Basic Income Guarantee

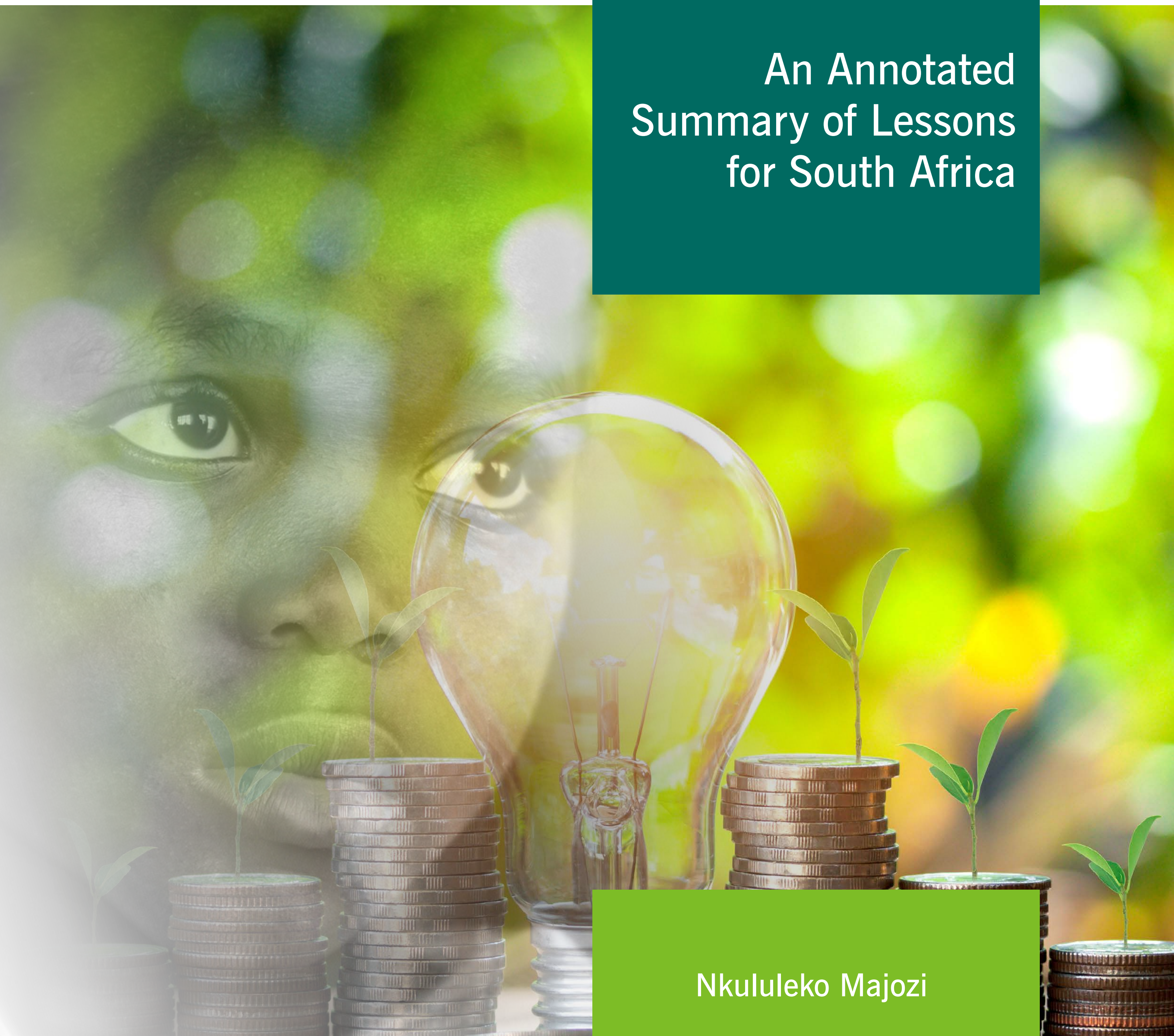
BIG

FOR A BETTER SOUTH AFRICA

AUGUST 2021

Global Basic Income Grant (BIG) Pilots since 2000:

An Annotated Summary of Lessons for South Africa



Nkululeko Majozi

Lehlohonolo Kekana

Managing Editor:
Dr Nqobile Zulu

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// Abbreviations and Acronyms //

BIG	Basic Income Grant
BIEN	Basic Income Earth Network
B-MINCOME	Barcelona Minimum Income
BIG-RF	BIG Research Facility
CAFO	Church Alliance for Orphans
CCN	Council of Churches in Namibia
ELCRN	Evangelical Lutheran Church in the Republic of Namibia
FES	Final Evaluation Survey
FES	Friedrich-Ebert-Stiftung
IES	Interim Evaluation Survey
LAC	Legal Assistance Centre
LaRRI	Labour Resource and Research Institute
MGNREGA	Mahatma Gandhi National Rural Employment Guarantee Act
MIS	Municipal Inclusion Support
MPUCT	Madhya Pradesh Unconditional Cash Transfer
NamPost	Namibian Post Office
NAMTAX	The Namibian Tax Consortium
NANASO	Namibian Network of AIDS Service Organisations
NANGOF	Namibian NGO Forum
NUNW	National Union of Namibian Workers
NYC	National Youth Council
PDS	Public Distribution System
RCT	Randomised Controlled Trial
SADC	Southern African Development Community
SCT	Social Cash Transfers
SEED	Stockton Economic Empowerment Demonstration
SEWA	Self-Employed Women's Association
SPII	Studies in Poverty and Inequality Institute
TVUCT	Tribal Village Unconditional Cash Transfer
UCT	Unconditional Cash Transfers
UNICEF	United Nation's International Children's Emergency Fund
USA	United States of America

// Preface and Acknowledgements //

SPII is an independent research think tank which focuses on generating new knowledge, information and analysis in the field of poverty and inequality studies. Through facilitating collaborative partnerships with and between institutions of democracy, academia and civil society organisations, SPII develops innovative policy frameworks towards promoting sustainable development. SPII's work supports the development of a tradition of effective public participation in policymaking and implementation.

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The basic income grant (BIG) is a periodic cash transfer that is

// Executive summary //

unconditional and permanent, and paid to all individuals in society. As a social security measure, the BIG is a necessary means to enhance income security for all through the redistribution of wealth generated by all. Thus, the BIG is not just a means for fighting poverty and reducing inequality, but it is also an economic stimulus that increases the purchasing power of a country's population through direct unconditional cash transfers.

However, the BIG remains a very contentious concept in research and policy circles. Triggered by the humanitarian and socio-economic crisis exacerbated by the Covid-19 pandemic, conversations around the BIG have received renewed momentum over the last two years. In South Africa specifically, 2021 has seen a stronger appetite for BIG even among policy makers. This comes at the back of numerous pilot studies that have been carried out over the past few decades across the world to test various policy variables around the BIG and its practicality.

The objective of this paper is therefore to collate from a selected number of BIG pilot experiments that have taken place across the globe since the year 2000, an annotated summary of lessons of the potential social transformational impact of BIG. These lessons will form part of the Studies in Poverty and Inequality Institute's (SPII) efforts to advance the research, policy, and social dialogue on the implementation of a BIG in South Africa.

BIG pilot cases in this paper have been selected from across the spectrum of developed and developing countries, namely Canada, the United States of America (USA), Spain, India, Namibia, and Kenya. The paper notes that BIG transfers in these cases have had significant positive impact outcomes on a number of matrices, including women empowerment; earnings, employment and labour market participation; health and nutrition; food security; and self-worth and well-being. All these outcomes carry important lessons of the potential socio-transformational impact of a BIG for South Africa. They can inform research, policy, and social dialogue around the implementation of a BIG in the country.

The major take-away lesson from the pilot studies for South Africa is the significant positive outcomes for women empowerment witnessed particularly in the developing country BIG pilots. This is due mainly to the increased levels of financial independence among women provided by the BIG cash transfers, thus limiting women's economic dependence on men. This further translates to women having greater control over their lives and bodies; a very pertinent issue in the South African context where structural socio-economic differentials create and perpetuate the vulnerability of women to gender-based violence.

The findings reflect that BIG cash transfers have increased positive effects on the levels of labour market participation and entrepreneurial/self-employment activities among BIG pilot participants, especially women. This goes against the well-documented myth that a BIG would dis-incentivise work, and breed a culture of laziness and dependence on state "hand-outs". This finding also bodes well for a country such as South Africa which is characterised by structural unemployment and the inability of the economy to produce enough jobs for new labour market entrants.

Furthermore, the paper finds significant positive impact outcomes on the physical and mental health of BIG pilot participants. These are linked to better nutrition and diets, correlating with an increased ability to spend on food afforded by the BIG cash transfers. This increase in food security is also associated with decreased levels of stress and anxiety over running out of money for food mid-month. This is particularly relevant in the context of South Africa where hunger in food insecure households is the main driver behind child stunting, adult depression and anxiety.

Lastly, one of the key findings emanating out of the BIG pilot experiments investigated in the paper is the increased sense of dignity, self-worth and well-being reported by participants resulting from receiving a basic income grant. This is especially crucial in the post-apartheid South African Constitutional dispensation where the state's obligation to respect, protect, promote and fulfil South Africans' rights to dignity, equality and freedom is seriously challenged and undermined by high rates of poverty and inequality among the majority of the populace. Globally, pilot projects have tested different policy variables and the data shows the efficacy of the idea of cash distribution.

This research paper builds on SPII's

// Objective of the paper for SPII //

2021 research report reviewing social transfer programmes within the Southern African Development Community (SADC) and global social protection responses to Covid-19. SPII's SADC report sought to consolidate existing knowledge of BIG pilots and the policy formation dynamics for social protection policies within the SADC region in order to argue for a launch of these programmes. The current study, however, seeks to present an annotated summary of lessons – from BIG pilot projects that have been implemented globally since the year 2000 – of the potential social transformational impact of a BIG in South Africa. These lessons will be used by SPII to inform and advance the research, policy, and social dialogue for the implementation of a BIG in South Africa.

The scope of the paper will exclusively be limited to the impact of the BIG cash transfers on the lives, well-being and work activities of the participants involved in the selected BIG pilot experiments. As such, the paper will not delve into an analysis of possible fiscal and monetary policy implications of a BIG in South Africa. Nor will it carry out an assessment of possible funding models for a BIG in the country. That will form part of the mandate for the second and third papers in this research series of papers on the BIG by SPII.

This paper forms part of an inter-sectional

// Description of research series //

research and advocacy initiative by SPII on social protection and labour market policy implications of universal social protection in South Africa in the form of cash distribution. It forms the first of a three part research series that is overseen by a multi-actor Reference Team managed by SPII, and establishes SPII's BIG Research Facility (BIG-RF) knowledge hub. As such, this paper presents an annotated summary of lessons from the main BIG pilots undertaken since 2000 globally. The contents of the paper will be debated with relevant members of the Reference Team through a web-based seminar as part of a three part webinar series for the three afore-mentioned research papers.

An important political development to note that happened during the research phase of this paper is that President Cyril Ramaphosa in 2021, publicly endorsed the principle of a phased adoption of a universal basic income grant. This is in line with the Constitutional guarantee of the right to social security as indicated in section 27(1)(c) of the Bill of Rights.

// Methodology, selection criteria, and comparative matrix //

This paper is a desktop research study utilising a cross-sectional analysis of BIG pilot projects implemented since the year 2000. The aim is to draw out key lessons of the potential social transformational impact of a BIG that can be used to advocate for the implementation of a BIG in South Africa. There have been several BIG pilot experiments conducted across the world since the turn of the century aimed at testing the impacts and/or implications of a BIG on poverty and inequality, and overall human well-being.

In this study, we have selected BIG pilot cases from both developed and developing countries to highlight the impact and/or implications of a BIG on various socio-economic issues. Some of these include women empowerment, income and incentive to work, food security, health and nutrition, and school attendance, etc. The selected pilots also highlight differences in coverage, purpose and impact of the BIG.

It is important to note that each pilot has been selected due to the following:

1) The Canadian City of Ontario BIG pilot highlights the impacts of BIG on the overall well-being of individuals in low income communities within the context of a high income country.

2) The USA pilot in Stockton, California, highlights the impact of a BIG on the mental health of youth in economically disadvantaged positions due to wage stagnation, staggering wealth and income inequality coupled with a student-debt crisis.

3) The Spanish Barcelona Minimum Income (B-MINCOME) pilot highlights the efficacy and efficiency of the use of a BIG within an innovative policy that combines a cash transfer with policies aimed at curbing social exclusion and improving employment opportunities

through the provision of community development and entrepreneurial training.

4) The two Indian pilots in Madhya Pradesh highlight the positive impact of a BIG on the social inclusion and financial empowerment of disabled people within households.

5) The Namibian Otjivero pilot highlights the positive impact of a BIG on women's financial independence and sexual freedom, as well as the reduction of crime rates.

6) Kenya's GiveDirectly pilot in the region of Rarieda highlights the differences in treatment impact of once-off large lump sum BIG transfers versus small monthly apportioned BIG transfers.

// Comparative matrix //

It is important to note that each pilot was evaluated according to the following criteria:

The socio-economic context, i.e. the social standing of the individuals or communities targeted by the pilots, often measured as a combination of the levels of education, income and occupation. This was especially important since a closer examination at socio-economic contexts can illuminate the inequalities in access to resources, something that often guides arguments for BIG, but an important barrier to economic prosperity for many in South Africa.

The distribution mechanism of the proposed basic income was pivotal in this analysis as it shed light on best practices for the operationalization and distribution of basic income to recipients. There are important lessons that can be garnered from such an analysis which can be used as a baseline to help improve distribution mechanisms when designing a BIG in the South African context.

Since there are multiple versions of BIG; namely; universal, conditional and unconditional, it was of paramount importance to explore which version of the BIG was implemented in these pilots in order to test its practicality.

The results and impacts of the pilots were analysed against SPII's definition of the BIG adopted from the Basic Income Earth Network (BIEN).

// Clarification of concepts //

The idea of a BIG is a highly contested concept. When one surveys the literature on the BIG, there is a tendency to define the BIG in three distinct ways:

1) Universal – which refers to a BIG that is automatically available to everyone including adults and children.

2) Unconditional – referring to a BIG that does not require any compliance measures but is targeted/means-tested [i.e. targeted at specific groups of the population below a certain income threshold for example].

3) Conditional – referring to a BIG that is means-tested.

The BIG pilot case studies selected in this study all fall under one of the afore-mentioned typologies of a BIG. Of the six selected case studies in this paper, only one case, the Indian Madhya Pradesh BIG case study, falls under the category of a universal BIG as the basic income grant in this case was automatically available to all registered participants in the BIG pilot, i.e. every adult individual and child in the selected areas without regard to socio-economic status and compliance measures.

Similarly, the Namibian and Kenyan pilots were the only unconditional BIG case studies as the monthly payments did not come with any compliance measures, but were targeted. For Namibia, the BIG was paid to all residents in Otjivero-Omitara below the age of 60 years, whilst for Kenya the cash transfers were distributed on a household basis rather than an individual basis. The three remaining cases, which are coincidentally all from the developed world, fall under the category of a conditional BIG as they were all means-tested, i.e. participants in the BIG pilots had to be from a low-income household living below a specific income mean level.

Despite the foregoing three typologies of a BIG, it is important to state that SPII has always called for a universal BIG in the form of a monthly cash transfer that is unconditional and permanent, and paid to all individuals in society. This refers to a BIG that is without means-testing and compliance requirements, and covers all citizens and residents with permits, as well as recognised refugees and asylum seekers.

SPII's position follows BIEN's definition of a BIG as "a periodic cash payment unconditionally delivered to all on an individual basis, without means-test or work requirement". BIEN further identifies the following five characteristics of a BIG:

1) Periodic – it is paid at regular intervals (for example every month), not as a once-off grant.

2) Cash payment – it is paid in an appropriate medium of exchange, allowing those who receive it to decide what they spend it on. It is not, therefore, paid either in kind (such as food or services) or in vouchers dedicated to a specific use.

3) Individual – it is paid on an individual basis – and not, for instance, to households.

4) Universal – it is paid to all, without a means test.

5) Unconditional – it is paid without a requirement to work or to demonstrate willingness-to-work.

// Introduction //

Targeted Social Cash Transfers (SCT) such as the old age grant, the child grant, and disability grant, etc. have always been an element of a development-oriented social policy in South Africa since the 1990s. However, recent spikes in unemployment and poverty levels worsened by the inauspicious effects of the Covid-19 pandemic have now more than ever necessitated the need for a government financed assistance programme beyond the scope of existing SCT programmes. As research has shown, there is a huge gap that has been left by the current SCTs in South Africa which has seen the needs of the unemployed in the working age 18–59 years being overlooked. Therefore, civil society organizations and research institutions alike have progressively advocated for the implementation of a BIG in South Africa.

In response to these calls for the implementation of a BIG, SPII has undertaken research to explore key lessons from BIG pilots carried out across the globe since the year 2000 to inform the research, policy, and social debate into the practicality and viability of a BIG in South Africa. This first section of the paper will explore various understandings of BIG and the motivations behind it as a backdrop to comprehending the essence of BIG pilots beyond the scope of the various aims and objectives attached to these pilots. Following this section will be an overview of selected BIG pilots from developed and developing countries according to a closed criteria. The third section of the paper will provide SPII's analysis of the selected BIG pilot studies, using our stipulated comparative matrix of the key lessons for South Africa.

// BIG: the backdrop //

The idea of a universal basic income is one that has long-standing origins with various theoretical underpinnings that are sometimes conflicting and overlapping. However, all these theoretical underpinnings share a commitment to viewing basic income as a necessary means to enhancing social security for all through the redistribution of wealth generated by all. Based on such views, presently the reasons for a basic income are two-fold, and these are well encapsulated by Guy Standing, co-founder of BIEN.

The first reason sees basic income as a means for social justice:

> *"...basic income is a means for social justice, because since public wealth is created over generations, our income wealth is fundamentally due to the contributions of previous generations. Therefore, if you allow private inheritance then we should also have public inheritance as a social dividend on public wealth created."*

This is one of the overarching reasons driving the idea of redistributing income wealth as a way of closing the inequality gap. Advocates of basic income as a means for social justice often argue that income disparities are a product of rentier capitalism. According to this view, rentier capitalists are wealth hoarders who are in the business of perpetually widening the income wealth inequality gap. This is because rentier capitalists create their wealth from scarce public resources that generate generational income, income that is often preserved for a particular group of individuals. Thus, proponents of basic income argue that rentiers should be taxed to create a fund that will finance basic income based on the premise of the redistribution of wealth underpinned as an equitable compromise.

Such arguments have their foundation in classical liberal thinking in that they argue for the implementation of redistributive policies that will lift people above the poverty line through measures such as the negative income tax. The main idea behind a negative income tax is that those who are situated below the poverty line should be exempt from paying taxes with the state providing the necessary assistance in moving people away from the poverty line.

The second reason for the BIG, views the BIG as an important element for human security:

> *"...It is a means of providing people with basic security. It is about handling the issue of insecurity more than it is about ending poverty. Mental health is improved by basic security. The emancipatory value of a basic income is greater than the money value in that it gives people a sense of control of their time so that the value of work grows relatively to the demands of labour. So that the value of learning and public participation grows, so that the values of*

citizenship are strengthened. It is part of distribution system we should be building for the 21st century. ”

Proponents of this second reason often argue that people often make sound and rational decisions when they have basic security. Most importantly, it provides people with the freedom to make choices without being constrained by the stress of having limited resources. They can decide how they want to contribute to the economy in a manner that will be less strenuous to their mental health and overall well-being.

These are the impacts envisaged by the BIG advocates on how a BIG can improve the lives of people in South Africa and beyond. As such, the BIG pilots that have been carried out across the globe in the last two decades, as we will illustrate in the following section, were implemented with the purpose of testing the validity of the above-mentioned claims. Our review shows varying outcomes against the above-mentioned reasons for BIG.

BIG EXPERIMENTAL PILOTS IN DEVELOPED COUNTRIES

Over the last two decades, we have seen a number of the BIG pilots being carried out in both developed and developing parts of the world. In this section of the paper, we focus on the BIG pilots that have been implemented in the developed world since the year 2000. It is important to reiterate that although a BIG is intended to be unconditional in the sense that it must be devoid of any form of means testing and should be received by everyone, whether employed or unemployed, the BIGs reflected in these pilots are conditional due to the limitations that arose as a result of the focus and objectives of the pilots.

CANADA'S (ONTARIO) BIG PILOT

SOCIO-ECONOMIC CONTEXT AND AIM OF THE PILOT

Canada is one of many developed countries that have experimented with a BIG pilot in the province of Ontario in cities such as Hamilton, Thunder Bay and Lindsay. These are cities that are characterized by many low income households where poverty is linked with inequality, especially for women, minority groups and persons with disabilities. As such, the aim of the pilot was to create a new and viable approach to reducing poverty sustainably through a basic income transfer. In the words of Segal, this pilot was a:

“ *test of a new path on poverty reduction, one that is based on humanity, and on the respect for the privacy and dignity of all Ontarians.* ”

THUS, POVERTY REDUCTION WAS THE MAIN AIM OF THIS PILOT STUDY.

More specifically, the goal of this pilot was to ascertain whether basic income could contribute to the success of minimum wage policies and an increase in child benefits. In addition, the pilot sought to ascertain whether a basic income could act as an efficient method of delivering income support as well as achieving savings in areas such as healthcare and housing support.

CONDITIONAL /UNCONDITIONAL

In this pilot, basic income was conditional as it was only made available to individuals who were between the ages of 18 to 64 living in low income households. The payments were governed by Canada's low income measure that is estimated by Statistics Canada using the median adjusted household income. The 'adjusted' part simply draws attention to the fact that households' needs are considered when measuring household income. As such, Statistic Canada takes into account the fact that the needs of a household are directly proportional to the number of members within.

DISTRIBUTION MECHANISM

The low income measure was determined through calculating the market income and before-tax income. Single individuals were receiving an amount of $16,989 (less 50% of any earned income) while couples were receiving $24,027 (less 50% of any combined earned income). In the case where participants were receiving other forms of social transfers such as the Ontario works or disability transfers, it was substituted by the basic income grant.

The pilot was first announced in April 2017. Participants were selected and enrolled by April 2018. There were two groups in this experiment, those chosen to receive a monthly basic income for a period of three years and a control group that did not receive any payment but were still part of the study. A total of 4,000 participants were selected to receive the monthly payment while 2,000 individuals were selected to be part of the control group. During this pilot, the government was progressively examining how basic income could help people living on low incomes to meet their basic needs while also improving outcomes in mental health, food security, employment and labour market participation.

KEY FINDINGS

The Canadian pilot was evaluated by a third-party research group comprised of researchers, experts and academics led by McMaster University and St. Michael's hospitals. In addition to this team, a Minister's advisory council was established to play an advisory role in providing recommendations about the pilot to the Minister of Community and Social Services together with the minister responsible for the poverty reduction strategy. To ensure that the pilot adheres to all ethical standards, and it is conducted in a manner that ensures integrity and rigour, a research and evaluation advisory committee was established.

Improvements in overall well-being

The pilot was cancelled prematurely by a newly elected government on the premise that the pilot was not an effective way of reducing poverty since it only targeted a limited number of people and "created a costly burden to taxpayers". On the contrary, the southern Ontario's basic income experience report observed that participants were healthier, in good spirits and continued working to supplement the cash transfers they were receiving. The recipients of the grant reported improvements in their physical and mental health, labour market participation, food security, housing stability, financial status and social relationships. It was also reported that healthcare services were less burdened as there were less frequent visits to hospitals and health practitioners.

These results were evidently overlooked by the newly elected government in their analysis. To say that the pilot failed to reduce poverty for everyone, specifically those who are not included in the pilot, is to lose sight of the bigger picture. Basic income pilots are just tools that are used to garner enough evidence to motivate for the full implementation of a guaranteed income, which is the ideal scenario where poverty could be eradicated on a large scale. As such, the premature cancellation of this pilot raises questions about the Ontarian government's assessments.

Nonetheless, the report continued to assert that basic income grant transformed and reshaped the lives of many recipient participants, whose living standards and sense of self-worth were purportedly improved. They also had a renewed sense of hope for a better future. Some of the employed participants were able to secure higher paying jobs with improved working conditions as a result of having basic security. It is often argued by basic income proponents that basic security affords people an opportunity to make sound and rational decisions without the constraints of limited resources. As such, they are able to take chances on a new career as reported in the report. Moreover, some participants reported that they were able to re-evaluate whether they wanted to continue working or stay at home in order to care for family members who might have special needs. Others used the money to educate themselves in the hope of qualifying for better employment opportunities. Some were able to settle their existing debts.

It is important to note that these results were measured by taking into consideration the indicators of well-being in exploring the impact of a basic income grant. These indicators of well-being included the change in general health status; change in mental health; change in frequency of stress or anxiety at home; change of frequency of feeling depressed; change in frequency of feeling angry; change in outlook of life. Others included change in quality of living accommodation; change in ability to repay debt; change in quality of relations with family; change in motivation to find better paying jobs; change in ease of job search; and commencement of educational or training programme.

All these indicators were compared against the living conditions of participants before receiving the basic income grant. The data gathering tools that were employed in terms of gauging the impacts of the pilot included a 70-question online survey through a university survey service and was analysed using Stata software, a series of 90 minutes long semi-structured and open-minded interviews.

USA STOCKTON, CALIFORNIA BASIC INCOME PILOT

SOCIO-ECONOMIC CONTEXT AND AIM OF THE PILOT

In 2018, the city of Stockton in California led by the mayor also joined the movement of experimenting with a basic income grant for its inhabitants. Stockton is a place where economic pressures are felt most by the youth who are at risk of being more economically disadvantaged than their parents. This is largely due to a persistent wage stagnation, a staggering wealth and income inequality coupled with a student-debt crisis.

The aim of the Stockton Economic Empowerment Demonstration (SEED), as the BIG pilot is known, is to track the impact of having a basic income grant on the mental health of the recipients to changes in income volatility. Additionally, to explore how the basic income grant can interact with other social cash transfers in an attempt to supplement the social security system.

THE SEED PILOT

The SEED pilot was first launched in February 2019 targeting 125 Stocktonians to receive US$ 500 (approximately R7, 000) every month for two years. From the 125 participants, 25 were selected to share their experiences with the pilot. An additional 200 participants were selected to be part of the control group. Both groups were made up of 69% women.

UNIVERSAL OR TARGETED

To qualify for the basic income grant, participants needed to be 18 years old, a resident of Stockton in a neighbourhood with a median income of below US$ 46 033 (this is the city's median income). However, there was no limit on individual household income since participants could be earning more or less of the median household income.

DISTRIBUTION MECHANISM

Interested participants were required to complete a web-based consent form that also requested their demographic details. The disbursement of the basic income grant was issued on the 15th of every month. The selection of this date was based on the feedback from the community that suggested that since the majority of households tackle their expenses at the beginning of the month and the benefits that they receive rarely meet their needs for the entire month, it would be most optimal to implement a mid-month disbursement to ease the financial constraints that people face as the month progresses.

The basic income grant was administered through a prepaid debit card that was provided in partnership with a non-profit community financial resources service provider. The prepaid debit cards were registered in each participant's name. The decision to employ prepaid debit cards was motivated by the banking behaviours of individuals in Stockton. According to the SEED report, at least 9.7% of individuals in Stockton before the commencement of the pilot were without a bank account. Thus prepaid debit cards were most ideal since they were universally accessible and could be issued without regard to any banking status. Most importantly, using prepaid debit cards imposed no costs to participants and made it possible for them to transfer the income to their preferred financial service provider that they were most familiar with and trust.

KEY FINDINGS

Quality of life and well-being

The evaluation of this pilot was carried out by a team of independent researchers from the University of Tennessee and University of Pennsylvania while funded by the Evidence for Action Programme at the Robert Wood Johnson Foundation. The report suggests that the money was used to improve the overall quality of life as most recipients spent the money on basic needs, such as paying bills, and supplementing monthly groceries. Other participants felt less pressure in terms of stressing over the lack of resources.

Participation in the labour market

With regards to work, participants were not dissuaded by the income they were receiving to stop participating in the labour market. Instead, some of the participants were encouraged to develop 'side hustles' by the entrepreneurial spirit invoked by the basic income grant. Overall, the recipients of the experimental grant were healthier and less anxious.

These results according to the SEED report suggests that a basic income grant provides a viable way to create a fair and inclusive social contract that affords dignity for everyone. These results also act as evidence that poverty is a product of lack of money and not character. Most importantly, the majority of the selected recipients were women suggesting a heightened desire from women to attain financial freedom.

SPAIN'S B-MINCOME PILOT

SOCIO-ECONOMIC CONTEXT

As a result of the 2008 economic crisis, Spain experienced a rise in poverty triggered by the rise in unemployment and evictions due to people struggling to keep up with their mortgages. This led to a rise in homelessness and illegal squatting on evicted properties. According to the Young Foundation, in 2018, Barcelona had 10% of its population working in jobs that earned them salaries below the poverty line.

AIM OF THE PILOT

In response to the above-mentioned socio-economic issues, Spain implemented an EU-funded basic income grant pilot in deprived urban areas of Barcelona. This was a two year pilot starting in October 2017 to the end of July 2019. The aim of this pilot was to fight poverty and social exclusion as well as to test the efficacy and efficiency of what they call "an innovative and integral policy" that combines a cash transfer with policies of social and employment opportunities in "the areas of training, entrepreneurship in the social and, solidarity and cooperative economy and community participation amongst other things. 6.2 billion Euros was the total amount that was spent on this pilot.

DISTRIBUTION MECHANISM

This pilot sought to provide income to households where at least one member of the household is of working age and have incomes below the minimum threshold. Participants had to be registered in Barcelona and be a resident of one of the selected areas of Eix Besos, and commit to stay there until the end of the project. A control group was also created using the same selection criteria. The B-MINCOME was also putting into trial a municipal inclusion support (MIS) payment that was administered through a new local social currency to promote local commerce and to strengthen community ties. This is a digital currency distinct from Euros which can be accessed via mobile apps or a card with QR code. MIS is a social emergency benefit that supplements the income of individuals within a single household. The basic income threshold is then derived from this benefit and it is calculated as the sum of basic needs and housing needs.

In this pilot, 2 000 households were selected to participate and divided into two groups. One group received the basic income and the other group served as a control group to measure the BIG's effectiveness against existing social cash transfer policies. Included in the pilot was inclusion activities that were intended to equip people with entrepreneurship skills focusing on different areas of the social economy. As such, a 12-month training programme that was accompanied by an employment plan targeting unemployed individuals of working age in 150 households was implemented. In addition to the training programme, there was a social economy programme that offered help to 100 households in creating community projects. A housing renovation programme was designed to help 100 households to increase their incomes through renting rooms. As a result, these households were offered approximately 3, 600 euros to renovate their homes in an attempt to meet the requirements for renting.

KEY FINDINGS

Surveys conducted revealed that the pilot improved the overall well-being of individuals in terms of general satisfaction with life and its determining factors. With regards to work placement or other dimensions related to employment, no significant results were observed. The report does suggest that these results were expected since participants were experiencing a high degree of job precariousness before the commencement of the pilot. Thus it was unrealistic to expect results in this context. Women represented a larger cohort of participants with 2, 116 (56%) being represented in the study while men only represented 44% of the cohort with a total of 1, 658 males. This dominant representation of females in this study according to the report on the preliminary results of the B-MINCOME, was due to the fact that women are always seeking assistance at social service centres. As a consequence, the pilot regarded women as the default contact persons in each household.

BIG EXPERIMENTAL PILOTS IN DEVELOPING COUNTRIES

There have been numerous important BIG pilots that have taken place in the developing world since the beginning of the year 2000. Chief among these have been the BIG pilot experiments in India. However, there have been a number of BIG pilot experiments on the African continent as well. In this section of the paper, we turn our focus to the BIG experiments in India, Namibia and Kenya. As with the previous section, a summary of the BIG pilots in these afore-mentioned countries will be provided. This will be done by examining the socio-economic contexts that necessitated the pilot experiments, the aims of the experiments, the originators of the BIG experiments in all the countries involved, questions around conditionality, and a summary of the results and findings of the studies.

INDIA'S BIG PILOTS (2011 – 2013)

THE SOCIO-ECONOMIC CONTEXT

India's BIG pilot projects are some of the most well-known BIG pilots to have taken place in the Global South since the beginning of the 2000s. The pilot projects were prompted by contentious political debate in India regarding the potential of unconditional cash transfers to alleviate poverty among the country's poor. At the time of the launching of these projects, India did not have any cash transfer grants programmes. India's social security programmes were mainly characterised by the Public Distribution System (PDS), the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA), and other social services such as the public health system and education system. The PDS distributes both food and non-food items to India's poor populations at subsidised rates through a network of what is known as fair price shops (or ration shops). While the MGNREGA is a labour law and social security measure that:

> *"aims at enhancing the livelihood security of people in rural areas by guaranteeing hundred days of wage-employment in a financial year to a rural household whose adult members volunteer to do unskilled manual work."*

Thus both the PDS and the MNREGA are both targeted and conditional. However, even prior to the launching of the BIG pilots in India, the state's food subsidy programmes and other social programmes aimed at poverty alleviation had failed to achieve their objective. That is, despite the presence of the food subsidy programmes and after two decades of high economic growth, over 300 million (30%) of India's population was still affected by hunger and poverty.

THE TWO PILOT EXPERIMENTS IN MADHYA PRADESH

Thus in 2010, the United Nation's International Children's Emergency Fund (UNICEF) launched and funded two BIG pilot projects in India in order to test the efficacy of basic income grants in alleviating poverty among India's poor populations (Standing, 2013a: 2; Standing, 2013b). The two pilots were carried out in Madhya Pradesh; India's rural and fifth largest state by population with 72 million residents. A local women's organisation, the Self-Employed Women's Association (SEWA), acted as the facilitator of the project.

The first pilot was known as the Madhya Pradesh Unconditional Cash Transfer (MPUCT) and the second pilot was known as the Tribal Village Unconditional Cash Transfer (TVUCT). The MPUCT involved 20 rural villages that were divided into two groups. The first group comprised of 8 villages where every man and woman received an initial monthly unconditional cash transfer of 200 rupees and each child received 100 Rupees through their mother or registered guardian. These amounts were increased to 300 and 150 Rupees per month respectively a year later.

The second group was made up of 12 villages that acted as control villages and did not receive any cash transfers. According to Prof Guy Standing, the author of the Background Note for the 2013 Delhi Conference where the results of the two pilots were presented, the average family involved in the MPUCT received an equivalent of USD24 a month in the form of cash transfers. The MPUCT ran for 18 months and covered 6 000 people who received the cash transfer grants. The TVUCT only involved two tribal villages: one village received the monthly cash transfer grants of 300 and 150 Rupees per adult and child, respectively, for a period of 12 months, whilst the other village acted as the control village and did not receive any cash transfers.

Additionally, in both pilots, SEWA was only present in 50% of the villages. This was in line with the project's aims of testing whether the presence of a local Voice organisation would be effective in the disbursement of the cash transfers. SEWA's role in the project would be to assist beneficiaries to open National Bank accounts or SEWA co-operative bank accounts into which the cash transfers would be paid.

THE AIM OF THE PILOTS

The two pilots in Madhya Pradesh had three related purposes:

1) To identify the effects of basic income on individual and family behaviour and attitudes;

2) To identify the effects of basic income on community development; and lastly,

3) To test whether basic income grants would work better if implemented through a Voice organisation (SEWA) that would presumably give members of the community the capacity to act in unison.

CONDITIONAL/UNCONDITIONAL

In both pilots, the cash transfers were offered without any conditions. It was the view of the researchers and designers of the pilots that the popular practice around the world of offering people cash transfers with conditions is a paternalistic practice that assumes that the intended beneficiaries do not know what is best for their interests and therefore they would not act in their own interests.

Furthermore, both pilots highlighted some of the bottlenecks associated with applying conditions to cash transfers. That is, imposing conditions on cash transfer programmes (i) makes the programmes susceptible to corruption and harassment, and (ii) increases the burden of cost for both the government and the people. This is because people have to prove that they have complied with the conditions by obtaining certain certification or written proof from local officials that they have indeed complied with the conditions.

UNIVERSAL OR TARGETED

The cash transfers in both pilots were offered on a universal basis without targeting certain groups of people. In such social protection programmes, it is quite common that cash transfers be targeted at certain groups of people such as poor households, with the rationale being that funds are limited and therefore have to be used for those that need them the most. However, with the Indian BIG projects, there was a realisation from previous other studies that “targeting in practice does not work: identifying the poor is administratively difficult, costly and prone to errors of omission. It may be less costly to universalise, recognizing that rich people may choose not to receive them.”

DISTRIBUTION MECHANISM

The cash transfers were distributed on an individual basis. Every participating person in the project was required to open an account within the first three months of the project. That account was then used to transfer their funds directly to them thus giving them greater financial autonomy and ensuring greater financial inclusion than where transfers are paid to households or heads of households. This proved to be especially beneficial to women and people with disabilities.

KEY FINDINGS

For the purposes of evaluating the projects, a large baseline census was conducted with all the villages involved in both pilot projects. The baseline census covered mainly areas that would be affected by the introduction of the cash grants. Such areas included: health, nutrition, school attendance, work and labour, income, savings, etc. The baseline census was then later followed by an Interim Evaluation Survey (IES) and then a Final Evaluation Survey (FES) before the end of the pilot projects. Both the IES and FES covered the same areas of evaluation as the baseline census.

Financial inclusion

The basic income grants enjoyed a high rate of uptake by the village populations. By the first month of the implementation of the pilots about 93% of the people had signed up for the grants and opened their accounts. The grants uptake was significantly high amongst women as well as amongst those who generally preferred to open the SEWA co-operative accounts rather than the Nationalised Bank Accounts.

Housing and sanitation

The basic income grants led to a significant increase in spending on home improvements or the construction of new dwellings amongst grant recipients (10% in the tribal villages), with better lighting, fixing of roofs and walls, and better latrines being chief amongst the items spent on. There was also more movement by grant recipients towards more preferred sources of energy for cooking and better sources of drinking water such as own tube-well.

Nutrition and diet

There was a marked improvement in nutrition and diet amongst grant recipients. This was especially true for young girls whose age-to-weight underwent significant improvements. Also quite noteworthy was the shift from the over-reliance on subsidised staple foods to the inclusion of more fruits and vegetables in household diets (Standing, 2013a: 4). There was also an increase in food security especially amongst the tribal villages, from 50% in the baseline census to 78% in the FES.

Health and healthcare

The basic income grant had a very positive impact on overall health and healthcare. There were less incidents of common illnesses with households attributing their improvement in health to a better nutrition and diet, particularly households in the TVUCT tribal villages. Better healthcare was also reported to be a result of having more money to spend on healthcare and medicines, especially private healthcare.

Disabled people

The positive impact of the basic income grant was reported to be more on disabled people than other people. This is because the grant allowed disabled people within households to have a better say on how money is spent in the household. It also allowed them to participate more in the community, giving them better access to food and medical care.

Schooling

The basic income grant had a positive impact on school enrolments and regular school attendance in both pilot projects. There was a reported 12% increase in school enrolments within cash grant households and also a 29% increase in regular school attendance amongst cash transfer households as compared to 13% in control villages. There was also a better improvement of grades amongst children of cash grant receiving households as compared to the control villages

Labour, work and productivity

Contrary to the popularly held stereotype and criticism of cash transfers being associated with increased dependency and laziness, there was a reported increase in labour and productivity amongst cash transfer recipient households as compared to control villages. In particular, there was a reported increased move towards more entrepreneurial activity and self-employed work amongst cash transfer recipients. This was especially true amongst women, who made more investments towards small production items such as sewing machines, seeds, and fertilizer. As the communities involved in the study are rural farming communities, there was also an increased investment in livestock in order to increase production. In TVUCT tribal villages in particular, there was a reported 70% increase in livestock ownership.

Income, debt and saving

In terms of incomes, both pilots found that cash transfer recipient households were more likely to increase their income from work. This had a positive spill-over effect in terms of saving and reducing household debt as cash transfer recipient households were found to be saving more from their incomes and using their cash transfers to reduce debt and avoiding slipping further into debt (Standing, 2013a: 6).

NAMIBIA'S BIG PILOT

THE SOCIO-ECONOMIC CONTEXT

Similar to South Africa, Namibia is a product of colonialism and racial apartheid. The country has a long history of political and socio-economic discrimination based on race whose legacy remains intact to this day. A number of discriminatory policies passed by the country's minority white government prior to independence in 1990 ensured a lasting legacy of inequality between Namibia's minority white population and the country's majority black citizens. Policies such as the job reservation policy that reserved skilled, professional and managerial jobs for the white minority as well as the pass laws that prevented and restricted the movement of black people and workers in the country ensured the skewed nature of the labour market in favour of the white minority.

The lasting legacy of such policies has been a systematically exploitative labour market towards black people, whilst white people in Namibia continue to enjoy the privileges of secured, permanent jobs as skilled, professional and managerial workers. Namibia's historic discriminatory policies have not only affected the labour market, but have also extended to the country's education, health, and social services systems with the apartheid government historically investing more in the education, healthcare provision and social services of white people than for black people. As Jauch elucidates:

> *The white population as a whole benefited from permanent jobs, subsidised housing, healthcare and superior schools, which were also racially stratified. Almost the entire white labour force had secured employment as professionals, managers, supervisors, technicians, civil servants or as business people in agriculture, industry, commerce and government. A far greater amount of money within the national budget was set aside for the white population. Expenditure on healthcare resources for the white population differed from that reserved for the black population at a scale of about 10:1. Similar discrepancies existed in the provision of pensions and education services. In 1986/87, the colonial administration spent some R3 213 per white student compared to R329 for black students.*

As such, it is no surprise then that in the post-independence era, the majority of Namibians found themselves in a state of vulnerability and destitution due to the country's high levels of poverty, inequality and unemployment. Prior to the implementation of the BIG pilot in 2008, unemployment (defined broadly as being without work whilst being able to work) figures stood at an all-time high of 51.2% with the rate of unemployment being highest amongst women 58.4%, and youth 75% between the ages of 15-24 years. On the other hand, the number of Namibians estimated to be living in poverty in 2008 stood at 82% (when calculated using a basket of essential goods and services costing N$399.80 per person per month in 2004 prices), 62% (when using the crude international poverty line of US $1 per day), and 28% (when using the Namibia Household Income and Expenditure Survey of 2004 which classified as poor, Namibians who spent about 60% of their monthly income on food).

THE NAMIBIAN BIG PILOT (2008 – 2009)

It is in the context of such stark realities of poverty, inequality and unemployment that the democratic government of Namibia in 2002 through the country's tax commission (NAMTAX) called for the implementation of a basic income grant for all Namibians as a measure to fight poverty and reduce inequality within a short period of time. However, due to lack of robust engagement within government and policy circles on NAMTAX's proposition for a BIG, the call for the BIG in Namibia would only get traction within the country with the formation of the Namibian BIG Coalition by local civil society organisations in 2004.

The formation of the Coalition was spearheaded by the Evangelical Lutheran Church in the Republic of Namibia

(ELCRN) and brought together a number of organisations such as the Council of Churches in Namibia (CCN), the National Union of Namibian Workers (NUNW), Council of Churches in Namibia (CCN), the Namibian NGO Forum (NANGOF) and the Namibian Network of AIDS Service Organisations (NANASO) as well as the Legal Assistance Centre (LAC) and the Labour Resource and Research Institute (LaRRI), the National Youth Council (NYC) and the Church Alliance for Orphans (CAFO).

Upon formation, the Coalition would spend the next three years lobbying policymakers in Namibia in an effort to convince them of the viability, practicality, affordability and effectiveness of a BIG as a tool to fight poverty. However, the government remained divided on the issue with the Ministry of Finance in particular pushing back against the idea. Hence, the next logical step for the Coalition was the identification of a site wherein a pilot project could be launched to test the assumptions and claims behind the BIG, and whose evidence would then be used to convince government of the viability of a national BIG programme. The Coalition identified the informal settlement of Otjivero in the district of Omitara which is located between Namibia's capital city, Windhoek and the eastern city of Gobabis. The settlement has a population of about 1 000 people and is mostly comprised of former evicted black farm workers from the surrounding white owned commercial farms who had lost their jobs and had nowhere else to go. The people in the settlement are essentially poverty stricken shack dwellers who live in shacks made out of zinc and plastic wood.

Thus, in January 2008 after a number of visits and consultations by the Coalition with local residents, the BIG pilot project commenced in the settlement of Otjivero-Omitara. All residents below the age of 60 years received a Basic Income Grant of N$100 per person per month. For children under the age of 21, years a primary care-giver was identified by the household who received the grant on behalf of the child. The project would last for two years until December 2009. It was designed and implemented by the Namibian BIG Coalition and funded through voluntary contributions from local supporters of the idea in the form of individuals and businesses, and other international organisations and donors, particularly churches in Germany.

In terms of design, the BIG pilot project first conducted a baseline study with the residents of the Otjivero-Omitara settlement in November 2007 in order to identify and evaluate the social conditions which would be impacted by the BIG. This was complemented by a parallel process of panel surveys conducted in July and November 2008. The process of evaluating the BIG pilot was an ongoing one with key-informant interviews playing a great role in that regard. These were also supplemented by a series of detailed case studies carried out with individuals living in Otjivero-Omitara.

AIMS OF THE BIG

The aim of the Namibian BIG Coalition in creating this BIG pilot project was two-fold:

1) To pilot the Namibian Government's NAMTAX recommendation of a universal BIG for all citizens of Namibia.

2) To investigate whether the introduction of the BIG would prompt people away from the labour market (i.e. induce laziness and result in people choosing not to work) or whether it would facilitate people's efforts to find work or create their own work opportunities.

UNIVERSAL OR TARGETED

The Basic Income Grant was targeted as it was offered to all residents in the settlement below the age of 60 years. This means that people receiving the state pension were not eligible for the BIG. Nonetheless, the grant was offered without regard for the social or economic status of residents of the settlement.

CONDITIONAL/UNCONDITIONAL

The Basic Income Grant was offered to all residents in the settlement below the age of 60 years without any conditions attached to it. This means that people could decide on their own how to use the money without having to fulfil any stringent qualifying criteria.

DISTRIBUTION MECHANISM

For the first 6 months of the pilot, the BIG was distributed as a direct cash transfer to every individual recipient at a designated cash pay-out point. This process was managed by a private company, United Africa, who brought the grants in the form of physical cash using an armed cash-in-transit vehicle. The company allocated a 'smart card' to every recipient of the BIG as a form of identification for the cash pay-out, and to capture information regarding the date and site of the grant payment in order to avoid double payments. However, after 6 months of using this process, United Africa was decommissioned and the distribution of grants was moved to the Namibian Post Office (NamPost) where the grants would now be paid into a NamPost smart card savings account. Therefore every recipient was required from July 2008 to register and open an account with NamPost.

KEY FINDINGS

Before the introduction of the BIG, unemployment, hunger and poverty constituted the biggest problems in Otjivero-Omitara. People were entrapped within a cycle of unemployment, hunger and poverty as there were no jobs within the area and they also had no money to travel to Gobabis or Windhoek to look for jobs. Thus, people in the settlement had little hope for the future as their everyday lives were characterised by hunger and deprivation.

Hope for a better future

The introduction of the BIG ignited hope for the residents of Otjivero-Omitara as it allowed them the financial means to feel in control of their lives by being able to afford their daily needs. This glimmer of hope can also be seen in how the community of Otjivero-Omitara responded to the BIG by electing its own 18-member BIG committee whose role it became to mobilise the community before and during the BIG pilot and to offer advice to residents on how to spend their grants responsibly. Hence, as the project report rightfully states, "this suggests that the introduction of a BIG can effectively assist with community mobilisation and empowerment."

Migration

Another consequence of the BIG was the resultant in-migration into Otjivero-Omitara of relatives of residents of the settlement attracted by the BIG. However, the migrants did not receive the grants as registration for the grant had been concluded in one day on 31 July 2007 with all the residents of the settlement in anticipation of such an eventuality. It is worth mentioning though that the migration did point to an endorsement and attraction to the BIG by people. Nonetheless, the immediate effects of the migration on the pilot study is that it affected the data obtained for the study as capita income from the BIG dropped from N$ 89 per month in January 2008 to N$ 67 in November 2008.

Poverty

The introduction of the BIG led to a significant drop in household poverty. Prior to the introduction of the BIG, 76% of the residents of Otjivero-Omitara were classified as living under the food poverty line of N$ 152 per month, and that number dropped significantly to 37% within a short period of a year. More noteworthy was the drop within households that were not affected by in-migration where the rate of people classified under the FPL dropped to 16%.

Economic activity, labour and work

The introduction of the BIG led to an overall increase in economic activity, including increases in employment from both wage work and increased entrepreneurial or self-employment activities. There was an 11% increase in the employment rate as those engaged in income generating activities, both work for pay or for profit, increased from 44% to 55%. People established small business such as tuck shops, brickmaking, baking, and sewing and dressmaking. These findings run contrary to critics' claims that the BIG would lead to laziness and dependency.

As a result of the increase in employment activities, there was also a direct impact on household incomes. Mean income from self-employment activities rose from N$ 170 to N$ 681 between November 2007 and November 2008, representing a percentage increase of 301%. Whilst mean income from wage work rose from N$ 581 to N$ 692, representing a 19% increase.

Health and healthcare

The BIG resulted in a huge reduction of child malnutrition. Prior to the implementation of the BIG, 42% of the children of Otjivero-Omitara were found to be malnourished, with a majority (82%) of these children under the age of 3. However, after 6 months of the implementation of the BIG, the malnourishment rate dropped from 42% to 17%. It also dropped further, a year later, after the implementation of the BIG to 10%. This represents a significant developmental achievement as malnourishment has been found to have long-term, irreversible effects on the physical and cognitive development of children.

The BIG also had a positive impact on the health of adult residents of Otjivero-Omitara, especially those living with HIV/AIDS. Before the implementation of the BIG, a lot of the residents of the settlement avoided seeking help for minor illnesses from the local clinic as they could not afford the clinic fees of N$ 4, as a result they only made use of the clinic when they were extremely ill. However, with the introduction of the BIG, people started making use of the clinic for common illnesses such as colds and flu. This was also reflected in the finances of the clinic whose monthly income prior to the introduction of the BIG averaged at N$ 250 per month but then increased to N$ 1 300 per month within the first year of the BIG. As for residents living with HIV/AIDS, the spotlight cast on Otjivero-Omitara by the BIG resulted in the government's decision to make ARVs available in Otjivero. What this meant was that the residents of the settlement no longer needed to spend huge amounts (N$ 100 for a round trip) to travel all the way to the city of Gobabis to fetch their ARVs every month. As a result, there was a twelve-fold increase in people receiving ARVs from the local clinic – from 3 people in late 2007 to 36 in July 2008 (six months after the introduction of the BIG).

Schooling

Before the introduction of the BIG, 49% of school-going children within Otjivero-Omitara did not attend school regularly. Half of the affected households attributed the non-regular attendance of their children at school to financial difficulties linked to the parents' inability to pay for the N$ 50 per year school fees. A fifth (21%) of the affected households cited the lack of an adequate school feeding scheme as the reason for their children's non-regular attendance. This points to the high levels of poverty, unemployment and malnourishment that existed within the settlement prior to the implementation of the BIG. These also had a direct negative impact on school pass rates, which stood at about 40% and resulted in high drop-out rates.

Nonetheless, after the introduction of the BIG, the rate of the payment of school fees increased to 90% - an unprecedented achievement for the local primary school – and most of the children now had school uniforms. The increase in household income prompted by the BIG thus had a direct effect on school attendance as households who had attributed their children's non-attendance at school to financial reasons dropped by 42%. This rate would have been even higher without the effects of migration towards Otjivero-Omitara. Drop-out rates at school which were reported to be between 30-40% before the introduction of the BIG in November 2007 were also reduced to 5% in June 2008 and further to almost 0% in November 2008.

Debt and saving

The BIG contributed to the reduction of household debt for those households who had reported having debt in the initial baseline survey. The average debt amongst these households fell from N$ 1 215 to N$ 772 between November 2007 and November 2008. However, overall debt trends fluctuated during this period as some households took on some debt to start-up new businesses, and a small percentage invested in durable household goods and assets such as furniture and cars. On the other hand, savings increased during that period with more people opening NamPost savings accounts for themselves and their children. The upsurge in savings was also reflected in the increasing ownership of large livestock, small livestock and poultry.

Crime rates

High crime rates are usually associated with highly unequal societies where poverty wreaks havoc for poor communities. In such communities, crimes are usually economic in nature and associated with the need to meet daily survival needs. As a result, crimes such as stock theft, illegal hunting and trespassing, and housebreaking are commonplace particularly in rural settings such Otjivero-Omitara. However, with the introduction of the BIG, overall crime rates – as reported to the local police station were reduced by 42% in Otjivero-Omitara. In particular, there was a significant decline in stock theft as it decreased by 43% while illegal hunting and trespassing declined by 95% from 20 reported cases to 1.

Women's financial independence

One of the most crucial findings from the BIG pilot study was the reduction in women's dependency on men for their survival in Otjivero-Omitara. Prior to the introduction of the BIG, one of the drivers of HIV/Aids infections in the settlement was the phenomenon of women engaging in transactional sex with workers employed in the neighbouring commercial farms who frequently came to Otjivero to drink on weekends after receiving their wages. Thus, by empowering women and putting money in their hands through the basic income grant, women gained a measure of control over their own sexuality, and were freed to some extent from the pressure to engage in transactional sex.

KENYA'S BIG PILOT (2011 – 2013)

SOCIO-ECONOMIC CONTEXT

Kenya has the biggest economy in East Africa and the fourth biggest economy in Sub-Saharan Africa, and yet remains plagued by high levels of poverty. About 1 out of 3 people, 36% in Kenya were reported to be living in poverty in 2016 as measured by the international poverty line of US$ 1.90 per day. Nonetheless, this represents a significant decrease in the rate of poverty in the country since 46% of Kenya's population was reported to be living in poverty in 2006. Poverty rates remain higher though in the rural areas with almost 1 out of 4 (39%) people reported to be living in poverty.

Most people in Kenya are dependent on the agricultural sector for their livelihoods, especially in the rural areas where 72% of the country's population is to be found. The majority of Kenya's rural populations rely on land and livestock for their source of income. However, sustained stagnation in agriculture over the past few years has led to a significant decline in the incomes of Kenya's rural poor. This can be attributed to, inter-alia, food price instability, drought-causing climate change which has led to rising conflict among pastoralists, and between farmers and pastoralists over competition for farming and grazing land, as well as other constraints such as the rising cost of feed, absence of veterinary services, and theft of livestock. As such, poverty amongst Kenya's rural poor is closely linked to income poverty. As a 2018 multi-dimensional study into poverty in Kenya published by the Chronic Poverty Network shows, "...the overwhelming majority of Kenyans, almost 80%, are either income poor or near the poverty line."

THE KENYAN BIG PILOT

The Kenyan BIG pilot was a randomised controlled trial (RCT) carried out by GiveDirectly Inc., an international non-profit organisation whose mission is to give direct unconditional cash transfers (UCT) to poor households in developing countries across the world. The pilot was carried out over a two year period between 2011 and 2013 among rural households in the villages of the region of Rarieda in the Western part of Kenya. 126 villages were chosen to be part of the pilot experiment, and were divided in half with 63 serving as the "treatment group" and the other half as the "control group". 503 households were randomly selected from the treatment group villages to receive a temporary UCT of KES 25, 200 (US$ 404), whilst 432 households were randomly selected from the control group villages and did not receive the transfer. From the 503 treatment group households, 258 were assigned to receive the transfer on a monthly basis for a period of 9 months in instalments of KES 2, 800 (US$ 45) per month. The remaining 245 households were assigned to receive the transfer of KES 25, 200 (US$ 404) as a once-off lump sum. The transfers for both groups were made between June 2011 and January 2013. For the lump sum transfer group, a further 137 households were randomly selected from the group to receive an additional transfer of KES 70, 000 (US $1,121) in seven monthly instalments beginning February 2012. This means that the total transfer amount received by these households was KES 95, 200 (USD 1,525).

AIMS OF THE BIG

The overall aim of GiveDirectly's BIG pilot in Rarieda was to measure the impact of the organisation's UCT programme on poor rural households' economic and psychological well-being. However, the study also had three specific goals, i.e. to test the relative welfare impact of the UCTs in accordance to three treatment arms:

1) the gender of the transfer recipient;

2) the temporal structure of the transfer payment (lump sum vs. monthly transfer), and

3) the magnitude of the transfer.

UNIVERSAL OR TARGETED?

The BIG pilot was targeted at poor rural households in Kenya. The villages selected in Rarieda to be part of the study were selected on the basis of the proportion of households lacking metal roofs, i.e. villages with a high proportion of households with thatched roofs. This is a targeting criterion that is well established in GiveDirectly's projects across the world and is seen as a good predictor of poverty amongst households. Further, the UCT was not distributed on an individual basis, but was rather paid to either the principal female or male head of the household through a randomly selected process.

CONDITIONAL OR UNCONDITIONAL?

The cash transfer was offered on a fully unconditional basis to every household without any requirements to be fulfilled nor conditions to be adhered to.

DISTRIBUTION MECHANISM

The study utilised the famous Kenyan mobile money transfer system *M-Pesa* to distribute the money to recipients. *M-Pesa* is a safe and easy to use mobile money transfer system that is popular amongst Kenyans. The system requires the recipients of the UCT to sign up for an *M-Pesa* mobile account by registering a SIM card on their name. Simply put, "*M-Pesa* is, in essence, a bank account on the SIM card, protected by a four digit PIN code, enabling the holder to send and receive money from other *M-Pesa* clients."

KEY FINDINGS

The pilot study sought to measure the impact of the transfers on the following range of criteria: consumption, asset holdings, self-employment activities and earnings, health, education, food security, female empowerment, and psychological well-being. The study reported significant increases in consumption expenditure, investment in self-employment activities and increased earnings from these activities. There was increased food security, female empowerment at the village level, and psychological well-being. However, the transfer had no significant impact on education and health outcomes.

Consumption

The study found a significant increase in all consumption categories in all treatment group households compared to control group households. There was an increase in food, medical and education expenses, durables, home improvement, and social events. Expenditure on food accounted for the largest increase (19%) in consumption coming in at US$ 20 per month.

Asset holdings

The study found overall significant increases in investment on durable goods and income-generating assets among treatment households. Investments were particularly pronounced in durable goods such as metal roofs (23% increase) and furniture items like beds, tables, and chairs, etc., (26% increase). This was especially true for large lump sum recipients of transfers as they were in a better position to invest in such goods than monthly recipients of the transfers. Income-generating livestock holdings also experienced a significant increase of 51%, particularly cattle holdings which increased by 56%.

Self-employment activities and earnings

The study reported a positive impact on self-employment activities and earnings from treatment group households relative to control group households. However, this increase in self-employment activities did not translate to significant increases in profit. There was a notable monthly increased investment in non-agricultural business activities (e.g. inputs and inventory) and livestock.

Food security

Food security was the most impacted by the cash transfers, especially among the monthly recipients of the transfers than large lump sum recipients. Monthly recipients were found to be more likely to spend on current consumption goods such as food than expensive durable goods such as metal roofs and furniture on account of two reasons:

1) their monthly transfers (US$ 45) were too little to allow them to save up to spend on such durable goods, and

2) the short nature of the duration of receipt of the cash transfer (9 months) prevented borrowing on the promise of a future transfer. Therefore, monthly recipient households were found to be characterised by credit-and-savings constraints.

Female empowerment

There was an increase in female empowerment at the village level due to the cash transfers. This was especially so among large lump sum households as compared to monthly recipient households. However, the transfers did not have any overall significant gendered differential impacts on most outcomes due to the fact that they were temporary and therefore did not significantly alter the bargaining power between household members.

Psychological well-being

The pilot study recorded significant increases in the psychological well-being of all treatment households. However, there were some small nuances linked to large lump sum transfers and gendered recipient households. Increases in psychological well-being were found to be larger in large lump sum recipient households than in monthly recipient households. While a greater reduction in worries and a greater increase in self-esteem was recorded in female recipient households than in male recipient households. This means that there was correlation between large lump sum recipient households and psychological well-being as well as between female empowerment and psychological well-being.

SPII ANALYSIS

Despite their varying differences in aims and targets, the foregoing BIG pilot studies explored in this paper all have valuable lessons that can inform the research, policy, and social dialogue around the implementation of a BIG in South Africa. Though these lessons cover the full spectrum of the BIG pilot treatment impact matrices, five main matrices seem to be prevalent across all of them. They are the following:

1) women empowerment;

2) health and nutrition;

3) food security;

4) earnings, employment and labour market participation; and

5) self-worth and well-being.

From our perspective, the major lessons from the pilot studies for South Africa is the increased sense of dignity, self-worth and well-being reported by participants resulting from having a basic income. Having basic income allows people the ability to cover their monthly basic needs thus affording them basic security. Basic security in turn has a number of benefits on the health and mental health of people, their opportunities and ability to make choices, on their social relationships and ability to fully participate in society. This is one significant finding that cannot be stressed enough, especially in the context of South Africa where our Constitutional dispensation is founded on the fundamental right to human dignity as encapsulated in the Bill of Rights. The Bill of Rights further obligates the state to respect, protect, promote and fulfil South Africans' rights to dignity, equality and freedom.

Participants in all six pilot studies reported a positive impact by the basic income transfer on their physical and mental health. This is linked to better nutrition and diet. The reason for this is to be found in the increased spending on food by participants in all six pilots, as well as decreased stress levels over running out of money for food mid-month. In two of the six BIG pilot cases, India and Namibia, this positive impact of the BIG on physical and mental health could be noted in the decreased rates of malnutrition among children, which had a direct impact on school attendance in both cases. This is most relevant for South Africa as the country is plagued by high rates of child hunger and child stunting. A 2020 country brief by UNICEF put the number of stunted children in South Africa at 1.5 million, thus translating to a ratio of 3 out 10 South African children being already stunted. Moreover, 40% of adult South Africans living with children in food insecure households are said to be showing signs of depression.

Still on the issue of improved physical health, there was an observable nuance between the participants in the BIG pilots in developed countries vis-à-vis participants in developing country pilots. Participants in all three developed country BIG pilot studies reported a decrease in frequency of their utilisation of healthcare services, whilst in all three developing country case studies participants reported an increase in spending on healthcare and medicines. Two interlinked possible explanations for this may be:

1) the quality differences in the health systems of developed countries versus developing countries, and

2) the increased ability of people in developing countries to afford to pay for healthcare and medication. For example, participants in the Indian pilot study recorded an increased use of private healthcare as opposed to public health facilities thus pointing both to the poor state of the Indian healthcare system and participants' increased ability to afford medical care. Whilst, in Namibia, study participants attributed their increased use of the local clinic to their increased ability to afford the clinic fees as a result of the BIG cash transfer.

This is another significant finding for our context in South Africa. Although South Africa has the one of the best healthcare system in Africa, the country's healthcare system ranks very low by global terms. South Africa ranks 49th out of 89 countries on the 2019 Global Healthcare Index below countries such as India, Sri Lanka, and the Philippines. Furthermore, though access to public healthcare in South Africa is available to everyone, it primarily serves those who cannot afford private healthcare. Hence, we can expect that an increased income provided by a BIG would also lead to more people in South Africa utilising the healthcare system, especially private health facilities such as general practitioners.

In all six BIG pilot cases investigated, food expenditure proved to be the major spending item for study participants. This is unsurprising given that all six BIG case studies were carried out in poor low-income communities where households usually struggle to meet their monthly grocery or food requirements. Thus, the basic income transfer proved to be pivotal in providing participating households in these communities greater food security. This is a particularly relevant finding in the context of South Africa where 10 million people and 3 million children live in households affected by hunger. A BIG would increase South Africans' food security.

One of the major reasons given by opponents of the BIG in South Africa is that it will increase public dependency on state social security grants and breed a culture of laziness amongst the populace.

However, evidence from the six BIG pilots in this study points to the contrary. All the studies, except for the Spanish B-INCOME pilot which did not produce any observable impact results on employment activities, highlight increased levels of labour market participation and entrepreneurial/self-employment activities from the study participants. Participants in the Canadian pilot reported that the BIG cash transfer had allowed them to secure better paying jobs with improved working conditions. This can be attributed to the fact that the basic security provided by the BIG releases people from the pressure of settling for any kind of job that comes along that would assist them to meet their daily and monthly basic needs.

In the USA Stockton, California pilot study participants reported that the BIG had allowed them to pursue 'side hustles' to generate more income. Similarly, all three developing country pilots displayed significant increases in income-generating self-employment activities among study participants. In all three studies, women were the most impacted and engaged in a range of business activities such as baking, sewing and dressmaking, retailing, etc. We have also seen a similar effect in South Africa with the R350 Social Relief of Distress (SRD) grant, where some women have been reported to have started baking business and selling vetkoeks (fat cakes).

These are some of the ways in which the BIG transfers have empowered women in the BIG pilots, especially in developing countries. The financial independence of women that has been fostered by BIG transfers in these communities through increased self-employment activities has also translated to sexual freedom in some instances where prior to the pilot, women have faced pressure to engage in transactional sex in order to meet their daily needs. This is especially true in the case of the Namibia Otjivero pilot study, and carries significance for South Africa as 12.1% of the country's adolescent girls and young women (AGYW) between the ages of 15 – 24 years are reported to have engaged in transactional sex before.

AREAS FOR FUTURE RESEARCH

Whilst this paper reveals numerous key lessons on the impact of BIG on human dignity and overall well-being that can be used to inform research, policy, and social dialogue on the implementation of a BIG in South Africa, questions still linger about the affordability and financing mechanism for a BIG programme in South Africa. The same can also be said of the potential economic stimulus or multiplier effects of a BIG. These two areas represent two pertinent areas for future research on the practicality and viability of a BIG in South Africa. The second paper in SPII's three research paper series on the BIG seeks to address the question of possible economic multipliers associated with a BIG programme in South Africa. While the third paper in the research series tackles the issue of affordability and possible funding mechanisms for a BIG in South Africa.

CONCLUSION

This paper has presented a summary of key lessons from selected global BIG pilot experiments that have taken place over the past two decades in the developed and developing countries of Canada, USA, Spain, India, Namibia, and Kenya, respectively. These lessons give a glimpse into the potential social transformational impacts of a BIG for South Africa, presenting a solid knowledge base which can inform the research, policy, and social dialogue around the implementation of a BIG in the country.

The findings reflect that BIG cash transfers in the pilot case studies explored herein have had significant positive impact outcomes on five main matrices of human life, i.e. women empowerment; health and nutrition; food security; earnings, employment and labour market participation; including self-worth and well-being. All of these matrices reveal important lessons about the impact of BIG cash transfers on living standards and overall well-being. They can serve to inform policy formation around the design and implementation of a BIG programme in South Africa.

The Covid-19 pandemic has accentuated the socio-economic fault-lines characterising South African society. The lives of a vast majority of South Africans are characterised by vulnerability, deprivation, and inequality robbing them of their constitutional right to dignity, freedom, and equality. This calls into question the state's constitutional mandate to respect, protect, promote and fulfil South Africans' rights to dignity, equality and freedom through ensuring the progressive realisation of the socio-economic rights of all people of South Africa. In this context and given the findings presented in this paper, it is time the South African government showed bold leadership and take seriously, civil society's calls for the immediate implementation of a BIG in South Africa.

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CONTACT DETAILS

ISOBEL FRYE

isobel@spii.org.za

DUMA GQUBULE

duma.gqubule@gmail.com