

COVID-19 UNCOVERED

Despite having heard or read about it in various media sources many people did not realize how tenuous the South African economy is. The COVID-19 economic lockdown accelerated and brought home to many South Africans the consequences of a weak economy. There was an expectation that the economic lockdown would threaten the continued existence of many small businesses and lead to massive job losses in that sector. Mitigation measures were put in place to partially address that expectation. What many did not anticipate is the extent of the impact that the economic lockdown would have on larger entities.

The reality is that all South African businesses were already operating in a constrained economy and that the economic lockdown is merely a catalyst to hasten the demise or accentuate the poor financial positions of these businesses. A substantial amount of media attention has been directed towards these larger entities that find themselves in financial difficulties, some of which have already instituted Business Rescue proceedings and/or retrenchment proceedings. Many employees that are lucky enough to retain their jobs are faced with massive salary sacrifices.

The job losses, salary sacrifices and restrictions on the sale of certain items results in less money circulating in the economy and less taxes being recovered by the state on earnings, VAT and taxes on restricted sale items (i.e. tobacco products and alcohol) and it will have a cascading effect throughout the employment community. Domestic helpers and SMME employees are feeling or going to feel the impact of their employers' reduced earnings. Add to this mix, the fact that sales are down and that entities in the sales chain are trying to survive the turmoil which has resulted in prices of items increasing, i.e. the cost of living has gone up substantially.

Combine all of the above with the constant political wrangling, media (bad news sells), misinformation and opportunism (some employers didn't have to retrench staff or reduce salaries, i.e. it was not a question of survival but merely a question of reduced profits) and one has a perfect storm. **So, what is the answer?**

The reality is that now, more than ever, is the time for us to get back to work. We have to lift our economic growth beyond the levels projected by various rating agencies, financial services companies and economists. We will only accomplish this feat if we all pull together, act with integrity and take a few bold strides.

The National Development Plan 2030 projected that more than 90% of new jobs will be created in small and expanding firms. Whilst indicators show that we are substantially behind on this target, there is little doubt that "getting it right in this sector" would be a catalyst for substantial economic growth that would benefit all South African stakeholders. **We need real enablers to support business' sustainability and growth, particularly in the SMME sector.**

Approximately 18 months ago we embarked on a journey to develop an integrated and affordable online platform that supports Domestic Household and SMME employers. The platform provides selected HR, Tax and Financial Services in one integrated easy-to-use online platform at an affordable price. The capabilities included in the platform enable these employers to effortlessly manage selected payroll, human resources, selected tax filings and also provides employers with an opportunity to incrementally improve employees' conditions of service, i.e. provide employee benefits where the Domestic Household or SMME employer is in a financial position to do so. helperhub launched on 17 August 2020 and we look forward to engaging with you. Find us at www.helperhub.co.za