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SPI TALK

MAGAZINE

ISSUE 3



SPI SYMPOSIUM

**Q&A: IS POVERTY
BECOMING ACCEPTABLE?**

THE RESILIENCE
MONITOR: JULEEN LINKS



FAQS

**ON THE UNIVERSAL
BASIC INCOME**

**A DECENT PATH:
ISOBEL FRYE
ON THE NEW
SPI DOCCIE**

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Cover image: Chadwill October, a beneficiary of a soup kitchen in Eerste River, Cape Town. Photographer: Calvin Coetzee

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SPI provides the following services

- Bringing people together, "honest broker" at roundtables and seminars.
- Conference host, bringing together a variety of stakeholders to share new information.
- Policy support and analysis.
- Training in research methodologies – on request.

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Thank You For Your Support

AS THE YEAR DRAWS TO A CLOSE, WE AT SPI WANT TO TAKE A MOMENT TO EXPRESS OUR GRATITUDE FOR YOUR UNWAVERING SUPPORT OF OUR MISSION TO ADVANCE A JUST SOCIETY THROUGH INNOVATIVE SOCIAL POLICY INITIATIVES THAT AFFIRM AFRICAN VALUES.

This year, we have made significant strides in our advocacy for social security and universal basic income (UBI). We have conducted groundbreaking research, engaged in thought-provoking discussions with policymakers and activists, and mobilised communities to demand a more equitable future for all.

Thanks to your support, we have been able to amplify the voices of those who have been marginalised and excluded from the economic and social mainstream. We have also been able to build a powerful movement for change that is committed to creating a more just and equitable world for all.

Wishing you a happy and prosperous holiday season!

Sincerely,

The Social Policy Initiative (SPI) team



DIRECTOR'S CUT

My partner asked me why I have stopped writing about South Africa. In this awful time of genocide in the Gaza Strip, people around the world are finding some relief in sharing a collective voice through writing. Why, he asked, did I stop writing earlier this year.

Political theorist Hannah Arendt wrote that cultures with no empathy are on the threshold of barbarism. After some reflection, my answer to my partner's question was that I have stopped writing because to write one must think, and to think about why those with power in South Africa choose not to fix the structural problems of exclusion, poverty, inequality and unemployment — to peer into the abyss of our collective barbarism — is too chilling for me to continue to do.

It chills me when I think about what our collective absence of humanity means for today, and it freezes me to the marrow when I think about what it means for the future of this country.

I work with social security policy. I study what is right and wrong with our national systems of income distribution and income security, and the causes and effects of emergent dysfunctions. I also analyse the effects of the policy solutions that the government has implemented, and I extensively study international comparisons to see whether we could do things better, differently or even try to develop new ways of understanding phenomena and introducing new systems to meet these.

In this field of work, one becomes deeply familiar with facts. People who feel uncomfortable about these facts call them emotive, and me, emotional. But, to my mind, facts are facts.

The fact that just under 12 million adults are unemployed. The fact that seven out of every 10 unemployed people are stuck in long-term unemployment. The fact that our 42% unemployment rate is so far beyond the global rate of 6%. The fact that one child in five goes to bed hungry. The fact that the value of the child support grant is only 8% of a decent standard of living, and the fact that these grants are the main source of household income for about 36% of households. The fact that the media has recently reported on at least three mothers who have killed themselves and their children because they could not feed them and could not bear to see them suffer any longer.

The fact that South Africa is the most unequal country in the world. The fact that the richest 0.1% of South Africans own a quarter of the wealth, and that 3,500 people (0.01%) own 15% of it. The fact that even having a job does not guarantee you a decent life given the vast inequalities in salaries — despite the official national minimum wage. The fact that legislation has not broken the apartheid racially discriminatory wage policies.

And knowing the fact that, excluding sin taxes, the only tax raised recently was not personal income tax or corporate income tax, but the flat rate VAT that everyone has to pay, whether they are employed or not, and the fact that the recommendations to raise a wealth tax to even up the inequality have been ignored.

And also knowing the fact that while the Constitution guarantees a life of dignity to all and a right to equal protection of the law, the mandate on the state to increase social security until it covers everybody stopped a long time ago because the treasury said we had no more money for grants. Raising taxes would chase wealthy people from the country, so we will not find more money to pay more grants to the hungry. The fact that the department of social development had to pay back R15 billion to the treasury because it underspent the much-needed R350 Covid grant as a result of system design weaknesses.

In fact, the state seems to begrudge the policies that it does well in terms of meeting people's needs. For years, when congratulated on providing small income grants to children and older people — people who are not meant to be in the labour market — government officials would state that they were still committed to "graduating" people off grants.

And the fact that since the state introduced the paltry R350 grant in May 2020 as part of the Nedlac national lockdown negotiations, the treasury has been agitating to withdraw the grant through a variety of measures, including by manipulating the means test. The highly shameful fact that the government failed to spend R15 billion of the earmarked budget for the R350 grant last year because of such machinations and the resultant confusion among potential applicants about eligibility criteria.

And the fact is that the leadership of the parties in waiting, the hopeful opposition, don't promise much different. Only a few leaders were interested before they drafted their manifestos, in receiving presentations of these facts and suggested policy alternatives.

If the opposition is not interested in introducing new and better policies, why are they in the running?

I used to write to try to make sense of things, and sometimes I would write, as my associate Duma Gqubule says, as a release of rage and anger. I used to share our research findings and policy solutions during radio and TV interviews.

But this year I realised that, for me, there is nothing more to be said. There is nothing more to be researched. No more writing can make any sense of the refusal of those in power to correct what is so awfully wrong.

THERE IS NO MORE PROCESSING THAT CAN MAKE SENSE OF WHERE WE ARE. BEYOND ANGER. BEYOND WORDS.

WHAT LIES BEYOND?

By Isobel Frye

GRAPPLING WITH THE ABYSS OF SOUTH AFRICA'S STRUCTURAL CHALLENGES

GUEST EDITOR



By Gershwin Wanneburg

“Black women are not a defeated people waiting for a researcher from Europe to come with their own cameras, theories, methodologies in a briefcase and come and study them, dehumanising them even further. Those black women are involved in very active livelihood initiatives. Stokvels are economies that have been existing for centuries.”

These words from academic Pedro Mzileni at the recent SPI symposium complicate our understanding of poverty in South Africa. Mzileni validates a view I have long held: that the informal sector has as much to teach the establishment as the reverse.

As a development communicator, I frequently encountered the notion that those working in the informal sector need to be rescued by elite institutions, which very often have no experience of the realities of their constituency. Report after report preached the message that people in the informal sector are desolate – without any say-so from those whose lives they purported to represent.

That exclusion was one of the reasons why the Resilience Monitor was created: to put a human face and voice to the social security discourse.

This edition of SPI Talk features the third, and possibly final, instalment of the Resilience Monitor, which has tracked Juleen Links’s story over the past year to offer a qualitative study of a social grant beneficiary.

The Monitor includes an informal inflation survey of Juleen’s expenses over the course of the year.

But, more crucially, her story reminds us that most South Africans are wise enough to recognise that relying on the state will not secure the better life they want for their children.

Juleen, a mother of three little ones, teaches us that the best investment any country can make is in its own people.

Calvin Coetzee, who interviewed Juleen, sums up the impact she made on him: “She taught me to never give in or give up and to just focus on winning the small battles.”

In this edition of SPI Talk, we also provide a snapshot of the SPI symposium, with some of the insights shared by the experts who attended the conference.

If you would like a blow-by-blow account of what happened, follow the links to the sessions and presentations provided at the bottom of the article on the symposium.

I hope you have found the 2023 editions of SPI Talk insightful and useful. It was a pleasure contributing, in my small way, to the essential discourse around social security.

But, more crucially, her story reminds us that most South Africans are wise enough to recognise that relying on the state will not secure the better life they want for their children.



What does a just transition look like in South Africa? What are we transitioning from and towards – and what does it mean in our specific socioeconomic and historical context. Is it simply about a universal basic income? What about environmental justice? What is the role of capital in eliminating inequality?

THE HIGHLIGHTS OF THE SPI SYMPOSIUM



These are some of the issues that were raised during SPI's social security symposium held in Johannesburg 10 - 11 November. The event drew participation from government, the National Planning Commission, economic researchers and civil society.

In his keynote address, Anthony Makwiramiti chief director of social security and social insurance, said the symposium formed a crucial conversation addressing two pivotal themes: the role of social security in the just transition and the impact of climate change on communities, particularly the informal sector.

SOCIAL SECURITY AS A LIFELINE

He said the Department of Social Development recognised social security as one of the government's largest interventions, primarily addressing poverty and vulnerability. With a focus on marginalised groups such as children, women, the elderly, and persons with disabilities, social security has expanded its coverage, especially in response to the challenges posed by the COVID-19 pandemic.

INTERNATIONAL RECOGNITION AND AWARDS

He said South Africa's social security system has gained international recognition, exemplified by the recent receipt of an international award for the gradual extension of the child support grant.

ADDRESSING DEEP-ROOTED CHALLENGES

"I think you agree with us as a department that what the COVID-19 pandemic has demonstrated to us is that all of us are vulnerable when it comes to life-cycle risks," Makwiramiti said.

"We were all locked down. Those in the informal sector could not trade. For those of us in formal jobs, we could not go to work and we needed to work remotely. In other instances, shops closed, there was no transport.

"So, as a response to these emerging risks, we must therefore underline that our interventions need to put emphasis on the coverage of everyone and of course, as per the constitution, we need to ensure that support is given to those who are in need."

The symposium also featured panel discussions on the evolution of social security and the nature of a just transition, as well as a screening of the documentary, A Decent Path, produced with the support of UNICEF SA.

The documentary is about what the R350 Covid grant meant to recipients and how a universal basic income grant (BIG) could transform our future.

For Makwiramiti's full address and other speeches and presentations delivered at the symposium. Visit www.spi.net.za/symposium



SYMPOSIUM SOUND BITES

*Pedro Mzileni, lecturer,
department of sociology,
University of Free State*

*“If 60% of the population
in the Eastern Cape lives in
poverty, if 60% is
unemployed, then why is
there no humanitarian
crisis in the Eastern Cape?
It is because there are
solidarity economies
existing in the Eastern
Cape amongst the black
people themselves...”*



**MASTOERA SADAN,
NATIONAL PLANNING
COMMISSION**

“Part of the challenge, I think, for policy makers and researchers, when we talk about households...we’ll talk about household formation...but it’s in a very atomised way, it isn’t about real people living real lives.”

**NOMAHLUBI JAKUJA, SENIOR
RESEARCHER, SPI**

“With 42.4% of South Africans currently not participating in the economy due to unemployment SA needs a social security stimulus in its just transition — one that is big enough to accommodate these already existing challenges while anticipating future challenges...”

**ASGHAR ADELZADEH,
DIRECTOR AND CHIEF
ECONOMIC MODELER AT
APPLIED DEVELOPMENT
RESEARCH SOLUTIONS**

“The three BIG scenarios show that the combination of a relatively small wealth tax and the social security tax can provide the necessary complimentary revenues that enable government to introduce and sustain the programme.”

JULIANE HOSS, TRI FACTS

“The missing middle is what we’ve identified over and over again, there’s a huge need for social insurance schemes for the individuals but also for their businesses.”

**ISABEL ORTIZ, DIRECTOR OF THE
GLOBAL SOCIAL JUSTICE
PROGRAMMAT JOSEPH
STIGLITZ’S INITIATIVE FOR
POLICY DIALOGUE**

“Contrary to all the criticism that social security receives, you can see that it has been a progressive expansion of all programmes all over the world.”

**JEZRI KRINSKY, INSTITUTE FOR
ECONOMIC JUSTICE**

“Before we move to discussing what a just transition should look like, what’s the actual situation? ...There’s been increasing austerity rather than increasing provision.... it needs to be economy an economy-wide transition for low-carbon and climate-resilient economies so we can’t just have a minimal transition in some sectors.”

**REINHARD HUSS, CHAIR OF
UBI LAB LEEDS**

“We require an urgent transition from a linear degenerative economy to a circular regenerative green economy.”

**DUMA GQUBULE, RESEARCH
ASSOCIATE AT THE SOCIAL
POLICY INITIATIVE**

“We cannot continue like this. We are an unviable society. Half the population lives in poverty.”

Q&A

AN ACCEPTANCE OF POVERTY

Nomahlubi Jakuja, our senior economist, discusses the findings of a new SPI report on the just transition.



Q: CONGRATS ON THE PUBLICATION OF THIS KEY REPORT. WHAT WOULD YOU SAY ARE THE KEY HIGHLIGHTS?

A: Thank you. The key highlights are:

- South Africa needs to set a floor of an acceptable standard of living that a just transition must secure for all South Africans. Henceforth referred to as the decent standard of living for all.
- The implementation of a Universal Basic Income Grant defines the minimum decent standard of living that should accompany the country's just transition.
- South Africa must implement an economic stimulus to stimulate economic demand and secure and protect the livelihoods and incomes of South Africans in the form of a Universal Basic Income grant.
- A Universal Basic Income Grant is not only a constitutional right but a necessary component of a just transition in a country with staggering unemployment levels and high poverty and inequality measures.
- A Universal Basic Income Grant is affordable and can be financed using measures outside the fiscus. However, looking at the current macroeconomic ideology is important.
- South Africa's Nationally Determined Contributions (NDCs) should include financing for a Universal Basic Income Grant (UBI) stipulating a minimum of 35% of global climate funds coming into the country to be spent towards financing a UBI as a social security policy for the country. The National Treasury should be the custodian of these funds.

South Africa needs to include a social security component in its NDCs. The inclusion of social security in the country's Nationally Determined Contributions would give a strong indication to finance institutions of the primacy of this sector.

Q: HOW DOES THIS REPORT CONTRIBUTE TO THE EXISTING RESEARCH ON THE JUST TRANSITION?

A: The Intergovernmental Panel on Climate Change (IPCC) released a devastating report on global efforts to reduce emissions in 2022, stating that greenhouse gases over the last decade have reached an all-time high. It warned that, unless immediate and deep action is taken across all sectors of the economy, limiting global warming to 1.5 degrees will turn into an unattainable dream. Exacerbating the curtailing of global emissions to 1.5 degrees were the poor commitments made by countries on their Nationally Determined Contributions submitted prior to COP26, many lacking a social component to them. The brief contributes to this discourse by examining the role of social security in South Africa's just transition process.

Q: WHAT ARE SOME OF THE CHALLENGES YOU FACED IN CONDUCTING THE RESEARCH FOR THE REPORT?

A: This is a highly unexplored research area in South Africa, both a challenge and an opportunity. Challenging because, whenever you present new ideas and research, there is a lot of concept explaining one needs to do, but an opportunity in that, as you engage in these conversations, people come up with the ideas presented in the research themselves and it becomes this big aha moment for them, which makes your research findings highly acceptable eventually.

Q: SOME OF THE ISSUES THE REPORT TOUCHES ON, SUCH AS THE STUBBORNLY HIGH UNEMPLOYMENT RATE, HAVE BEEN WITH US FOR A LONG TIME. THE SOLUTIONS, SUCH AS BETTER EDUCATION AND TRAINING, HAVE ALSO BEEN WELL RECORDED. WHAT ARE THE OBSTACLES TO MOVING THE NEEDLE ON THESE ISSUES AND WHAT CAN BE DONE, POLITICALLY OR OTHERWISE, TO OVERCOME THEM?

A: The obstacle in South Africa is a mindset where our policy makers and other decision makers as well as those affected by unemployment and poverty have gotten to the stage of accepting it as a norm because it has been around for so long. To the point that people's knee-jerk reaction is to reject solutions that can actually eradicate poverty in the country in three years, not because the idea is bad or not feasible, but because of a state of acceptance of poverty.

The ruling party recently celebrated the fact that the country has seen seven consecutive quarters of decreasing unemployment since 2021. Is that worth celebrating or do you have a different analysis of those stats?

It is always amazing how the ruling party will celebrate a 2% decline in poverty on a quarter-to-quarter basis while having an overall 41.4% unemployment rate.

This highlights the point I made earlier: that we have accepted poverty and in our country it is so high that we actually don't know how to deal with it and we therefore celebrate mediocre outcomes. But solutions are there that can completely turn poverty on its head in South Africa.

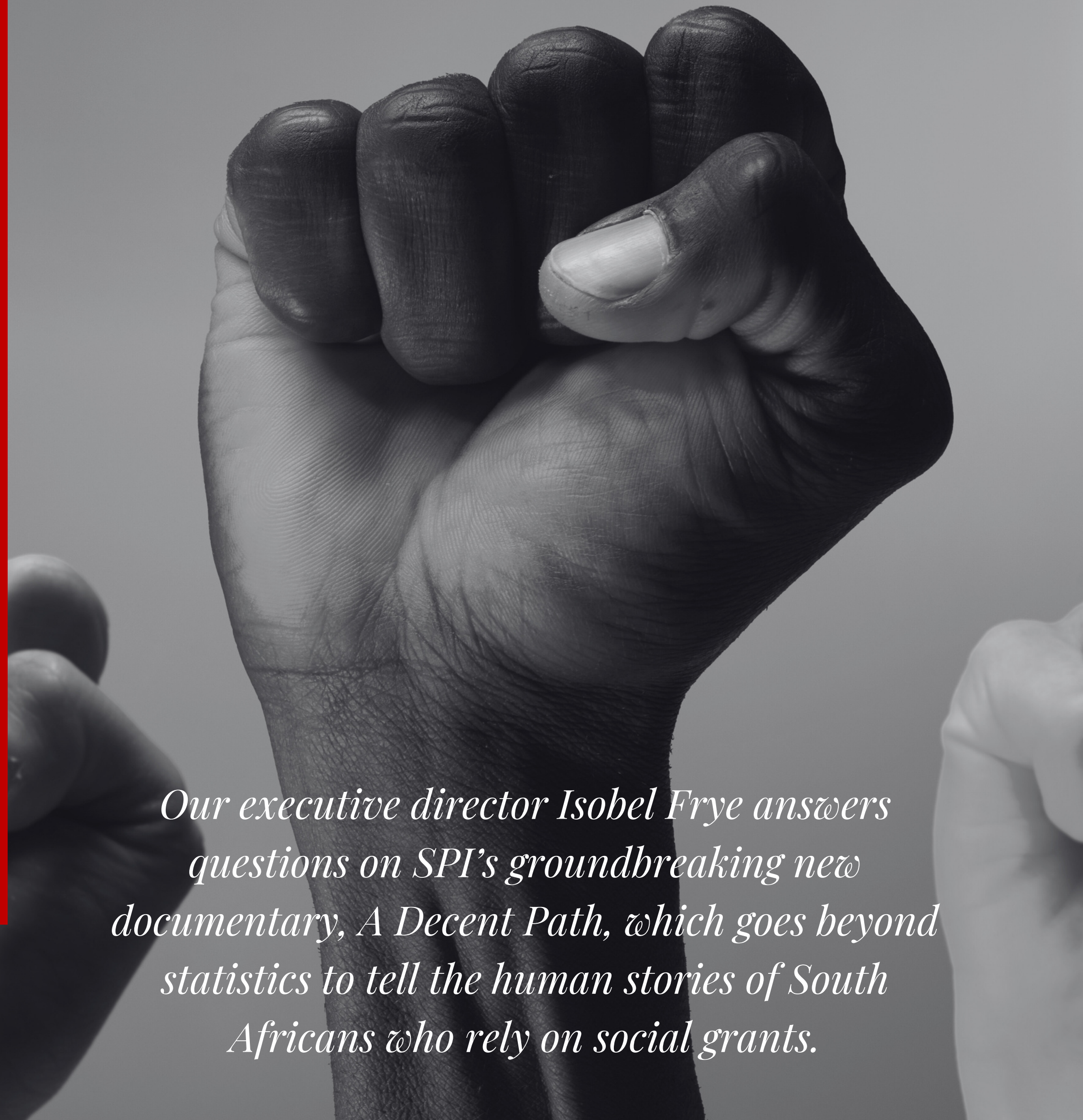
Q: AS A YOUNG SOUTH AFRICAN, WHAT GIVES YOU HOPE – OR CAUSES YOU TO DESPAIR – WHEN YOU STUDY SOME OF THE SOCIOECONOMIC STATS YOU DEALT WITH FOR THIS REPORT?

A: I despair because young people appear to be okay with having such high unemployment levels. We are not taking to the streets or online to really hold our governments and business leaders to account for such high levels of unemployment.

Visit www.spi.net.za/symposium



THE BEATING HEART OF SOUTH AFRICA



Our executive director Isobel Frye answers questions on SPI's groundbreaking new documentary, A Decent Path, which goes beyond statistics to tell the human stories of South Africans who rely on social grants.

Q: CONGRATS ON THE DOCUMENTARY. THIS IS A NEW MEDIUM FOR SPI. WHAT MADE YOU DECIDE ON USING A DOCUMENTARY TO COMMUNICATE YOUR MISSION AND WHAT WERE THE KEY MESSAGES THAT SPI WANTED TO REACH STAKEHOLDERS?

A: I was keen on using film specifically because the deficits of poverty are so much more than rands and cents. I wanted the lived realities of the inequality of South Africa to be visible, not from statistics and research papers, but viscerally as the viewer gets to know beneficiaries and their communities.

I felt we had published a lot of research that paints such a painful story of South Africa's poverty profile that there must be another way in which to reach the hearts of people, but also the understanding of how poverty is destroying the economy and people's ability to craft livelihoods for themselves. I did not want the film to preach, but to take viewers on a journey of discovery of the beating and often bleeding heart of South Africa.

It is important too that people internationally learn about the realities for people in South Africa. As the most unequal country in the world, people often only see Sandton and the Cape Town Waterfront, not Sebokeng and men on the side of the road desperately seeking work.

To understand SPI's campaign for a Universal Basic Income, people need to see how the introduction of R1,500 to every person in South Africa could transform every small business and make every unemployed adult a consumer and soon a producer of goods, services and value.

Q: THE FILM FEATURES A RANGE OF VOICES, INCLUDING MINISTER LINDIWE ZULU, EXPERTS, PARTNERS UNICEF SA AS WELL AS POWERFUL TESTIMONIES FROM GRANT RECIPIENTS. WHO WAS THE AUDIENCE YOU WERE TRYING TO REACH THROUGH THIS FILM?

A: We have two main audiences. The first is the ordinary person on the street who has been told time and time again that 'grants cause laziness'. There is a missing link in the narrative. We currently have 12 million people who are unemployed, and yet there is no grant in South Africa for unemployed adults.



So there is no causality in this narrative that comes out of a neo-liberal prejudice against the poor that goes back to the 1600s in the United Kingdom, the notion of the 'undeserving poor'. So the person who has no job is blamed for being unemployed, even though we know that the economy has shed jobs since the 1980s. How do people 'know' that grants make people lazy when there ARE NO grants for working age people? The only grants are for older people and children, and neither of these age groups should be working.

So we want ordinary South Africans to listen to people's stories, unemployed people, and hear how they have used the grant to try to make more money out of it, until government takes that grant away as a result.

The second intended audience is of course the decision makers, people in National Treasury and the private sector who say that we cannot afford to provide income for the poor. Watching this movie will give those people a vision of how a redistribution of income can leverage immediate economic growth as well as meet people's basic needs, which of course is a guarantee in the Constitution.

Q: GIVEN THE BROAD RANGE OF ASPECTS THAT THE FILM TOUCHES ON AND THE VARIETY OF VOICES IT CAPTURES, WHAT HAS BEEN THE RESPONSE FROM THE AUDIENCE?

A: Audiences have really been struck by the new ways of thinking of social security as an enabler, a springboard, and not just to accept the negative view that conservative sectors in society repeat about grants. One well-known entrepreneur who had been opposed to the idea of a Universal Basic Income suddenly saw a whole market opportunity and is now one of the greatest supporters of the UBI, although he also says, 'Don't call it a grant!'

Generally, there is a silence after each screening which always tells me that the movie has made people think, which for me is the sign of success.

Q: THE FILM FEATURES MANY MEMORABLE MOMENTS. I ESPECIALLY REMEMBER YOUR QUOTE ABOUT HOW POOR PEOPLE ARE TREATED AS IF THEY ARE EXPENDABLE WHEN THEY ARE NO LONGER USEFUL TO THE WEALTHY. FIRSTLY, WHAT ARE THE MOMENTS FROM THE FILM THAT STAND OUT FOR YOU? AND WHAT DID YOU LEARN FROM THE EXPERT INSIGHTS OR THE TESTIMONIES OF THE GRANT RECIPIENTS WHO WERE INTERVIEWED?

A: I was touched by how open the minister was to the hard talk around the R350 grant and the experiences of beneficiaries who lost the grant for no just reason, and for people who said it is too little really. I was struck by beneficiaries' generosity towards a government that is not being generous to them. Everyone knows, as Professor Leibbrandt says, that R350 is so little it is an insult, and yet one beneficiary said: 'I don't want to break the bank' of government, even though as Prof van der Heever said, the same government actually gives back billions of rands to rich and middle class people in the form of tax rebates for private retirement funds.

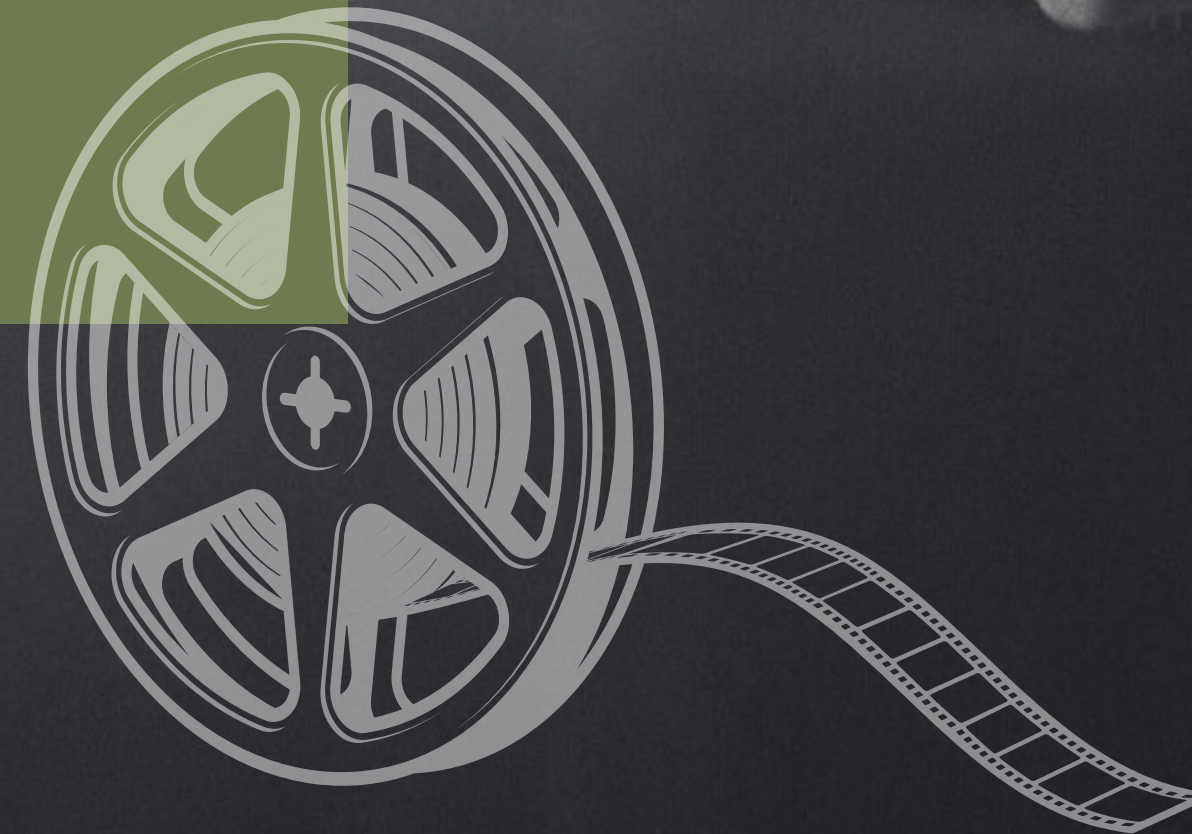
I will never forget the words of the beneficiary who was talking about when SASSA told him he has lost the R350 grant, he said he had not started receiving an income that rendered him ineligible, and he said: 'It is a hard knock life, eish.' That was so poignant.

Q: SOCIAL SECURITY ADVOCACY IS A LONG-TERM PROJECT OF SPI'S. WHAT DO YOU FORESEE AS THE NEXT STEP TO ACHIEVING YOUR OBJECTIVE OF UNIVERSAL BASIC INCOME?

We are delighted that Treasury has extended the R350 grant for another 12 months, but in a way the R350 grant can also be seen to act AGAINST the Universal Basic Income, as in a way the limited grant is too small in terms of coverage and also so much less than the R1500 we are advocating for, and with the means test there is currently no incentive to use the grant to make more money as you lose the grant. So the R350 grant has the three WORST designs for a working age adult income benefit.

As SPI, we plan the next steps of the campaign to explore more research on the 'multiplier' effect of social spending that tracks how many times the

grant money is circulated and stimulates local economic development, and to see what kind of design a social assistance unemployment scheme could take that is NOT a UBI, so to use academic speak, to make the case through exploring difference.



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UNIVERSAL BASIC INCOME



Q. WHY SHOULD SOUTH AFRICA HAVE UNIVERSAL BASIC INCOME (UBI) INSTEAD OF A TARGETED BASIC INCOME GRANT?

What we mean by universal is that it is paid to every person in the country. The opposite to universal is means-tested. The current R350 grant (and all other grants) are means tested, so people lose the grant if they **make or earn** above a certain amount of money, because of a piece job, for example, or if they get a **pay-out** such as a stokvel or funeral plan. We think this is unfair because of SA's bad employment situation, which means that many people work for little money and many jobs in the informal sector are not guaranteed.

A UBI would be paid to every person, regardless of how rich or poor they are. BUT it would be taxed back from people who don't need it, so we would have a reverse means test. SARS would recover from those people who earn more than a certain amount of money.

See below for how those who are wealthy would pay UBI back to the government via the tax system.

SUMMARY

A Universal Basic Income is the best option for South Africa. South Africa is shockingly unequal as a country, with so many millions of people unemployed, who have no access to the mainstream economy, that we need a policy that reaches everybody and will be taxed back from those who don't need it.

The more people that have money in their pockets, the more demand there is for economic activity and so a UBI becomes an economic stimulus that makes our economy stronger for everybody, from the bottom up rather than a trickle down that seldom reaches the poorest people on the ground in townships and rural areas.

More than half the population lives in poverty: this is about 32 million people so the easiest way to reach ALL those people is to use the tax system to recover UBI from anyone who does not need it. SARS is already an efficient tax system for the government, so this will be the most efficient way to recover UBI from the people who don't need it.

FAQ 1: WHAT IS A BASIC INCOME?

1. A Basic Income is a cash payment paid to every individual in a country periodically without means test or work requirement (it is sometimes called a Universal Basic Income, a Citizen's Income, or a Citizen's Basic Income)

FAQ 2: WHY IS A UBI THE BEST WAY TO GROW SOUTH AFRICA'S ECONOMY?

1. Because it is paid to everyone, the impact of more cash in the economy at scale will be a big enough investment into our pockets to make a lasting difference. By comparison the current targeted grants are too small to have an economic impact.

2. Poverty is so widespread in South Africa that to defeat poverty we need to reach every household, community and region.

3. Even people in jobs are on such low wages (working poverty is a system hangover from apartheid days) that this cannot help the economy grow. A UBI is the only way to boost growth.

4. The cost and efficiency of administering a universal system is well proven, so it is cheaper to run, costing less money.

5. A universal income system creates social strengthening so that families and communities can build instead of being subject to unrest arising from ongoing shortages and short-term survival needs. For instance, a growth in stokvels is economic growth at community levels, which increases demand for goods.

6. Other nations have different forms of UBI. South Africa requires a specific approach to make a lasting difference to our economy and every citizen.



FAQ 3: WHAT ARE THE OTHER REASONS TO CONSIDER UBI?

(i) Cost-effective to deliver.

Evidence from models of targeted basic income grants (including the Covid-19 R350 grant) shows that many poor people don't get these grants. Some of the reasons for this include that poor people are wrongly categorised in government data as criteria changes or is interpreted wrongly; bad administration creates mistakes, and poor people usually don't have the knowledge or confidence to challenge wrong decisions. Also, facts change. For instance, people lose their jobs or workers pass away in the household; price rises, such as transport costs, are unpredictable; or other people join the household, like sick or elderly relatives, making the household income stretch further.



(ii) There are many vulnerable workers and working poor in South Africa.

If grants are targeted only at the unemployed, this doesn't take into account informal and "gig" economy workers and the "working poor". Despite the introduction of a National Minimum Wage in South Africa in 2020, many workers are not paid the full wage, or do piece work. This means many people who work still need help to stay healthy or avoid falling into difficulties because they earn so little relative to the cost of living.

Also, as a majority of people pool their money through their households, UBI will ensure that all people receive this grant and households are able to pool this grant together for better overall outcomes for families and the general economy.

(iii) Building a fairer society for every citizen

In July 2021 we saw the country go up in flames. Some of the people who were burning and looting said that their R350 grant had been cut two months earlier and they had no income and no hope.

A UBI will promote a sense of solidarity as everybody will receive the same amount of money. It will not be withdrawn for any reason, unless it is withdrawn from everybody in the country.

The liberation value of Ubuntu that has been missing in recent years will be restored. A benefit to all is a benefit to one.

The liberation value of Ubuntu that has been missing in recent years will be restored. A benefit to all is a benefit to one.

FAQ 4: Wouldn't it be more economically efficient to do a targeted BIG instead of a universal basic income system (UBI)?

People who support the targeted BIG approach make the claim that money is going only to those who need it and excludes those who don't need it from the benefit.

This is not backed up by evidence and is a conservative ideology which is seen all over the world where people want to distinguish, without justification, between the "deserving" and the "undeserving" poor. South Africa's past requires us to view UBI through a social justice lens.

But more than this, 30 years after apartheid ideology was crushed, our economy has not grown sufficiently to equalise the opportunities for all. UBI is a way to do this through a radical investment by South Africa into South Africa itself.

The model we propose does not require funding from external sources like the IMF or World Bank – we can afford it with the wealth that is in South Africa, and we don't need to take on more debt to pay it.

FAQ 5: WHAT IS THE ECONOMIC MODEL FOR UBI?

Providing a UBI to the whole population will have a huge impact on economic growth: the financial projections in the SPI UBI model show that a phased introduction of UBI will lead to an increase of between 2.5% and 3.8% of GDP in the first instance.

This means the economy will grow and create up to 1.5 million new jobs through increased demand. A further implementation, which SPI calls Phase 2, provides a further multiplier effect.

We need to consider UBI as an investment in our own economy, not just a one-way grant to those in need (which a targeted BIG is).

FAQ 6: HOW DOES A UBI PROMOTE JOBS AND ECONOMIC ACTIVITY?

Some people worry that if someone receives a grant, they will lose any desire to work or be economically active. UBI is not a grant in the way that the Covid-19 grant works, it is income that can be used to meet basic needs and to make more money.

And in UBI programmes across the world, there is no evidence for this assumption that UBI stops people being motivated to work.

UBI is not "instead of a job", but it creates more jobs, for instance, by enabling new small businesses to start up.

This in turn creates demand for training and for contributing to the future of our country – everyone pulling together while no one is forced to live in destitution.

On the other hand, a targeted grant is more likely to create fear of losing the grant if you find work, because by taking work, the grant is then cut.

We have seen this particular phenomenon as an outcome of the Covid-19 relief grant – so we should avoid this model as we've already seen the evidence of targeted BIG among the poorest people.

The model we propose does not require funding from external sources like the IMF or World Bank – we can afford it with the wealth that is in South Africa, and we don't need to take on more debt to pay it.

FAQ 7: HOW DOES UBI CREATE A MULTIPLIER IMPACT AND HELP SUCH AN APPROACH MORE ABLE TO PAY FOR ITSELF?

When people use their UBI money to buy goods and services, that produces a next-level demand for more products. South Africa can use this new demand to manufacture goods here in South Africa to meet this demand and so create more factories and jobs.

Income tax will be paid on the new jobs, and companies will be taxed on the factory output. Also, VAT is charged on many things we buy. So, if millions more items that South Africans need are bought each month, because everyone has money to do so, then SARS will get a huge increase in VAT.

Finally, the UBI will be taxed back through SARS income tax from those who earn above the tax threshold. So, no one who doesn't need the UBI will KEEP it, and the impact of everybody receiving it and using it in the economy, before it goes back to SARS, will create this massive new economic stimulus.

To ensure that we reduce the extreme levels of inequality in South Africa, we can also call on the government to introduce a new tax on wealth which is accumulated (wealth sitting in bank accounts and not being used in South Africa). This helps send the message that any wealth does not sit idle but is put to work in this circulating economy.

PART 3

RESILIENCE MONITOR

JULEEN'S STORY

“Thank you for being a voice for the voiceless.”

By Calvin Coetzee

This is the third part of a series that tracks the story of Juleen Links, a single mother of three children, who relies on social grants.

As I sat down with Juleen on the morning of November 7th, I couldn't help but notice a hint of optimism in her eyes. This is the same lady that was terrorised by challenges during 2023 but refused to waver or give up hope, never mind the huge challenges she's facing. I met Juleen and her kids at the soup kitchen early last year. At first she seemed very sad and I could sense that she had a lot on her plate but she seems much happier now and more optimistic.

It's been really emotional and eye opening to see what she's been going through and how she has survived. As we sat down in the front yard of her elderly mother's home where she now resides with her three children,

Juleen speaks of how grateful she is to just be able to share her story with fellow single mothers facing similar challenges.

She said that the kids are adjusting well to their new environment. She feels a bit embarrassed about having to move back in with her mother, but there was no other choice.

Before this, she was living in a shack in a neighbour's backyard, but was forced to move after the homeowner decided to sell the property. Juleen found a new home to put up her shack, but it was badly damaged in the relocation process, making it uninhabitable for her and her children.

Sleeping in her mother's living room poses new challenges as they do not have any privacy, but she's just grateful to have shelter for her and her kids.

When asked about her employment status, she said she is still unemployed but is currently doing char jobs in the area to earn an income to supplement the social grant they're receiving.

“People have opened their hearts and blessed me with clothing items for my children and me and the chars help with the daily cost of living.”

But she says that it really gets hard at times with her current economic situation as things are just so expensive. “Eggs and potatoes are luxury items at the moment,” she says with a chuckle.

“My hope is to still be able to provide a better life for my three angels who have gone through so many things and struggles and to try and fight for a better life for them, no matter what.

“

“I am sincerely grateful to SPI Talk for the opportunity to highlight the challenges we face as single mothers that are dependent on social grants.

“We really hope that government can step in and help us more and the pensioners too. It's a shame that they get a R10 increase when the cost of living is so high and many of them are still providing for their families.

“Thank you for being a voice for the voiceless.”



THE LINKS FAMILY'S FOOD BASKET

These are the family's biggest expenses:

March 2023
Diapers R180
5kg Chicken R180
2.5 kg Sugar R50
Nespray 500g R60

August 2023
Diapers R199
5kg Chicken R220
2.5kg Sugar R55
Nespray 500g R75

November 2023
Diapers: R220
5kg Chicken: R220
2kg Sugar: R65
500g Milk Formula: R70

Calvin Coetzee runs a soup kitchen from his home in Eerste River, Cape Town. He interviewed Juleen Links for the Resilience Monitor series.

ARTIST SHOWCASE



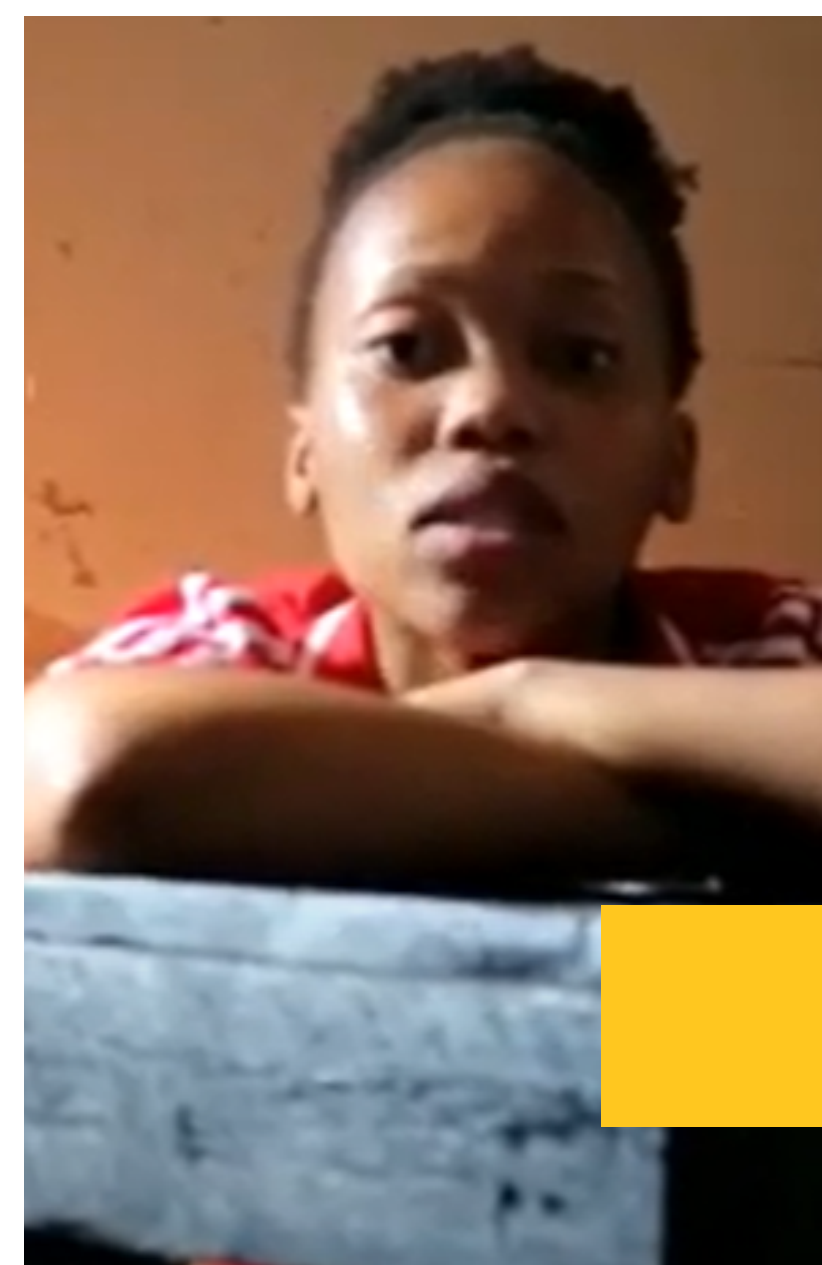
NOLWAZI MBALI MAHLANGU

Nolwazi Mbali Mahlangu is a poet and alumnus of the Duma Ndlovu Actor's Academy. Following her training, she joined Drama for Life - Wits University as an art administrator. She is a slam judge, a poetry facilitator and has worked in various stage plays as a stage manager and theatre photographer at the TX Theatre.

She has one slam title (Goddess of the Mic 2018) and was a finalist at the Word'nSound slam in 2020. Her poems have been published in the Sol Plaatjie European Union Poetry Anthology Vol X and LitNet online magazine (3rd out of 281 submissions in Afrikaans).

She has worked with various festivals and change-making organisations to ensure that poetry is and remains a catalyst for change. These organisations include Constitution Hill, World of Words, Word'nSound, the National Library of South Africa, Nordic Africa Institute

Library, City of Ekurhuleni & Hear My Voice. She has co-written a play titled Unmute with Lillian Tshabalala.



[Watch Nolwazi perform her poem How to Haunt Yourself.](#)

SOURCE: POETRYPOTION.COM

SPI IN THE SPOTLIGHT:

SPI HAS KEPT UP ITS PARTICIPATION IN CRUCIAL DEBATES ON SOCIAL SECURITY AND THE ISSUES FACING IMPOVERISHED SOUTH AFRICANS. HERE ARE HIGHLIGHTS FROM RECENT MEDIA APPEARANCES.

NON-PAYMENT OF SOCIAL GRANTS 'DISRUPTS THOUSANDS OF LIVES'; - ISOBEL FRYE INTERVIEW WITH NEWZROOM AFRIKA

WE THE NATION WITH DAN MOYANE ON ENCA: HAS ACTIVISM FAILED?

A TELEVISED EDIT OF THE UNICEF ROUNDTABLE ON THE MTBPS



SPI

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