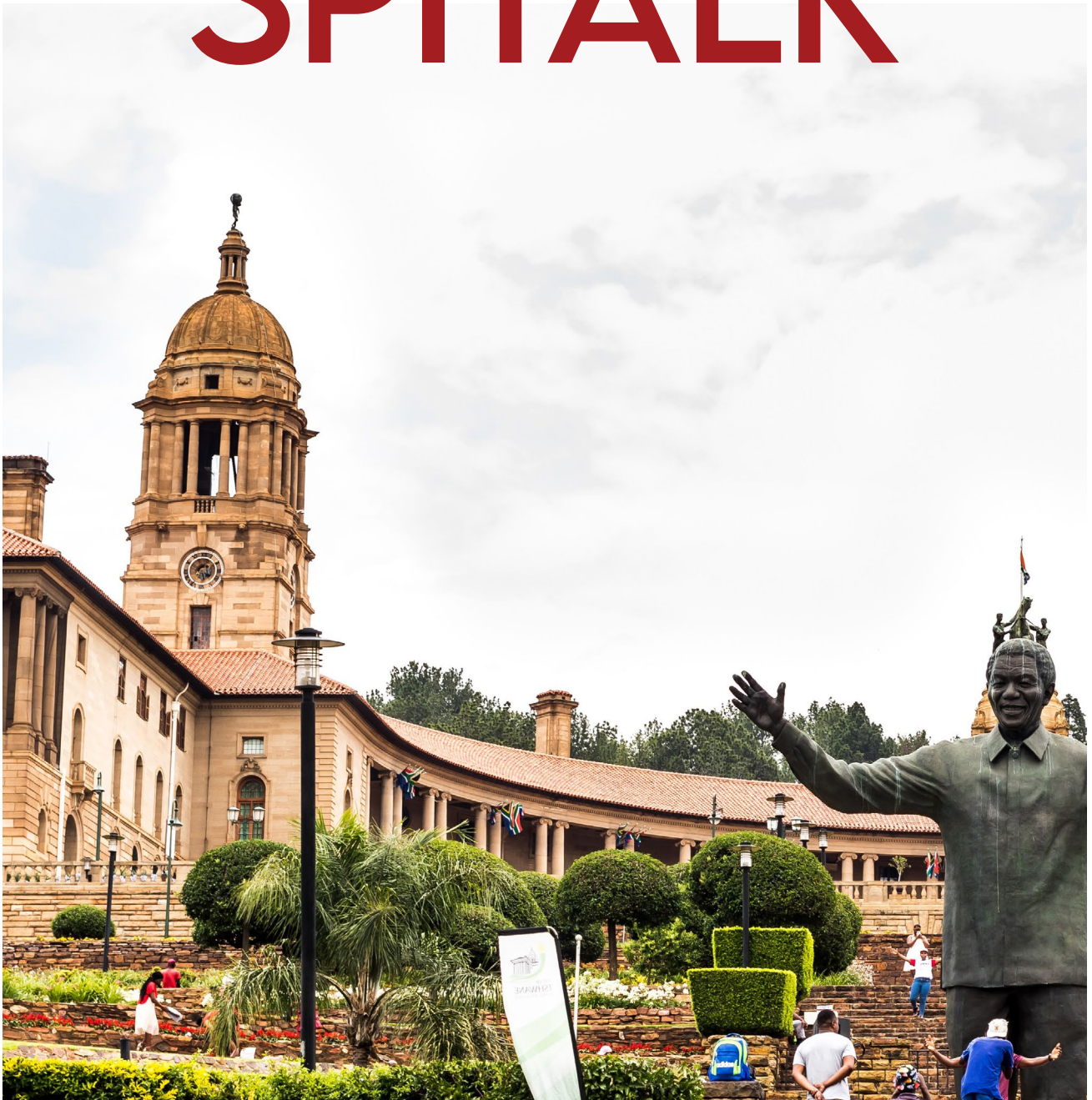


# SPITALK



## THE BASIC IDEA BEHIND A BIG

—  
Cuba Houghton  
Research Intern

## DIRECTORS CUT ARE WE INTERESTED IN CHANGE?

—  
Isobel Frye  
Executive Director

## A DECENT STANDARD OF LIVING FOR ALL

—  
Khutso Makobela  
Research Intern

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### UPCOMING EVENT

SPI will be having it's first Spring Social Security Symposium  
Find out more

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### SPI MATTERS

Contact us & find out more about how to support the Social Policy Initiative

Social Policy Initiative  
87 De Korte Street, South Point Corner,  
Office 401, Braamfontein,  
Johannesburg, 2001

isobel@spi.net.za  
[www.spi.net.za](http://www.spi.net.za)  
Tel. +27 (11) 833 0161

Contributors:  
Isobel Frye, Khutso Makobela, Cuba Houghton,  
Christopher Vermeulen, Kwame Omno &  
Jeffrey Makobela

Edited by:  
Cuba Houghton & Isobel Frye

Designed & Curated by:  
Christopher Vermeulen

Distributed & Published by:  
SPI

## MEET THE TEAM



Executive Director  
Isobel Frye



Chief Operations Officer  
Anathi Zitumane

Zitumane is new to the SPI team, "I joined SPI because I have never been exposed to NGO work and a research-based NGO is what attracted me to the Initiative."



Social Security Researcher  
Amahle Ngwenya



Graphic Design & Social Media  
Manager  
Christopher Vermeulen



Research Intern  
Khutso Makobela



Research Intern  
Cuba Houghton

## NO. 1

# DIRECTOR'S CUT: ARE WE INTERESTED IN CHANGE?

BY ISOBEL FRYE

People across the world raise their voices to protest about the rising costs of living in a post-Covid 19 situation where loss and disruption has been further aggravated by the impact on food and fuel prices due to the invasion of the Ukraine by Russia. People's voices are being raised in protest, but we are also seeing a wave of centre-right and right-wing governments winning elections. Workerist Lula and extreme right-wing Bolsonaro currently face a second voting on 30 October, but Sweden and Italy have seen right wing victories under the respective leadership of the Swedish Democrats and the Brothers of Italy coalitions. Of course, all three of these countries face very different social and political economies, but in the face of uncertainty we are seeing a swing to the right. And that is something that we need to be aware of in South Africa as we count down towards South Africa's 2024 national and provincial elections.

The 2022 October MTBPS will indicate to us the direction that the ANC will take in its election campaign. One of the big questions is what Treasury is going to do with the R350 Covid grant. This was a very welcome lifeline for 10.3 million beneficiaries until April this year, when it was suspended for two months by government. In July 2022, only 3.5 million people received the grant. Both Treasury and the Presidency have been mulling over scaled down programmes, with mention being made of complex eligibility programmes being constructed that would require applicants of the R350 to prove their registration on a variety of state public employment systems.

As SPI, we welcome initiatives to ensure that people find decent jobs. We however are well versed in, and have contributed to, the global literature that shows the high costs and low returns of such schemes, when the cause of unemployment is not the sloth of the unemployed but the structural lack of jobs in the economy.

The piece on a BIG in this SPITalk sets out some highlights of our recent Working Paper on a BIG. The paper authored by Duma Gqubule, BIG for a Better South Africa. The evolution of Social Assistance after



1994, demonstrates how a dual stimulus of a universal Basic Income grant and an employment stimulus could bring unemployment down to 4.4% by 2035, and in just a few years would be able to pay for much of the net costs through the multiplier effect as well as additional consumption and income taxes.

As author, Duma Gqubule, says: 'The first and second stimulus packages would provide a near-perfect solution out of 28-years of policy dithering around the crises of unemployment, poverty and inequality. This solution would meet people's basic needs, provide economic stimulus and lay the foundation for addressing unemployment through reimagining the world of work as we recraft our economy to take us from dystopia to a credible and more inclusive future.'

SPI is really pleased too with the really innovative research of the Decent Standard of Living project. With SASPRI and BDRC and the support of UNICEF SA, in 2022 we are costing the refreshed 2021 Socially Perceived Necessities. This work will be completed at the end of 2022 and released in the opening of 2023. It will provide a long term trajectory of people's well-being from 2015, but will also provide an historically significant post-Covid 19 baseline for future well-being comparisons.

One of the most exciting projects this year has been our R350 Covid Grant – the Movie (working title). Still in production with the film maker Diliza Moabi, this movie follows the life stories of South Africans who received the R350 grant, what it meant to them economically, socially and psychologically, and what it meant for them conversely when the grant was so abruptly stopped by government in April 2022. This movie is a tribute to the bold policy makers in the Department of Social Development and the Minister, Minister Zulu, who continue to fight against austerity budgeting budget cut demands from the Minister of Finance.

We look forward to releasing the movie ahead of the 2023 national budget and trust that it will do justice to the impressive stories of struggle, initiative and dignity that are told in the movie itself.

## IN THIS EDITION:

In this edition, we explore SPI's focus on a Basic Income Grant (BIG) as a central part of the socio-economic agenda in South Africa. We believe in a unconditional, regular, and permanent cash transfer from the state equivalent to the upper bound poverty line of R1417. As part of a robust basket of universal public services and a job guarantee, we believe that a BIG will alter the future of South Africa and shine a new path to economic and social prosperity.

Our recently released working paper 'A Basic Income Grant for a Better South Africa' is available on our website: [www.spi.net.za](http://www.spi.net.za)



# A BIG WILL STIMULATE ALL LOCAL ECONOMIES FROM SOWETO TO THE CAPE FLATS

## BASIC INCOME GRANT

MOBILISING A VISION &  
PLAN FOR THE ECONOMY

OBJECTIVE  
OF  
**FULL**  
EMPLOYMENT  
BY 2035



A NEW  
MACROECONOMIC  
POLICY FRAMEWORK

BINDING  
ON NATIONAL  
TREASURY & THE  
RESERVE BANK

## NO.2

# THE BASIC IDEA BEHIND A BIG

BY CUBA HOUGHTON  
RESEARCH INTERN

The Basic Income Grant is not a handout. It is not a given amount of cash reviving your bank balance monthly, and most certainly not a government-sent crutch. It is much more than any of these. Even though, like many other plans before it, it is necessitated by the extreme levels of hunger, poverty and inequality that plague this country, the BIG seems to offer more than the mere government intervention in these issues. To see why, let's unpack what exactly a Basic Income Grant (BIG) is.

### BASIC

Every South African, regardless of race, gender or income needs access to basic facilities in order to live a decent life. In many ways, the fundamental reason for any Social Contract, as articulated by Hobbes, Locke and latter Rousseau, is the protection of this access.

A recognition of the importance of these needs is in fact clearly enshrined in Section 27 of the constitution:

*"Everyone has the right to have access to... social security, including, if they are unable to support themselves and their dependents, appropriate social assistance." (Section 27 (1) (c) and 27 (2) of the South African Constitution)*

These ideas were not pulled out of thin air in 1996. They came from the long established understanding that despite all our differences; historical, economic, political or personal, there is one thing that keeps bringing us together, the one thing that we all share; our common humanity.

It is on this same basis that BIG involves every South African citizen. It is basic in the sense that everyone - as a function of their humanity, rather than any personal characteristics - must have access to the tools and facilities that allow them to participate in society as peers. In this sense, at the heart of BIG is a deep rooted desire to ensure universal human dignity for all South Africans regardless of race, gender, creed or income.

A further driving force for a social security plan that is basic, is the blurring of perceived differences between the employed and unemployed, that increasingly necessitates a more universal and encompassing approach to social security.

### INCOME

Another distinction is important at this point. BIG is not just another avenue for the government to fulfil its mandate to protect human dignity - by proverbially throwing money at the problem. In reality, a direct, unconditional income transfer would place the power to secure self-dignity directly in the hands of individuals. And this is not just theoretical. Several studies on cash transfer pilots across the continent show that rather than creating an income dependency, projects like the BIG play a big role in grounding personal efforts to escape the vices of poverty. Instead of replacing productive economic activities, cash transfers tend to increase the ability of impoverished peoples to participate in the economy. More so, cash transfers like the Child Support Grant (CSG) act as a tool of social recognition for those who may be disillusioned with the terms of the social contract struck back in 1997. In some way, BIG could be the start of a completely new social compact; a new definition of what it means to be a South African citizen.

### GRANT

Most of the time, the term 'grant' invokes notions of higher taxes, market failure, and austerity. As a result, the majority of the debate around BIG schemes has focused on the affordability and funding aspects. This concern is not misplaced. As members of the most unequal society in the world, South Africans don't just need a new visionary plan that will set them on the right path, but one that is affordable and one that works (for them).

In a bid to address this, the Social Policy Initiative's recently launched report 'A Basic Income Grant For A Better South Africa' found out just how much a BIG would actually cost and explores multiple options to facilitate this - without necessitating higher taxes.

The paper presents eight scenarios for the implementation of a BIG for adults (aged 18 – 59) and the increase of the child support grant (CSG) to the Upper-Bound Poverty Line (UBPL) of R1335. Under the preferred option, 'The economy would create between 1.6 million and 2.1 million jobs [and]... there would be a GDP growth rate of between 4.3% and 5.6% a year.' The funding options listed include; the existing CSG budget, VAT receipts, tax clawbacks from those above the income tax threshold and increases in tax revenue from the stimulus to the economy.

**BIG-GER & BETTER**

What we find in the BIG is not a silver bullet solution to South Africans problems. Any impactful national plan must broadly address the issues of state capacity, lingering unemployment and corruption. What the BIG represents, as framed by the SPI report, is a more wholesome approach to altering the future of this country.

This approach includes sweeping changes in industrial policy that will increase the employment intensity of GDP growth, and the introduction of capacity-building institutions that will aid the states role as an employer of last resort.

There are several options available to finance this. More energy should be spent in discussing the paradigm shift in economic thinking required to realise a BIG in South Africa. Furthermore, we must think about how to capture the imagination of the country's youth in order to ground intended policy efforts in the fertile grassroots of South Africa's future.

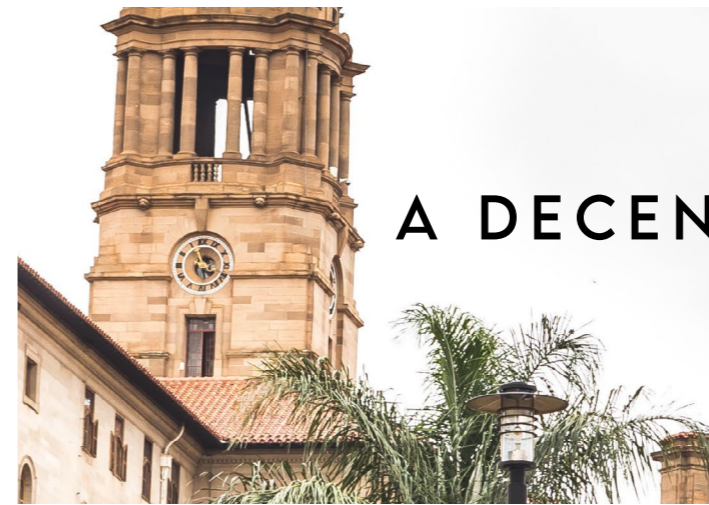


**WE HAVE REACHED THE STAGE WHERE WE MUST JUSTIFY A DECENT STANDARD OF LIVING THROUGH "BASIC NEEDS."**

**NO.3**

**A DECENT STANDARD OF LIVING FOR ALL**

BY KHUTSO MAKOBELA  
RESEARCH INTERN



It is the year 2022 and South Africa is still battling with its inherited legacy of inequality and financial oppression. Many South Africans continue to search for adequate means to live a decent life, free from struggle.

Still, different and competing ideas on the goodness of life continue to coexist in an unsorted bundle under the broad concept of the living standard. There are many fundamentally different perspectives on the quality of life, and many of them have some instant legitimacy. However, we should avoid perpetuating a social hierarchy in which the poor are blamed for their circumstances, where their relative poverty is used as an argument against them and in favour of denying them the dignity and security of a decent standard of living. It is disturbing to think that those with lower incomes or who are disabled to the point of being unable to work should be forced to live without items that others consider non-essential. We have reached the stage where we must justify a decent standard of living through "basic needs."

**A MULTIDIMENSIONAL APPROACH TO POVERTY ALLEVIATION**

In order to understand the complexities associated with developing such a standard, consider the phenomenon known as "the Carvela story". This phenomenon involves the pedestalization of a Carvela shoe brand in South African townships. The stereotype around the shoe is that those who wear this sort of shoe are wealthy, hence it is typically purchased by locals to establish a sense of social status. It is for such examples that Diener (1995), argued that the acquisition of luxury products makes differentiating one's standard of living harder. On the surface, a person may appear to be well off; wearing brand-name apparel or supporting brand-name products, these pleasures may create a misleading picture of someone living in poverty. The presence of materialism in a person's life does not always correspond to their financial level.

The complex dimensions of poverty require a more comprehensive approach to addressing it. The SA government currently measures

poverty by three threshold points including, the food poverty line, the upper-bound poverty line (UBPL), and the lower-bound line. Basing our understanding of the standard of living on such characterizations generates stereotypes, making it difficult to recognize our common humanity. The emphasis here is on how we differ rather than how we are similar.

Therefore, there is a need to understand poverty beyond the three poverty lines. The relevance of a multidimensional approach to poverty is founded on the notion that poverty is more than money or materialism; a social protection floor must be established if we are to achieve the constitutionally mandated life of dignity for all.

**ACCESS TO SOCIALLY PERCEIVED NECESSITIES.**

In order to generate new knowledge and to inform impactful policy interventions, Social Policy Initiative collaborated with SASPRI and the Labour Research Services (LRS) in 2018 to estimate the income required for a Decent Standard of Living (DSL) for all South Africans based on the Socially Perceived necessities (SPNs). The 2018 study found that a monthly income of around R7,000 per person is associated with a decent standard of living. As of September 2021, the median per capita income associated with a decent standard of living is R7 911.

To refresh the study, in 2021 the partners took upon the project of reflecting and reviewing the SPNs which underpin the DSL measure. Findings revealed that the combination of SPNs deemed as essential for a decent life are not only tangible items but also reflect assets that can be derived from one's social networks.

A new and exciting study in 2022 is underway whereby SPI and partners are doing a follow-up study to determine what proportion of the population has access to Socially Perceived Necessities (SPNs). With this new perspective, there is hope to view poverty with a different lens and remove the stigmas currently attached to poverty.

Finn, A., Leibrandt, M., & Ranchhod, V. (2016). Patterns of persistence: Intergenerational mobility and education in South Africa.

Diener, E. (1995). A value-based index for measuring national quality of life. *Social indicators research*, 36(2), 107-127.

Sulla,Victor; Zikhali,Precious; Cuevas,Pablo Facundo. Inequality in Southern Africa : An Assessment of the Southern African Customs Union (2022). World Bank Group. <http://documents.worldbank.org/curated/en/099125303072236903/1649270c02a1f06ba3ae02e57eadd7a82>

# NO.4

## CREATIVE SHOWCASE

JEFFREY MAKOBELA, 32  
KAGISO, GAUTENG.

### ABOUT THE POET

Jeffrey is a freelance Artist who holds an NQF Level 5 in performing arts from New Africa theatre. He also completed an Educational Trust's Fulltime Training & Job creation programme with Magnet Theatre. He took part in various theatre performances including Robben Island Youth Speak, 'Bash or be Bashed', 'Temptation', 'Passages', 'King - what, what' and 'A Lady in a Black Dress' to name a few. Jeffrey has written a production, 'Temptation' which got nominated for Zabalaza festival awards "Best actress, best supporting actor, best script writing and best production". Jeffrey volunteered as news anchor and translator at West-Side FM and went further to polish and nature his skills by attending Basetsana/ LGBTQIA+ workshop, which emphasized on script writing for theatre and television, directing for theatre and producing for television, hosted by the Department of Arts, Culture and Recreation under the Gauteng Province.



**“HEY MR. PRESIDENT, LISTEN TO THE VOICES OF CHILDREN OF THE NATION HUNGRY FOR SOCIAL TRANSFORMATION”**

# HEY MR. PRESIDENT,

“Wake up in the dark,  
Sleep in the dark, social cohesion.  
Lights out. Count 1, 2, 3.  
Thoughts of mind.

Hey, Mr. President please give me that R350 you promised me. But if you can increase it to R650 or perhaps R1500 I won't mind.

These are voices of children of the nation hungry for social transformation, as they sit in transit holding billboards written:

“sorry you are overqualified,  
sorry there are no jobs available,  
sorry the post has been frozen,  
sorry you need to have five years' experience,  
unfortunately,  
you are over age”.

The GDP of the country is at a twilight decline causing strife among the souls of our fallen heroes and herons watching in awe, as they linger on branches in the belly of the earth.

Wake up in the dark,  
Sleep in the dark, social cohesion.  
Lights out. Count 1, 2, 3.  
Thoughts of mind.

Hey Mr. President, listen to the voices of children of the nation hungry for social transformation, as they sit in transit, while their wisdom gained from the books of knowledge gets stolen by the bet of the night.

“Since it will take years to establish the infrastructure to provide a job guarantee. The government should set a target of creating four million public employment opportunities by 2030”.

Wake up in the dark,  
Sleep in the dark, social cohesion.  
Lights out. Count 1, 2, 3.  
Thoughts of mind.

Hey Mr. President, what happened to those words you attired, when the spirits of our fallen heroes and herons wrapped around you like roots of a tree that they linger on in the belly of the earth.

I am sure to be faithful to the Republic of South Africa and will obey, observe, upholds, and maintain the constitution and other laws of the republic.

I solemnly and certainly promise that I will always promote all that will advance the republic and oppose all that may harm it. I will protect and promote the rights of all South Africans. Discards my justice with all my strength and talents to the best of my knowledge and ability.

Do justice to all, devote me to the republic and its people.  
So, help me, God.”

Wake up in the dark,  
Sleep in the dark, social cohesion.  
Lights out. Count 1, 2, 3.  
Thoughts of mind.”

A PIECE BY  
JEFFREY MAKOBELA

# NO.5

## INTERVIEW: KWAME'S TAKE ON SOCIAL SECURITY IN KENYA

**QUESTION:**  
HOW IMPORTANT IS SOCIAL SECURITY AS A SOCIO-ECONOMIC AGENDA IN KENYA?

**ANSWER:**  
Social security is important in Kenya and especially because of its vulnerability due low incomes, disasters and other economic and social risks faced by households. It covers a variety of programs such as the Orphans and Vulnerable children fund, the old age payments to Kenyans of 70 years and above, food support to vulnerable families in arid and semi-arid areas, and a couple of others. The Covid-19 pandemic period led to the addition of the youth works program.

**QUESTION:**  
THE COVID-19 PANDEMIC SAW A LARGE SCALE-UP OF SOCIAL SECURITY AND PROTECTION MECHANISMS GLOBALLY, INCLUDING INNOVATIONS AROUND PROTECTION FOR INFORMAL WORKERS. WHAT WAS KENYA'S SOCIAL PROTECTION RESPONSE LIKE?

**ANSWER:**  
Kenya responded to the Covid-19 pandemic by expanding existing social protection roles and also through an urban youth works program to replace incomes that were lost because of the measures imposed by the government to reduce the spread of illness. So the government provided an estimated 600,000- 800,000 households and individuals with modest amounts to purchase food and basic supplies. However, the program was limited by the fact that the Government had little fiscal space that existed owing to constraints in public spending.

**QUESTION:**  
WHAT LESSONS CAN WE LEARN FROM KENYA'S APPROACH TO SOCIAL PROTECTION IN GENERAL?

**ANSWER:**  
The Government of Kenya has too many and duplicated support programs and these could be consolidated and handled

in the form of one cash transfer on a regular and transparent basis. It is also clear that payments were not too regular and once these programs are properly budgeted for, then their prompt disbursement should be a priority of their managers. A final point is that a consolidated public assistance program should be given to the bottom 20% of the population as opposed to the very complicated and duplicated programs that exist today. Cash transfers are simple to administer and traceable for audits.

**QUESTION:**  
DO YOU THINK THE COVID-19 HAS CHANGED THE CONVERSATION AROUND OR PRIORITY OF SOCIAL SECURITY AS AN SOCIO-ECONOMIC AGENDA IN KENYA?

**ANSWER:**  
Covid-19 showed that the existence of mobile money transfer infrastructure makes the deployment of government assistance much easier and more efficient. It is unclear whether it has changed the debate of its design. I think this could happen when the audits of Government performance during the covid-19 pandemic are completed. Based on that evaluation, it will be possible to state with confidence how to reform the existing policy.

**INTERVIEWEE:**  
**KWAME OWINO,**  
Chief Executive Officer  
of the Institute of  
Economic Affairs  
(IEA-Kenya)  
- a Nairobi-based  
think tank.

# UPCOMING EVENT

The Social Policy Initiative (SPI) will be having a Social Security Symposium on the 21st of November at the Friedrich-Ebert-Stiftung Offices, at 34 Bompas Road, Dunkeld West, Johannesburg. The Symposium will occur from 10am-3pm and feature dynamic discussions between the public, academia and experts on social security in South Africa.

**Save the Date**  
**21 NOVEMBER 2022, 10-3PM**

**Grows food production across South Africa**

**Supports informal & township economies**

**Creates Stability**

**Gives Hope**

**SOCIAL SECURITY**

**Revitalises jobs & small businesses**

**Brings life, dignity & equality**

**FIRST SPI SOCIAL SECURITY SPRING SYMPOSIUM**

**FES OFFICES: 34 BOMPAS ROAD, DUNKELD WEST, JOHANNESBURG**

**SPI** SOCIAL POLICY INITIATIVE

**FRIEDRICH EBERT STIFTUNG** South Africa

# SERVICES

## SPI PROVIDES THE FOLLOWING SERVICES:

Bringing people together, "honest broker" at roundtables and seminars.

Conference host, bringing together a verity of stakeholders to share new information

Policy support and analysis

Training in research methodologies

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## WE RELY ON YOUR DONATIONS

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TAX DEDUCTIBLE DONATIONS AND REQUESTS ARE WELCOMED TO ENABLE US TO BUILD OUR SUSTAINABILITY AND TO CONTINUE TO UNDERTAKE THESE CRITICAL PROJECTS.

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## CONTACT US

87 De Korte Street, South Point Corner,  
Office 401, Braamfontein,  
Johannesburg, 2001  
isobel@spi.net.za  
[www.spi.net.za](http://www.spi.net.za)  
Tel. +27 (11) 833 0161



# SPI MATTERS



### Contributors:

Isobel Frye, Khutso Makobela, Cuba Houghton,  
Christopher Vermeulen, Kwame Omino & Jeffrey Makobela

Edited by Cuba Houghton & Isobel Frye  
Designed & Curated by Christopher Vermeulen  
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