (USD) multiplied by current exchange rate of 1USD:25ZWL

<sup>&</sup>lt;sup>4</sup> Using the current exchange rate of 1USD:25ZWL

<sup>&</sup>lt;sup>5</sup> 2019 Labour Force and Child Labour Survey

<sup>&</sup>lt;sup>6</sup> Calculated from 2019 Labour Force and Child Labour Survey

1	Scenario 3 - vulnerable							
	households	600,000 <sup>7</sup>	100	1,863	111	2,777	1,666,368,515	66,654,741

Given the rise in urban poverty and the fact that urban citizens pay for almost all services (rentals, water, electricity, etc) as compared to rural households, it may be prudent to focus more on targeting urban poor households, whose incomes are already threatened by COVID-19 developments including the lockdown.

Additionally, the Government should expedite addressing mealie-meal shortages in the suburbs in order to avoid long queues which can be a potential for the spread of COVID-19 infections.

**Zimbabwean Government can afford COVID-19 stimulus package:** there is need for the Government to re-prioritise its expenditures and create fiscal space to deal with the impacts of COVID-19.

Some countries have stimuli packages towards:

- i. support for health services and operational funds to make lockdowns or partial lockdowns effective;
- ii. direct cash aid for citizens to enable consumption and support the domestic real sector;
- iii. SMEs, the hardest hit economic sector, comprising loan guarantees and avoiding layoffs;
- iv. the most severely affected sectors on the verge of bankruptcy and that would add to unemployment; and,
- v. lowering interest rates and bank reserve requirements, and tax stimuli for individuals and corporations.

**Government can seek support from development partners**. *Already UNDP, UNICEF, WHO, African Development Bank, among others, are preparing COVID-19 support for affected countries at various levels*.

- **4.** Companies that need critical workers to be at work should be able to provide them with appropriate requirements that keep them safe from being infected and also infecting those at home. In addition, they should be paid a hazardous allowance.
- 5. Support to business enterprises: Support to businesses also means protection of jobs threatened by direct and indirect disruption businesses, for instance through the 21-days

<sup>&</sup>lt;sup>7</sup> According to the National Social Protection Policy of 2015, 500 000 households were deemed to be below the Food Poverty Line and eligible for all forms of social assistance. Given the developments since 2015 (droughts, Cyclone Idai, etc), an estimated figure of 600,000 will be used in this case

lockdown. Already, some of the companies are suffering from low capacity utilisation (some to as low as between 35-40 percent) and may be further affected by the national lockdown. Government support can be in the form of:

- ✓ Tax relief measures; and/or;
- ✓ A stimuli package for hardest hit sectors such as tourism, agriculture and manufacturing.
- Moratorium on retrenchments: There is need to protect direct and indirectly affected workers by establishing a moratorium to freeze retrenchments during the lockdown or slowdown in business activity. Retrenchments during the COVID-19 pandemic will further contribute to socioeconomic dislocations. Businesses will be covered by special measures suggested above (see point 4.5).
- 7. Upscaling of health systems and infrastructure, water and sanitation: Government must upscale investments in health systems and infrastructure as well as water and sanitation across the country. The impact of COVID-19 must never be underrated. The shortage of water and poor sanitation and dilapidated health systems in many of the communities across the country will make it almost impossible to deal with the pandemic if the Government does not act swiftly. The Government must place social service delivery as a higher priority in its operations. Putting people at the centre of development as called for by the Sustainable Development Goals (SDGs) should take centre stage in Government's actions.

Additionally, Government and municipalities must upscale provision of adequate and safe water and sanitation in informal economy workspaces / markets that will be allowed to remain open during the COVID-19 crisis period in order to reduce the high risk of spread of the virus.

Given President Mnangagwa's SONA on Friday 28 March 2020 which directed the Ministry of Local Government to ensure availability of water in all residential areas while councils were told to religiously collect refuse and guarantee sewer reticulation services, **it is critical that these be actioned swiftly.** 

- 8. Subsidisation of essential social services: Government must consider subsidisation of social services such as water and electricity to households during the lockdown so as to avoid citizens queuing at service provider's offices to pay for these services. This will go a long way in preventing mass gatherings of citizens at one place/ area.
- 9. *Swift response in decentralisation of COVID-19 information:* Government must expedite decentralisation COVID-19 information dissemination (cases and response mechanisms) in order to avoid speculation by the public and misinformation.
- 10. Transparency and accountability in the distribution of COVID-19 related funds and donations, for instance, donations by Jack Ma and Alibaba Foundations. This also implies equitable distribution of the commodities by areas of most need rather than prioritising the elites and the politicians. As is well known in Zimbabwe, corruption thrives during crises. Thus, measures must be put in place to curb abuse of COVID-related public funds, donations and aid.

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