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Who does the UIF's 'Covid-19 Temporary Relief Scheme' really benefit

By Lynford Dor (Casual Workers Advice Office)

Governments all over the world have responded to the coronavirus pandemic by pumping additional state funds into both the public and private sectors and in many cases even into the pockets of ordinary people. In South Africa, despite much commending of government efforts from all quarters, the state has so far chosen to fight the COVID-19 virus by utilising only its 'available resources' (see the regulations issued in terms of Section 27(2) of the Disaster Management Act, 18 March 2020). In other words, the South African state has chosen to combat the spread of the coronavirus by simply shifting money around within the existing austerity budget.

Worse is that this government's intention is clearly for the majority of 'available resources' to be redirected towards easing the burden of the crisis on business. This was made most clear in the president's speech on 23 March, when he allocated a paltry R150 million in state money to the 'solidarity fund' which has a (vague) mandate of combatting the spread of the virus, while he redirected a combined R700 million from two state entities into SMEs and R3 billion into so-called 'vulnerable firms'.

The only additional safety-net the state has provided to ordinary people to combat the effects of the pandemic and the lockdown comes in the form of the COVID 19 Temporary Relief Scheme (C19 TERS) regulations. The C19 TERS scheme frees up Unemployment Insurance Fund (UIF) money for workers who have been laid off under the lockdown. Strictly speaking, this is not even state money – it is workers' savings. So, while the government not only relies on workers in essential services to save us from the crisis, it has also decided to use workers money to finance its lockdown.

This would all be fine (relatively speaking) if the C19 TERS scheme actually did support workers who have been 'temporarily laid off' under lockdown. The truth, however, is that even this measly 'offering' from the state will not reach the millions of workers that it is apparently intended to.

Workers cannot access TERS/UIF grant

The day before the lockdown, the Casual Workers Advice Office (CWAO) began getting calls from dozens of workers complaining that employers were closing down their factories without applying for the UIF grant. Workers from all over the country were being told that they would face 'no work, no pay' for the duration of the lockdown. In a number of cases in Gauteng and the Eastern Cape, workers had been sent by their employers to the Department of Labour, who turned them away. When they returned to their workplaces, they were closed and their employers were uncontactable.

The C19 TERS regulations put the onus on employers to apply for the funds on their employees' behalf – supposedly to prevent millions of claims from individual workers. The regulations did not, however, *oblige* employers to apply for the grant on behalf of the workers that had been 'temporarily laid off'. In other words, the ability for workers to access relief from the UIF depends entirely on the goodwill of employers – a

resource that we know all too well is in very short supply. Even where bosses do apply to the TERS, workers are guaranteed only the sector minimum. There is no guaranteed minimum income for workers not covered by sectoral minimums.

Furthermore, the TERS regulations only apply where employers are registered with the UIF. This unfairly discriminates against those workers whose employers have illegally absconded from their duty to pay UIF contributions over the years. This is a widespread problem, especially for workers in already-vulnerable forms of employment. According to the Department of Employment and Labour's presentation to Parliament in November 2019 (titled 'Impact Analysis Report'), out of 1050 payroll audits that were conducted for the quarter they had recorded 68.5% employer non-compliance with UIF requirements. This gives a general indication of the extent to which workers will be unable to qualify for relief during the lockdown.

Lastly, the TERS regulations do not provide clarity on the payment of casual, zero-hour and other variable-hour workers. Due to the nature of their contracts, these workers have no minimum guaranteed hours of work. Employers will be able to claim that these workers have not officially been 'laid-off' under the lockdown. Instead they will say that they simply have not been 'called to work'. The current formulation of the TERS regulations provides no obligation for employers to apply for relief for these workers, nor does it establish a clear minimum payment for them.

Immediate amendments and bigger demands

Unlike many examples from elsewhere in the world, the South African government is sticking steadfastly to monopoly capital's neoliberal mandate. Its approach to the crisis is to have almost the entire working class sustain itself on a combination of the pre-existing social grant pay-outs and the new TERS/UIF scheme. Yet, as it stands, the majority of employed workers who have been 'temporarily laid off' have no recourse to secure these funds – certainly not under conditions where working class organisation has effectively been banned for the duration of the lockdown.

This will end in disaster if no urgent remedy is found.

The immediate task is for the state to compel employers to pay workers' lost wages and amend the C19 TERS regulations to apply to all employers who can prove they are unable to pay their workers' wages, regardless of whether they are registered with the UIF or not. All employers will therefore be obliged by law to either pay full wages of their workers during the lockdown or to apply for the TER grant on behalf of their workers. The revised C19 TERS must guarantee workers their company or sector minimums and for sectors without such minimums, at least R3500 per month, regardless of the number of hours worked. This will give zero-hour, labour pool and part-time workers some protection and the working class as a whole some respite in its struggle for survival during this crisis.

The lockdown will in all likelihood be extended. Then the demand for mandatory special leave on full pay will have to take precedence. Additional state and private sector resources will have to be harnessed to fund this project.

Breaking the stranglehold of monopoly capital over the state, at least temporarily, is ultimately the only way out of this crisis. The pressure required to achieve this will

have to come from the organised response of workers and working class communities as the crisis deepens.

This article was written on 3 April 2020, by Lynford Dor, who works at Casual Workers Advice Office (CWAO).

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