



PARLIAMENT
OF THE REPUBLIC OF SOUTH AFRICA

NATIONAL ASSEMBLY
OFFICE OF THE LEADER OF THE OPPOSITION

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7 May 2020

Ms Kristalina Georgieva
Managing Director
International Monetary Fund

Dear Ms Georgieva

RE: RACE-BASED COVID-19 RELIEF USING IMF FUNDING

You will be aware that the South African government has requested a loan from the IMF to help fund its Covid-19 emergency relief measures. These measures were announced by President Cyril Ramaphosa on 21 April in the form of an economic stimulus package.

What you might not be aware of are the conditions upon which the South African government intends to make this emergency relief funding available to its citizens, and particularly the thousands of small businesses affected by the pandemic. It has been confirmed by at least two government departments – Small Business Development and Tourism – that the race of the business owner, and particularly compliance with the government's Broad-Based Black Economic Empowerment redress programme (BBBEE), will be a qualifying criterion.

Given that this is emergency relief funding to assist stricken businesses to keep their doors open and keep their employees in jobs, it is unconscionable for a government to deny any citizens assistance based on their race. I therefore urge you to make any funding obtained from the IMF for this purpose conditional on its non-racial use.

There is a big difference between a government redress programme, and emergency relief during a pandemic. Furthermore, the race of a business owner has no bearing on the race of the employees. White-owned businesses have black employees, who have families to support. Withholding emergency relief on the basis of the race of the owner will cause untold misery for these families.

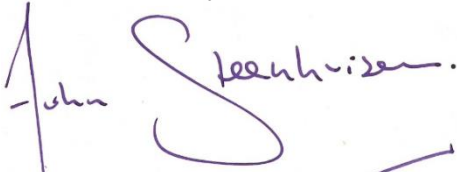
While funding made available by the IMF for Covid-19 relief does not carry the same conditions as regular IMF loans, I am sure you will agree that such emergency relief should be intended for all those affected by the crisis, and not just those of a certain race.

The South African economy is in a dire situation, with our National Treasury predicting job losses of between 3 and 7 million people. We desperately need every possible business to remain viable because every single job is precious, regardless of the race of the business owner. And so I urge you to direct the South African government to use the funding obtained from your organisation accordingly.

I would like an opportunity to set out this position in more detail and to explain to you the particular unique situation of our country. Ideally we could do this via a Skype call or similar video calling application.

I look forward to your reply.

Yours sincerely,

A handwritten signature in purple ink that reads "John Steenhuisen." The signature is written in a cursive style with a large, looping 'S'.

John Steenhuisen MP
Leader of the Official Opposition
Parliament of RSA