CAN BASIC INCOME CONTRIBUTE TO INCLUSIVE DEVELOPMENT IN SOUTH AFRICA? A REVIEW OF RECENT PROPOSALS

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Abstract

South Africa is the most unequal country in the world. The global polycrisis since 2020 has had devastating impacts on the population, worsening the extremely high levels of poverty and unemployment. This has placed the question of basic income high on the national agenda. South Africa has now introduced a de facto system of basic income (at an extremely low level) which has the potential to be transformed into a universal basic income guarantee (UBIG). This is the subject of considerable policy debate and research, in which the authors have substantively participated.

While the demand for a UBIG (or UBI) is extremely popular in South Africa there is scepticism in some international quarters about the feasibility and implications of a UBI. Ortiz *et al*. (2018) advance a series of criteria which UBI proposals should meet in order to have progressive outcomes in line with ILO standards. These include the adequacy of benefits; the level of coverage of the population; non-regressive financing modalities; governance (including the existence of a legal framework as well as social dialogue); implications for gender equity; and their broader policy context including their complementarity with active labour market policies and labour protections, other social security measures, as well as universal quality public services.

This paper builds on Ortiz *et al*.'s framework, to assess the extent to which basic income proposals made by government and civil society actors in South Africa meet these criteria. The paper follows the approach of Ortiz *et al*. in arguing that the design detail and implementation of South Africa's basic income support model will determine whether it has progressive outcomes with respect to poverty alleviation, development and structural transformation. It further argues that an adequate basic income is not compatible with macroeconomic austerity.

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1. Introduction

South Africa seems to be on the verge of expanding its social protection system, to extend some form of permanent non-contributory social assistance to persons of working age—a large gap in the existing system. While the country's social protection framework is seen as already fairly extensive amongst low- and middle-income countries (L/MICs)—with social grants comprising 24.4% of household income (Statistics South Africa, 2022)—poverty and inequality remain at crisis levels. The most recent Living Conditions Survey in 2015 found that over half of the South African population fell below the poverty line, with approximately one quarter living in food poverty (Statistics South Africa, 2018). The proportion of people in poverty is likely to have grown since then (Bassier *et al*. 2022), due to the impact of Covid-19, South Africa's electricity crisis and global economic shocks including inflation.

Despite an ("expanded") unemployment rate of 42.4% (including discouraged work seekers) in the first quarter of 2023, working-age persons with income below the poverty line do not have access to welfare, aside from a meagre "temporary" grant of R350 (approximately US$18.10 per month)[1] introduced as a response to the Covid-19 pandemic. Against this backdrop policymakers have signalled that a form of permanent basic income support is soon to be introduced—a significant step towards realising the right to a social protection floor (see Department of Social Development, 2023; Ramaphosa, 2023). However, details as to the value of the transfer, who will be eligible, financing modalities and possible conditionalities have not been forthcoming. Far from being incidental, these variables are critical to the success or otherwise of a basic income support intervention in alleviating poverty and contributing to inclusive growth.

A wealth of international expertise has pointed to the fact that the outcomes of basic income initiatives (including universal basic income, or UBI),[2] are likely to vary widely depending on their political context and ideological character, as well as their specificities of design which are informed by these factors. In South Africa, a range of proposals from actors in government, academia and civil society have sketched out possible basic income scenarios with different features and underlying rationales. Utilising and elaborating a framework advanced by the International Labour Organization (ILO)'s Ortiz *et al*. (2018), this paper provides a critical overview of the major recent proposals for basic income in South Africa.

Our aim is to uncover the dimensions along which basic income is contested in South Africa, and to tease out the possible divergent outcomes of these competing visions for basic income, especially with respect to poverty alleviation and development. The following section outlines our theoretical framework which builds on the premise that basic income can be progressive or harmful depending on design, and sets out a set of criteria (with reference to

[1] As at 25 May 2023.

[2] While basic income and UBI are often used interchangeably, they differ in key ways. In particular, basic income is usually targeted to certain groups, while UBI is characterised by universal eligibility (if not universal coverage). The critiques reflected in this paper, including those of Ortiz *et al*., (2018) are not always of UBI *per se*, but often of target basic income initiatives.

Ortiz *et al*. 2018) by which to assess the progressive potential of basic income proposals in South Africa. The paper goes on to provide a brief background to South African basic income debates and situate these within the country's serious structural challenges of unemployment, inequality and poverty. From there we give an overview of leading basic income proposals and their key areas of divergence including with regard to value, target population, eligibility verification methods, and financing modalities. Thereafter we evaluate the proposals against our criteria to understand their potential for progressive and transformative outcomes. Our review demonstrates both that basic income is a much-needed intervention in the South African context, but also that the modes of its implementation and financing will ultimately determine its success.

2. Conceptual framework: Analysing diverging approaches to basic income

We take as our starting point the framework set out by Ortiz *et al*. (2018), which reviews universal basic income (UBI) proposals in light of ILO standards. The authors argue that the current landscape of UBI proposals is varied, and some existing proposals may serve to advance or undermine ILO standards. The authors set out a series of criteria for assessing the potential impact of specific UBI proposals on poverty and inequality, based on the adequacy of benefits; the level of coverage of the population; non-regressive financing modalities; governance (including the existence of a legal framework as well as social dialogue); implications for gender equity; and their broader policy context including their complementarity with active labour market policies and labour protections, other social security measures, as well as universal quality public services. Within a contested landscape of UBI proposals with varying intent, the authors argue that these factors are key to understanding whether UBI will have progressive outcomes.

As has been often pointed out, the concept of UBI has attracted support from usually opposing camps, including from progressive leaders and scholars such as Guy Standing (2017) and Yanis Varoufakis (2016), as well as prominent right wing advocates including Milton Friedman (1962), and more recently libertarian tech billionaires such as Elon Musk and Mark Zuckerburg (Lant, 2017). The libertarian argument for a UBI posits it as a way to replace existing social security measures and services, which would reduce the state's role in social provisioning, lead to privatisation of essential services and provide a flat level of support to everybody regardless of special needs and circumstances.

Similarly UBI finds ardent opposition from across the political spectrum. Progressive opponents of UBI have seen it as a neoliberal intervention in that it is centred on individual choice in free markets—it may serve to enhance the power of the market over peoples' access to essential goods and services (e.g. Coote, 2018). Moreover some progressives feel that UBI risks diverting the energies of the left away from more important projects, question the affordability of providing an adequate level of benefit, and express concern that a UBI will displace funding from other areas of social protection (Coote and Yazici, 2019).

The main conservative argument against UBI is that it is unaffordable and a threat to fiscal stability. Neoclassical economists tend to point to the gross cost of UBI as a proportion of GDP, to emphasise the unaffordability of the policy (though these analyses rarely take into account the multiplier effects of transfers, but focus on a crude calculation of gross rather than net costs). They also invoke the potential negative externalities of higher taxes, and suggest that this would dampen economic growth (e.g. Bernstein, 2022). Other conservative opponents of UBI invoke moral narratives of dependency and the undeserving poor, seeing basic income as a "handout" which would encourage laziness, or be spent on temptation goods such as alcohol and tobacco. Extensive research has found no evidence to support claims around labour market withdrawal or increased consumption of temptation goods as a result of cash transfers (Davis *et al*., 2016; Orkin *et al*., 2022a).

Few policy proposals have amassed such diverse support and opposition, and the key reason for this is that UBI cannot be considered a single unified political concept. While common threads run through left and right visions of UBI—namely the regular provision of cash to a large group—these projects differ substantially when it comes to their intent, and the detail of their design. This reality has served to muddy and confuse debate around UBI—which tends to be taken as something to be supported or opposed in and of itself, and both proponents and critics have made generalising assumptions about UBI rather than engaging with the political and technical content of specific basic income proposals.

Moreover, there has not been sufficient attention paid to country context in UBI debates, though this may be beginning to shift. UBI debates have historically taken place in high income countries, and today tend to arise in these contexts particularly in response to the declining ability of waged work to provide dignity and anxieties around labour-saving automation. However, in the wake of the Covid-19 pandemic, many L/MICs have introduced cash transfers as poverty alleviation measures, and interest in the potential role of UBI in development has accelerated. A growing literature discusses UBI as a strategy for welfare and growth amidst structural and historically-entrenched unemployment, informality, and economic exclusion (Banerjee *et al*., 2019; Ferguson, 2015; Marais, 2022). In countries like South Africa, formal employment has never been available to a large enough proportion of the population to ensure welfare, and most basic income proposals aim to address the crisis of widespread hunger and extreme poverty. These proposals must be evaluated not only in theory but in light of the real challenges they seek to address and with principal concern for the lived experiences of the economically excluded.

3. South African context: A Global South leader in social protection?

Amongst the many countries grappling with these challenges, however, South Africa stands out for several reasons: First, its especially acute and deeply entrenched crises of unemployment, inequality and poverty. Second, its carbon-intensive economy, with heavy reliance on coal and ailing energy infrastructure all of which has contributed to its current dire energy crisis. This underscores both the urgency and the challenges of effecting a just transition in South Africa, which is beginning to come into focus in public and private sector policy initiatives. Third, its relatively small informal/subsistence economy compared to other Sub-Saharan African countries, which stems from landlessness resulting from colonial and apartheid era policies. This, coupled with recent and premature deindustrialisation of the economy, forecloses opportunities for sustainable livelihoods. Fourth, the fact that social protection policy debates in South Africa are quite advanced—as the President, the Department for Social Development, and the governing African National Congress (ANC) party have all indicated that plans are being developed for the introduction of basic income support. This would position the country as a Global South leader in comprehensive social protection as part of a framework for sustainable development. However, key challenges remain in terms of designing South Africa's basic income support system to ensure it is progressive, sustainable and fair.

Although South Africa has a comparatively extensive social protection system amongst L/MICs—with social grants including the Child Support Grant (CSG) and Older Persons' Grant (OPG) making up 24.4% of household income (Statistics South Africa, 2022), critical gaps remain in social protection coverage and millions of people living in poverty do not have access to income support. There is no permanent social assistance for persons of working age without income. This comprises a significant proportion of the population.

Estimates suggest that more than half the population lives below the Upper-Bound Poverty Line (UBPL), and roughly a quarter below the Food Poverty Line (FPL) (Bassier *et al*., 2022; Statistics South Africa, 2015). In the first quarter of 2023, 11.9 million people were unemployed (an expanded unemployment rate of 42.4%), with a further 13.2 million of working age not economically active (Statistics South Africa, 2023). Of those still actively seeking work, 77.2% were long-term unemployed. Food insecurity is a worsening emergency. In 2023, a fifth of South African households are food insecure, and a fifth of households send a member to beg for food (Dlamini *et al*., 2023).

In response to the Covid-19 crisis and associated lockdown measures which prevented many from accessing existing income sources, South Africa introduced a form of basic income support, the "Covid-19 Social Relief of Distress Grant" (SRD grant), in May 2020. This provides R350 (€17.12)[3] per month to those with income below the 2021 food poverty line. Intended to be temporary, the grant has been extended multiple times, aside from being discontinued for a period of three months in 2021. The current iteration of the grant is set to expire in March 2024. However there is general agreement that the SRD grant has laid a foundation for a more permanent form of basic income support, with debate now focusing on the form its replacement will take.

The SRD grant has played a vital role in mitigating hunger and extreme poverty over the pandemic period (DSD, 2021). Research conducted for the Department of Social Development (DSD) in 2021 found that 80% of beneficiaries reported that the grant had a

[3] As of 9 June 2023.

positive impact in their lives, and that the grant monies were used for basic necessities: 93.3% had used the grant for food (DSD, 2021). Other research in 2021 found that the SRD grant alleviated extreme poverty (Barnes *et al*., 2021). And recent research has shown that it stimulated local economies (Vawda *et al*., 2023; Graham and Mthembu, 2023), and increased the likelihood of employment (Bhorat *et al*., 2023).

However, especially since the grant was transitioned out of regulations under the Disaster Management Act, and into regulations under the Social Assistance Act in March 2022, and new qualifying criteria introduced, many people in South Africa living in poverty have faced extremely high barriers to applying for and receiving the SRD grant (IEJ and SERI, 2023). Figures cited by the Minister of Social Development in 2022 suggested that 13.4 million people in South Africa have no income, and that 18.3 million have income below the current income-eligibility threshold—the (previous) Food Poverty Line of ZAR624 per month (DSD, 2022). Yet, only 8.4 million SRD grant applications were approved in May 2023 (Personal communication from South African Social Security Agency, SASSA, 2023).

Barriers to access to the grant have included the digital divide, as applications can only be made online; language barriers as applications can only be made in English; confusing application systems; applicants being erroneously disqualified due to inaccurate details in government databases used to verify eligibility, or income verification checks through banks which did not accurately reflect their regular personal income. Finally many people do not have formal identification, which leads them to not apply for the grant (IEJ and SERI, 2023; Megannon, 2022). In addition, the value of the grant has been substantially eroded by increases in the cost of living since 2023. Annual CPI inflation in South Africa stood at 7.1% in March 2023, with food inflation having reached 14% (Statistics South Africa, 2023).

Policymakers have signalled that work is underway to design a form of permanent basic income support to replace the SRD grant (Department of Social Development, 2023; Ramaphosa, 2023). However, at the time of writing the government has not released any details as to the form this might take—including exactly who would be able to access it, the level of support it would provide, and any potential conditionalities that might be attached. It seems, however, that systems established to administer the SRD grant will provide the infrastructure for the administration of this permanent basic income support, and that a future "basic income grant" (BIG) will build from the existing beneficiary base of the SRD grant (Ramaphosa, 2023).

The right of everyone to an adequate social protection floor is enshrined in law in South Africa. Section 27(c) of the South African Constitution provides that "everyone has the right of access to social security, including, if they are unable to support themselves and their dependents, appropriate social assistance." It further provides that "[t]he state must take reasonable legislative and other measures, within its available resources, to achieve the progressive realisation of these rights".

In addition, in 2015, South Africa ratified the International Covenant on Economic, Social and Cultural Rights (ICESCR). Article 9 of the ICESCR provides that "States Parties to the present Covenant recognize the right of everyone to social security, including social insurance." In 2018, the United Nations Committee on Economic, Cultural and Social Rights recommended that the South African government “Ensure that those between the ages of 18 and 59 with little or no income have access to social assistance” (United Nations Economic and Social Council, 2018).

4. Introduction to proposals for basic income support in South Africa

This section provides an introduction and overview of recent major proposals for expanded social protection in South Africa, made since 2020. We focus on proposals to partially or fully close the key gaps in social protection in the country—that is permanent income support to those aged from 18 to 59. Most of these could be considered proposals for a form of basic income, but not all a UBI. For a summary of the proposals discussed here, see Appendix 1.

This is not an exhaustive list of proposals for basic income in South Africa, and in particular, we acknowledge demands and campaigning by civil society, grassroots and labour organisations and coalitions, including the Assembly of the Unemployed (n.d.), Cry of the Xcluded (2021), #PayTheGrants (n.d.), the Congress of South African Trade Unions (COSATU) (2023), and others. These proposals all include a preference for universality and most call for the eventual grant value reaching or exceeding the UBPL.

4.1. African National Congress

Pending the 2024 election, the governing ANC remains the most decisive actor with regard to determining South Africa’s social protection policy direction. As such, the party’s stance on basic income is of central interest to social protection advocates. While various senior party members have made competing public statements with regard to the desirability and feasibility of a basic income, an official position was adopted at the party’s 2022 policy conference, and affirmed at its elective conference later the same year.

The policy conference report (ANC, 2022a) contains a resolution on a basic income grant, stating that “the ANC supports the introduction of the universal Basic Income Grant to meet basic needs and reduce unsustainable wealth and income inequality” (53). It refers to universal eligibility as a “vital principle”, further stating that benefits can be clawed back from higher earners through the tax system. The grant would target ages 18-59, to close existing gaps. The policy conference resolution states that the grant should be unconditional, and indexed to the FPL. However, at its subsequent elective conference, the party resolved that the value of the grant should be improved over time from the FPL to the UBPL. The elective conference resolution provides little further detail, noting “In developing pathways to a Basic Income Grant the government should consider the detailed proposals on a BIG in the 2022 ANC Policy Conference Resolutions as a reference point” (ANC 2022b: 12).

The policy conference resolution briefly deals with both financing and timeframes, stating: “Government should come up with a financing strategy within 12 months that identifies new sources of financing which could include a wealth tax, closing tax loopholes and base profit shifting by corporates, a transactions tax and other means to prevent money being taken away from other state programmes” (ANC 2022a: 54).

Finally the resolution makes mention of possible supplementary policy initiatives, inter alia linking grant recipients to economic activity including through a “jobseeker’s programme” that links unemployed people to public works programmes or private sector jobs. The resolution further states that public works jobs should provide decent work. The resolution also commits to the provision of a “second type of income support” for care workers, micro entrepreneurs and jobseekers. “To be effective this economic empowerment grant should be indexed to the Lower Bound Poverty Line on introduction and increase, with the BIG, as a percentage of the National Minimum Wage subject to GDP growth” (54). It is not entirely clear from this whether increases in the basic income and economic empowerment grants would track the poverty lines or the national minimum wage.

4.2. Black Sash

The Black Sash is a veteran human rights advocacy organisation in South Africa which has been involved in advocating for a basic income grant since the late 1990s. The Black Sash’s demand for a universal basic income is rooted in the rights provided in Section 27(c) of the Constitution, alongside international obligations. The organisation released a detailed report in 2020 focusing on the case for basic income in South Africa (Senona, 2020) and in March 2023 delivered a petition and a memorandum to the Minister of Social Development calling for the implementation of permanent social assistance to those from 18 to 59, at the value of the UBPL (Black Sash, 2023). The Black Sash’s petition also demanded an immediate increase in the SRD grant value to the FPL (Black Sash, n.d.).

The organisation further states that caregivers of children receiving the CSG should qualify to receive basic income support (Black Sash, 2023). In addition, they call for basic income to be rooted in a sound legal and institutional framework (Senona, 2020). The organisation acknowledges the need for progressive realisation of UBI. In its 2020 report, it provided possible scenarios for interim targeting measures. These included a grant targeted at unemployed people, or the gradual expansion of eligibility across age brackets within the 18-59 range (from oldest to youngest), accompanied by a means-test which corresponds to that for the OPG. It is appears however that these scenarios haven’t been taken forward as Black Sash’s position, as they haven’t been included in it’s campaign platform (Black Sash, n.d.).

With regard to financing the grant, the Black Sash report called for a mix of measures including increasing tax revenue, utilisation of the UIF surplus, the recovery of revenue through VAT as a result of increased economic activity, and improved financial governance (Senona, 2020: 47).

4.3. Department of Social Development

The Department of Social Development held in-person consultations with civil society organisations on a draft basic income support policy in March 2023. It is important to note that this policy is currently not well developed, and that the Department aims to finalise policy development and consultative processes during 2023/24 (DSD, 2023). However, the draft proposal envisions building on the base of the SRD grant to reach a universal grant for people aged 18-59 at the level of the FPL. This would be achieved by increasing both coverage (through means-testing) and value over time.

The draft proposal refers to a range of possible financing options including new taxes, but does not state a position or make a recommendation. It also does not give a timeframe, or refer to possible conditionalities attached to the grant. It does state that the grant should be linked to active labour market policies, without proposing direct work conditionalities.

4.4. Expert Panel

The South African government engaged a panel of leading South African academics to report on the feasibility and appropriateness of extending basic income support to adults from 18 to 59 in South Africa. The Panel's report, released in 2021, was undertaken in partnership with the Department of Social Development (DSD) under the supervision of the ILO (Expert Panel, 2021). A supplementary modelling report was released in 2022 (Expert Panel, 2022).

The Panel found the introduction of income support to adults in the age range 18 to 59 to be an "urgent priority" (Expert Panel, 2021). The Panel also found that income support would have positive social and economic outcomes, and that if carefully balanced, redistribution can support growth. It suggested that income support can build on the foundation of the SRD grant, to progressively realise greater coverage at a higher benefit level. The panel recommended an initial means-test equivalent to the CSG means-test (currently at R4800 per month for a single person), rising over time to the personal income tax threshold (currently at R7980 per month).

With regard to value, the Panel initially recommended that the grant be raised progressively from the baseline of the SRD, to ultimately reach the level of the UBPL. In its supplementary report (2022), the Panel recommended that an entry-level basic income grant should have a starting value of the lower-bound poverty line (LBPL), but doesn't specify when it should be introduced, nor propose real increases to the SRD grant in the short term.

The first Expert Panel report went into extensive detail with regard to financing mechanisms. It suggested that the SRD grant could be maintained and improved with existing revenue streams, but that the government could consider tax increases to finance a more extensive system of basic income support. The Panel initially recommended that it would be most sustainable and desirable to spread the additional tax burden across both progressive and regressive mechanisms, including personal income tax (PIT) and value-added tax (VAT). In addition, it suggested that new taxes such as a wealth tax could be considered but should be introduced gradually to mitigate against possible shocks. It also recommended that government consider additional financing options such as streamlining certain tax expenditure subsidies (Expert Panel, 2021).

However, in its supplementary report, the Panel found that using VAT to finance improvements to the SRD grant would result in negative outcomes for economic output, and that “given South Africa’s extreme income inequality, revenue raising options for new redistributive programmes, such as the SRD Grant, should make use of progressive taxation options” (Expert Panel, 2022: 84).

4.5. Institute for Economic Justice

The Institute for Economic Justice (IEJ, to which the authors are affiliated) is a Johannesburg-based independent research and policy institute, which over the last several years has been very active in basic income policy debates. The IEJ’s basic income proposals have been widely debated by commentators (Bernstein, 2022; Intellidex, 2021; Steenkamp *et al.*, 2023),[4] and referenced by key decision makers (Joint ANC Social and Economic Transformation Task Team on BIG, 2021; Expert Panel, 2021; DSD, 2023). The IEJ’s proposals are encapsulated in various policy briefs and press statements, with central aspects appearing in 2021 policy briefs focused on financing (IEJ, 2021b) and design (IEJ, 2021c), and a 2023 report modelling macroeconomic pathways to basic income (ADRS and IEJ, forthcoming 2023).

The IEJ proposes the progressive realisation of an unconditional, universal basic income grant for those aged 18-59. Universal eligibility is a key principle in the IEJ’s proposals, and it is pointed out that this affirms the right of all citizens and residents to a share of collectively produced wealth; eliminates unjust exclusions; reduces administrative costs and complexity; and reduces stigmatisation of beneficiaries (IEJ, 2021c). However, the IEJ proposes that the wealthiest would remain net contributors to the basic income through clawbacks through the tax system (IEJ, 2021b).

Like other actors, the IEJ suggests that the value of the grant should be linked to the national poverty lines (NPLs). Together with ADRS (ADRS and IEJ, forthcoming 2023) it has modelled three potential scenarios, to demonstrate inter alia the macro-economic impacts of different pathways to a UBIG. In its “high ambition pathway”, it envisions a basic income grant with a value of the UBPL, and a means-test of six times the UBPL, by 2030. Using the Dynamically Integrated Macro and Micro Simulation (DIMMSIM) developed by Applied Development Research Solutions, and assuming a take-up of the grant of 60-80%, it is estimated that this high ambition pathway would result in a GDP growth rate of 3.5%, an unemployment rate of 27.2%, a reduction in inequality of 19.1%, and a reduction in the poverty rate of 61.0% (ADRS and IEJ, forthcoming 2023).

[4] These commentators have been critical of the IEJ’s proposals. See Isaacs (2021), Adelzadeh (2023), and Isaacs *et al*. (2023) for responses to these critiques.

This model assumes that the grant will be funded by a combination of new taxation instruments (a wealth tax, and a social security tax), and increased revenue from economic growth stimulated by the grant itself (ADRS and IEJ, forthcoming 2023). Although the model only focuses on two taxation instruments, the IEJ has proposed 18 possible mechanisms which could contribute to funding the grant (IEJ, 2021b). These include a financial transactions tax, resource rent tax, VAT on luxury items, as well as the removal of certain corporate tax breaks and reduction of irregular and wasteful expenditure (IEJ, 2021b). The Institute stresses the need for the basic income to be funded by non-regressive taxation measures, in order to be redistributive, and not to displace funding from existing social grants or public services: "after years of fiscal consolidation, cutting the budgets for important state functions to pay for a BIG is not a prudent option, especially since it runs the risk of eroding the capacity of the state in the long term and undermining the poverty alleviation impacts of a BIG" (ADRS and IEJ, forthcoming 2023).

4.6. Orkin *et al.*

A group of South African and international academics released a detailed Proposal for the extension, redesign and repurposing of the SRD for the twin goals of poverty and unemployment reduction in November 2022 (Orkin *et al*., 2022b). The proposal recommends the implementation of a more permanent and reformed version of the SRD grant. The authors identify a range of issues with the current means-testing and administration of the SRD grant, which they demonstrate have resulted in a very high rate of exclusion. They model four scenarios for more effectively targeting the grant to a higher number of beneficiaries, and their costs and impacts on poverty. Based on these findings the authors make immediate- and longer-term recommendations for the grant.

In the immediate term, they propose raising the means-test threshold to R1335 (the previous UBPL), verifying income via banking data over an average of 3-6 months as opposed to the current monthly verification, and removing the Unemployment Insurance Fund (UIF) registration criterion which has served to exclude many.[5] They estimate that these measures would extend access to 12-13 million direct beneficiaries. Orkin *et al.* also model an increase in the value of the grant to R500 and find that it would have a greater impact on poverty even with a lower means-test of R1335—they highlight this as their "preferred scenario" in the short-term.

In the longer term, the authors propose changing the targeting mechanism for the grant to something more consistent with the CSG and OAP. This would involve dispensing with the verification of beneficiaries based on banking data, and rather relying on applicants' self-reporting of income. The authors propose a higher means test of R3731 (the National Minimum Wage at the time the paper was written). They state: "This mechanism discerns between single and married recipients and measures combined income (self-reported) for the latter" (8). In this version, wealthier people would be incentivised to self-exclude (not apply) as the administrative procedure for application would not be worth it for them. They

[5] Due to the UIF database being inaccurate and out of date, as well as the fact that the criterion creates a perverse incentive not to enter into formal employment.

estimate that in this scenario, the number of beneficiaries would increase to 14 million. They also propose labelling the grant a "Jobseeker's grant", which they argue would encourage people to undertake job search activities, and they further propose linking it to mechanisms to support job search such as a centralised jobseekers database. They do not, however, support direct jobseeking conditionalities being placed on grant recipients.

4.7. Social Policy Initiative

The Social Policy Initiative (SPI) is an independent South African research institute focused on social policy through a feminist lens. Their ambitious universal basic income proposals envision a three-year implementation timeframe. This would see a grant for all aged 18-59 at the value of the FPL in the first year (2023/24); the LBPL in the second year (2024/25) and the UBPL in the third year (2025/26).

The grant would be unconditional and not means-tested, and it would be available to all adults 18-59 as well as children whose caregivers currently receive a CSG (Gqubule, 2022). Following the implementation of the UBI, SPI proposes the introduction of a "second stimulus" which would increase the budget allocation for public employment programmes, "which must be amalgamated under a new institution that has the capacity to provide up to 5-million jobs in five years" (Gqubule, n.d.).

SPI is somewhat of an outlier with respect to proposed financing modalities. The institute sees the grant primarily as a macroeconomic policy to stimulate growth (though notes that it will also end income poverty in three years, Gqubule, n.d.). It calls for a binding target on Treasury and the Reserve Bank of 6% GDP growth per annum, and for the grant not to be financed through additional taxation. SPI argues that such a financing mechanism would reduce inequality, but would not provide sufficient stimulus to the economy.

Therefore, the institute envisions an increase in the debt-to-GDP ratio of between 2.4 and 3.1 percentage points. They argue, "this would be a small price to pay for a policy that would eliminate income poverty in three years" (Gqubule, 2022, 31). As a result of this policy, they anticipate a GDP growth rate of between 4.3 and 5.6% a year, and the economy to create an additional 1.6 to 2.1 million jobs.

SPI's critique of other UBI proposals suggests they are 'budget neutral' and therefore regressive (because they contend it would entail a reallocation of resources already in the economy). However a number of proposals (including the ANC, DSD, Expert Panel and IEJ) envisage the raising of new revenue to finance basic income, and therefore cannot be characterised as budget neutral. Nevertheless the role of UBI as a stimulus intervention remains an important issue for debate.

5. Assessing the progressive potential of proposals for basic income support in South Africa

Drawing on ILO Recommendations and particularly the Social Protection Floors Recommendation, 2012 (No. 202), as well as other international conventions and standards, Ortiz *et al*. (2018) develop a series of criteria by which basic income proposals may be evaluated. Recommendation 202 guides member states to:

a. establish and maintain, as applicable, social protection floors as a fundamental element of their national social security systems; and
b. implement social protection floors within strategies for the extension of social security that progressively ensure higher levels of social security to as many people as possible, guided by ILO social security standards.

The concept of a social protection floor has emerged relatively recently, and focuses on the need for countries to prioritise the closure of gaps in existing social security systems, and then to gradually raise the level of benefits.

This concept underpins Ortiz *et al*.'s evaluation of basic income proposals. Their criteria are applicable across multiple contexts including high-, middle- and low-income countries, and provide a tool for observers to assess the extent to which basic income proposals may contribute to the establishment of an adequate and sustainable social protection floor. The remainder of this section discusses the South African proposals against these criteria.

5.1. Adequacy of benefits

Ortiz and colleagues argue that the adequacy of benefits is critical to ensuring that a basic income reduces poverty and inequality. This means that the value of a basic income grant should be set at an appropriate level to meet people's basic needs, and that it should be periodically adjusted to maintain adequacy. ILO Recommendation 202 states that "basic income security should allow life in dignity," and that social protection floors should "secure effective access to goods and services defined as necessary at the national level." There are a number of benchmarks that countries can use to determine what level of income is needed to allow people to buy essential goods and services including a defined proportion of the average wage, but the authors concentrate on the national poverty line as a key indicator. They suggest that basic income levels should correspond to the national poverty line.[6]

[6] It is important to note that recent research has found that cash transfers have had dramatic positive impacts in L/MICs on a range of indicators including economic activity (Bhorat *et al*. 2023) as well as health and mortality (Richterman *et al*., 2023) even if set well below the poverty line. However, while extremely promising in terms of the potential impacts of basic income, these findings do not necessarily support basic income set below national poverty lines (which would not create a social protection floor whereby everybody's basic needs are met). They do, however, support the progressive realisation of adequate benefits, which is discussed later in this section.

The proposals for basic income in South Africa reviewed in this paper all link its value to a national poverty line,[7] with the exception of Orkin *et al*. (2022b). Moreover, the ANC, the Black Sash, the Expert Panel, the IEJ and SPI all propose that the grant should have a starting value of either the FPL (ANC, Black Sash, IEJ, and SPI), or the LBPL (Expert Panel), and increase over time to reach the UBPL.

With regard to the adequacy of benefits, Ortiz *et al*. also note that consideration must be given to persons with special needs and vulnerabilities, such as health conditions or disabilities, or those with caring responsibilities. A flat basic income provided to all at the poverty line is not sufficient to ensure equity for disadvantaged or vulnerable groups. This means that certain groups should receive a higher level of benefits, which may be cash or in kind benefits, in order to ensure non-discrimination. The proposals reviewed here are all in addition to existing benefits that target people with special needs or vulnerabilities, including children and persons with disabilities. SPI is the only organisation to propose further additional benefits to vulnerable groups, as they suggest that the basic income should be extended to children already covered by the CSG. The IEJ supports an increase in the CSG to the FPL, in line with demands made by children's rights advocates.

Ortiz *et al*. caution against proposals to replace existing benefits with a UBI. They point out that a flat UBI alone cannot provide adequate support for the “full range of life-cycle contingencies normally covered by such a system” (p. 9). This includes those set out by ILO Convention No. 102, 1952, including maternity, sickness, unemployment, employment injury and old age—which are already covered by many social protection systems. As the urgency of a just transition to a low carbon economy comes into focus in South Africa, it is also critical that additional consideration is given to workers affected by industrial disruption related to the transition. In particular, Ortiz *et al*. stress the need to consider the implications of a basic income for gender equity—especially where a basic income threatens to displace funding to services like health and education, which will increase the burden of care on primarily women. In addition, commentators have pointed out that while an individual grant provided to all adults may increase womens’ autonomy and decrease their dependence on men, a household-level grant is likely to have the opposite effect—as it is generally controlled by heads of households, more likely to be men. Policy makers within National Treasury in 2022 were considering the possibility of replacing the SRD grant with a household grant, and attracted opposition from civil society, inter alia on these grounds. (IEJ, 2022a).

In South Africa, 13.2 million Child Support Grants (CSGs) were paid in December 2022, and 3.8 million Older Persons’ Grants (OPGs) (SASSA, 2023). Grants are already the most important source of income for the lower deciles. However, research has shown that due to the prevalence of poverty and unemployment amongst adults, grants are commonly pooled

[7] In South Africa, the National Poverty Lines (NPLs) are determined periodically by Statistics South Africa based on a series of tracked basic goods. They are split into three thresholds, with the Upper-Bound Poverty Line (UBPL) denoting the level of income required to meet basic needs, the Lower-Bound Poverty Line (LPBL) at which people would forgo certain food items in order to meet other basic needs, and the Food Poverty Line (FPL) which is the minimum income required for a person to meet their daily caloric intake requirements.

within households, and thus their level of targeted support to children and older persons is diluted. For this reason, all basic income proposals reviewed suggested that benefits should be targeted to the working-age population of 18-59, and that the basic income should complement the existing CSG and OPG (as well as other grants such as disability). However, there are some indications that policy makers in National Treasury would like to cut back on expenditure by collapsing all grants into a single grant (IEJ, 2022a).

Moreover, the CSG is currently set at a rate of R500 per month, which is well below the FPL of R663. If a basic income is introduced at a higher rate than the CSG, this would be inherently discriminatory towards caregivers of children, who are much more likely to be women. To avoid further entrenching gendered inequity, it is important that the CSG is raised to at least match the value of the basic income grant, and that this value is set at at least the FPL. To date, this has not been incorporated into basic income proposals in South Africa.

Finally with regard to adequacy, some international proposals position the UBI as a replacement for public services such as health and education. The logic of this is that people can purchase essential services with their basic income. Ortiz *et al*. are adamantly against this view of basic income, and hold that it must be complemented by universal, quality public services, otherwise it will constitute a net loss in public provisioning.

Some critics go further to argue that in every scenario UBI is highly likely to come at the expense of basic services, and that progressives should advocate for universal basic services (UBS) instead of basic income (see Gough, 2019). Others, however, contend that the two should not be seen as exclusive, but complementary (Buchs, 2021; Huss, n.d.). The authors of this article concur with that view. Despite these contentions, there is consensus amongst progressives that basic income cannot improve living standards and welfare unless existing public services are also maintained and improved over time. None of the proposals reviewed suggest that the grant should come at the expense of funding for public services. However, Finance Minister Enoch Godongwana has made public statements to the effect that expanding the welfare net would require fiscal “trade-offs” (Naidoo, 2023) and has publicly floated the idea of the subsidy for free basic services being directed towards basic income.

5.2. Coverage

Ortiz *et al*. also refer to coverage as a criterion by which UBI proposals should be assessed. They note, “whilst universal coverage is one of the key definitional attributes of UBI, this issue is not as clear-cut as it seems” (p. 11). This is because many UBI proposals exclude certain groups such as children, older people, and foreign nationals. The authors point out that ILO Recommendation 202 “requires that, at a minimum, basic income security and access to essential health care should be guaranteed for at least all residents and children” (p. 11).

In South Africa, most UBI proposals target adults 18-59 but foresee the retention of the CSG and OPG to cover people outside this age range. However, many “basic income” proposals advocate tighter (often interim) targeting measures, including means-testing or categorical targeting (such as unemployment or age), discussed in detail below. While basic income may be established for adults in the medium term, it is likely that over the longer term, there will be discussions around the restructuring of the social security system as a whole. This contestation could see an expansion of benefits, or a net reduction if those advancing austerity prevail.

5.3. Progressive realisation

Although most of the proposals reviewed here envision universal coverage for ages 18-59, a variety of options for progressively expanding coverage to meet this objective are given—in acknowledgement that new fiscal instruments will need to be phased in to make the necessary resources available to achieve universal adequate basic income.

Ortiz *et al*. state that countries should consider gradually phasing-in benefits if sufficient resources are not available to achieve a UBI in the short-term. They note that there should be “objectives [for this] in national development strategies and plans, setting targets and timeframes” (28). They point to ILO Recommendation 202 which provides that states should “progressively ensure higher levels of social security to as many people as possible.” This is consistent with the South African constitution which obliges the government to progressively realise the right to social security within available resources.

All the proposals reviewed in this paper contain some element of progressive improvement of benefits and coverage. All proposals envision the benefit value increasing over time over and above inflation, and (except Orkin *et al*.) starting at the level of the FPL. All proposals—aside from the ANC and SPI, and in some scenarios the IEJ (see Coleman 2021), which call for universality at the outset—also seek to expand beneficiary numbers over time. In the case of DSD, the Expert Panel, the IEJ, and Orkin *et al*., this is achieved by progressively raising the means-test to expand access up the income deciles.

Orkin *et al*. also provide detailed recommendations for administering the grant which would serve to remove barriers and expand access. Raising the level of the means-test enables progression towards universality as rapidly as possible, because a high means-test reduces the chance of the exclusion of those most in need (and, as Orkin *et al.* note, incentivises the wealthy to self-exclude). The Black Sash by contrast in one proposal from 2020 suggested other forms of categorical targeting in the interim, namely either unemployment targeting, or narrower age group targeting accompanied by a means-test. However, this is administratively complicated and likely to result in higher exclusion errors given difficulties defining and delineating the boundaries and members of these categories.

With respect to timeframes, both the IEJ and SPI provide clear pathways including dates and targets for the implementation of basic income. Other proposals including the Expert Panel and Orkin *et al*. also model the expansion of support across successive years and make short and long-term recommendations.

5.4. Non-regressive financing

Ortiz *et al*. note that realising a UBI at an adequate level would require new sources of financing to be identified in most contexts. They state that:

"Given that UBI is proposed to redress growing inequalities caused by corporate globalisation and new forms of work, it should be redistributive. UBI should not be financed by regressive methods such as taxing households or depriving them from other social benefits, as this UBI policy would give to households with one hand what it would take away with the other" (18).

The authors argue that "even the poorest countries" have options for increasing fiscal space to finance social protection. One option is re-allocating public expenditure from high-cost, low-impact investments—they cite Costa Rica and Thailand reallocating military expenditures to social protection. Another option is increasing tax revenues, which is cited as the "principal channel". In addition they refer to lobbying for aid and transfers; eliminating illicit financial flows; using fiscal and central bank foreign exchange reserves; and restructuring existing debt.

Ortiz *et al*. emphasise that policy makers should avoid regressive financing options for social protection, in order to align with ILO conventions and recommendations, and to ensure equity and sustainability. This means that revenue should not be raised for basic income primarily from the lowest deciles (e.g. through flat taxes or VAT), as this undermines the redistributive and inequality-reducing impacts of the policy. They cite Recommendation 202 and Convention 102 which underscore the importance of solidarity in financing social protection. They state: "For a UBI proposal to be progressive, it needs to be redistributive, financed by progressive taxation and other sources explained in this paper".

The proposals we review make a range of suggestions for financing basic income support in South Africa, only some of which are aligned with Ortiz *et al*.'s recommendations. The IEJ directly recommends that the policy be financed through new progressive taxation, and provides a list of 18 possible progressive financing mechanisms which could contribute to funding the grant. While the Expert Panel suggests a range of both regressive and progressive instruments in their first report, this is updated in their supplementary report to recommend only progressive instruments, with an emphasis on personal income tax.

The ANC also cites a number of progressive tax instruments (including a wealth tax) as possible financing mechanisms, though does not make a formal proposal for financing in its resolutions, instead stating that government should consider these options. The 2020 report commissioned by the Black Sash advocates for a "mix" of funding sources, which may include VAT (a regressive form of tax), though Black Sash has not stated a definitive position on financing. DSD and Orkin *et al*. do not make financing proposals, however Orkin *et al*. assert that a universal BIG is "unaffordable" in the short to medium term, as it would require additional revenue to be found either through raising the debt-to-GDP ratio or introducing new taxes, which carry risks (p. 6). As discussed above, SPI advocates against new taxation to fund the grant, arguing that the only way to ensure the policy acts as a sufficient stimulus is to finance it through an initial increase in the debt-to-GDP ratio, though they suggest that the cost of the policy would be quickly offset to a large degree by growth (enshrined in binding targets on Treasury and the Reserve Bank).

Ortiz *et al*. do not explore an increase in debt as a financing option, though they state that countries under high debt distress could consider restructuring their existing debt. They note that “in recent years” over 20 countries have defaulted on or repudiated public debt and directed savings to social protection programmes (p. 20). Nevertheless, taking on more debt to finance social protection is still a non-regressive form of financing in that it does not call on low and middle-income households to contribute to the cost of the grant, unless they are regressively taxed to pay back the debt. Whether it is sustainable is the subject of debate, and South Africa’s current fiscal policy is wholly geared towards fiscal consolidation and the reduction of debt.

5.5. Governance

Ortiz *et al*. also refer to effective governance as important to assessing the progressive potential of basic income proposals. This includes the need for basic income to be rooted in a “sound legal and institutional framework”, which regulates aspects like benefit levels, eligibility criteria and financing modalities. In addition, they stress the need for social dialogue with stakeholders in order to “generate a broad consensus on UBI, and to ensure its adequacy and sustainability over time” (12). They note that ILO Recommendation 202 lays out the need for tripartite dialogue with employers and workers, as well as other organisations representing affected stakeholders, particularly on the adequacy of benefit levels.

In South Africa, the need for a sound and transparent legal and institutional foundation for basic income which is reached through dialogue and consultation is critical due to the fact that trust in institutions has been eroded through experiences of state capture and corruption. Many commentators express a lack of faith in public institutions to administer such a significant programme of spending without corruption. On the other hand, because universal basic income is administratively much less complex, it may reduce opportunities for maladministration compared to a targeted grant. In addition, there is some international evidence from unconditional cash transfer programmes that they can increase trust in leaders (Evans *et al*., 2019) and social cohesion (Bierel and Dodlova, 2022). Though these effects are tempered by targeting or conditionalities which can create stigmas and have a detrimental impact on social inclusion (Della Guardia *et al*., 2022).

Amongst the proposals reviewed in this paper, the Black Sash, Expert Panel and SPI refer explicitly to governance issues. The Black Sash calls for the basic income to be “anchored in a sound legal and institutional framework”; the Expert Panel calls for a process of social engagement which establishes a pathway to realisation with obligations on the State; and SPI calls for binding mandates and targets on state institutions.

5.6. Broader policy context consideration

Finally Ortiz *et al*. highlight the need for systematic assessment of the implications of a basic income for the broader policy context, including on social and economic outcomes. They point to the need for a regulatory framework to include complementary policies, such as wage policies. The IEJ has stressed the need for basic income to be "supported by strong labour protections including collective bargaining and minimum wages" (IEJ, 2022b), so as not to serve as a subsidy to employers, placing downwards pressure on wages.

In addition, several of the proposals reviewed here have suggested that basic income should be accompanied by active labour market policies to boost job creation and assist grant recipients into employment. This includes the ANC, DSD, Expert Panel, IEJ, Orkin *et al*., and SPI. Some, such as the ANC and Orkin *et al*., propose the establishment of a registration system or database of active jobseekers which links them to public and private sector opportunities. In addition, the ANC and SPI propose boosting public employment programmes, and the Expert Panel suggests that basic income would be even more impactful if accompanied by a wage subsidy, though notes that a well-targeted wage subsidy is difficult to achieve in practice. The IEJ and SPI also suggest active macroeconomic policies to accompany the grant.

None of the proposals reviewed here however suggest placing jobseeking conditionalities on recipients, and many are strongly opposed to this. This is in contrast to the current SRD grant, which includes a condition that recipients must not "unreasonably refuse to accept employment or educational opportunities", as well as suggestions from National Treasury to replace the SRD grant with a jobseekers grant, which would have strict work conditionalities (IEJ 2022a). This condition in the SRD regulations is not currently operationalised or enforced, though there are indications that government is developing inter-departmental data sharing capabilities in order to police it. Orkin *et al*., despite advocating for the grant to be labelled a "jobseekers" grant, argue against making receipt of the grant conditional on jobseeking: "international evidence shows that such conditions are difficult, expensive to enforce and only moderately effective. Given the huge number of unemployed active searchers, we argue that many jobseekers are likely to take up [jobseeking] services voluntarily" (p. 11). They further outline multiple additional problems with job conditionalities.

6. Conclusion

This paper has reviewed seven major recent proposals for basic income or universal basic income in South Africa, against a framework advanced by Ortiz *et al.* (2018), to uncover the extent to which they align with ILO standards, and their progressiveness and sustainability. Our review reveals that—while UBI is often treated as a uniform concept—the detail of these proposals vary significantly. It is critical for researchers and policy makers to engage with proposals on a detailed level, to ensure that a future basic income support system will be appropriate and sustainable.

There are, however, several areas of consensus across the major proposals for basic income in South Africa. These include that they all seek to close the key gap in the existing social protection system, to establish a social protection floor below which no one in South Africa can fall. Specifically, this means extending an additional form of income support, to those aged 18 to 59. This strong consensus underscores the urgent and critical need for an expanded safety net, to address the immediate crisis of hunger and extreme poverty, alongside promoting inclusive economic growth in the longer term. In addition, there is widespread agreement on the need for benefits to be pegged to a national poverty line, in order to ensure their adequacy, and also the need to increase benefit levels and coverage over time.

Despite this broad consensus in the research community and civil society, there have been worrying indications from some parts of government, that future basic income support may come at the expense of existing forms of social protection or other areas of social spending (Naidoo, 2023); may be financed through regressive taxation instruments; may impose onerous and ineffective conditionalities on recipients; or may be provided at the household level as opposed to the individual level, thus potentially disadvantaging women (IEJ 2022a).

Our analysis demonstrates that proposals for basic income in South Africa prioritise redistribution (including through progressive financing mechanisms), with many explicitly aiming to stimulate bottom-up economic growth. This developmental rationale for basic income emerges more strongly from low- and middle-income country contexts, and is beginning to feature more prominently in global debates. In South Africa, the call for basic income responds in part to the need to protect workers from labour market disruptions, but perhaps more fundamentally, it arises from the need to rethink existing development paradigms, and to address entrenched crises of exclusion while structurally transforming the economy. It is clear that the austerity paradigm which has dominated policy making in South Africa for at least the past decade is incompatible with this vision of inclusive development. The basic income movement in the country has united actors opposed to austerity and, despite areas of divergence, advances a clear alternative developmental pathway for South Africa.

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Appendix 1. Overview of basic income proposals for South Africa

	Value	Implementation pathways and timeframe	Relationship to other benefits and policies	Target group and methodology	Financing	Conditionalities	Objectives and (expected) results
ANC	Basic income grant indexed to the FPL (2022a) Progressively improved to the UBPL (2022b)	"Government should continue to pay the SRD Grant of R350 until the introduction of the Basic Income Grant, and should be linked to the FPL" (ANC, 2022a). Financing strategy to be developed within 12 months of 2022 Policy Conference.	Basic income is additional to existing benefits. "A jobseeker's programme should be improved that links registration of unemployed adults with public works programmes or available private sector work" (2022a). "Public works jobs must be decent work" (2022a). Further "economic empowerment grant" for carers, job seekers, or entrepreneurs at the LBPL (2022a).	Universal for adults 18-59. "Grants can be clawed back from the wealthier using the tax system" (2022a).	New sources of financing "could include" a wealth tax, closing tax loopholes and base profit shifting by corporates, a transactions tax and other means to prevent money being taken away from other state programmes (2022a).	Unconditional	"To meet basic needs and reduce unsustainable wealth and income inequality" (2022a).

Black Sash	Immediately increase SRD grant to food poverty line (Black Sash, n.d.). Thereafter realise basic income at UPBL.	Increase to SRD grant value made immediately. Progressive realisation of greater coverage and higher value (specific timeframes not given) (Senona, 2020, 47).	"Unemployed Caregivers, who receive the Child Support Grant, must also qualify." (Black Sash, 2023) "A BIS would need to be anchored in a sound legal and institutional framework" (Senona, 2020, 47).	Demands government "work towards a universal basic income for all" (Black Sash 2023).	"The optimal financing package will involve a mix of tax sources (including increasing tax revenue, recovering funds through VAT, utilisation of UIF surplus) as well as some good financial governance." (Senona, 2020, 47).	Unconditional	Realisation of rights enshrined in Section 27(c) of the Constitution, and under international obligations.
DSD	Building on the base of the SRD grant (350) to progressively reach the FPL.	Building on the Social Relief of Distress grant. "Extended with progressive improvements in the Means-test threshold and the value of the grant." Policy proposals, including consultation and approval processes to be finalised in 2023/24. 2024/25 "spent in the legislative process" (DSD, 2023). Targets for progressive realisation not provided.	Additional to existing benefits. Links to active labour market policies.	Adults 18-59. Initially means-tested, expanded progressively to universal for 18-59.	Range of revenue raising options referred to but no clear proposals made.	Not stated.	"We view the grant as primarily a poverty alleviation measure."

Expert Panel	Reviewed annually with an ultimate target of the UBPL. Starting benefit value of the LBPL (Expert Panel, 2022).	Progressive enhancement of the SRD grant over time. No proposed timeline but there should be a process of social engagement which establishes a pathway to realisation with obligations on the State. Full modelling timeline goes to 2045.	Additional to existing benefits. Additional complementary measures should be progressively introduced, including a labour activation strategy developed in conjunction with industry. A wage subsidy could complement income support (Expert Panel, 2022).	Adults from 18-59. A means-test threshold equivalent to the CSG for an entry-level BIG, rising progressively over time to a level equivalent to the personal income tax threshold. A PIT means-test threshold would extend direct coverage to 27.5 million individuals. Necessary to establish a “credible, independent, transparent and effective” complaints mechanism to address unfair exclusions.	If an increase in taxation required, spreading the tax burden across several bases, including PIT and VAT. New taxes such as a wealth tax could be considered but should be introduced gradually. Additional financing options such as streamlining certain tax expenditure subsidies should be considered (Expert Panel, 2021). “Given South Africa’s extreme income inequality, revenue raising options for new redistributive programmes, such as the SRD Grant, should make use of progressive taxation options.” (Expert Panel, 2022).	Unconditional	Eliminating poverty at the UBPL. Likely to stimulate short-term growth, however, long-term growth impacts depend on the ability of the supply-side of the economy to adjust.

IEJ	FPL in the immediate term; rising to the UBPL in the long term.	IEJ has considered two broad scenarios. One with a relatively rapid transition to universal basic income over 3-5 years. (Coleman 2021, IEJ, 2022c). Second, low-, medium-, and high-ambition pathways have been modelled to achieving a UBIG (ADRS and IEJ, forthcoming 2023). In the second set of scenarios, universal BIG is in place in the early 2030s. Access and eligibility expanded by a gradually raised means-test over the next 7-10 years.	Complementary to existing social grants and needs to be accompanied by active labour market policies and quality universal public services.	Adults 18-59. Eligibility expanded by increasing means test (from UBPL to reach universal eligibility by early 2030s) (ADRS and IEJ, forthcoming 2023). Despite universal eligibility, expects 60-80% take up of grant in medium term. Net benefits will accrue to the lowest deciles as a result of clawbacks through the tax system on wealthier individuals.	18 possible funding mechanisms proposed, including ring fenced social security tax (leveraged progressively up the income scale); wealth tax; financial transactions tax, resource rent tax, luxury VAT, as well as removal of certain corporate tax breaks and reduction of irregular and wasteful expenditure (IEJ, 2021b). Emphasis on the need for non-regressive financing mechanisms for redistribution; the need to gradually introduce new taxes to avoid shocks.	Unconditional	Income security for all (IEJ, 2021a), redistribution (2021b), disruption of structural poverty (Howson and Mncube, 2022). "High ambition pathway" expected to result in a GDP growth rate of 3.5%, an unemployment rate of 27.2%, a reduction in inequality of 19.1%, and a reduction in the poverty rate of 61.0% by 2030 (ADRS and IEJ, forthcoming 2023).

Orkin *et al.*	R500	Immediate term and long-term scenarios; recommends keeping the existing SRD grant infrastructure in place while new systems are being developed.	Complementary to existing social grants; greater design and administrative consistency with existing grants. The introduction of active labour market services over time to grant recipients.	Adults with income below R1335 in the immediate term; R3731 in the long term. In the immediate term, a new approach to means-testing which averages bank account inflows into an individual's bank account over 3-6 months. Removal of UIF registration as a criterion for exclusion. This would increase beneficiary numbers to 12-13 million. In the long-term means-testing of combined rather than individual income for married couples (consistent with CSG and OPG); and reliance on self-reporting of income rather than bank data, with incentives for higher income earners to self-exclude.	Not stated. Note that untargeted BIG is "unaffordable" in the short to medium term and would require increases in debt or the introduction of new taxation which carry risks.	Unconditional—explicitly recommends the grant should not be conditional on job search.	Poverty reduction and encouraging recipients to engage in labour market activity.

SPI	FPL in year 1 (2023-24) LBPL in year 2 (2024-2025) UBPL in year 3 (2025-2026)	Three-year implementation timeframe, raising benefit levels each year.	Complementary to existing social grants. “A second stimulus must increase the budget which is allocated to public employment programmes, which must be amalgamated under a new institution that has the capacity to provide up to 5-million jobs in five years.”	Adults 18-59, and extended to children whose caregivers already receive CSG.	Should not be funded by additional taxation, or the reallocation of current spending. This would not have a great enough stimulus effect (Gqubule, n.d.). Grant should be financed through GDP growth, with a binding target on Treasury and Reserve Bank of 6% per annum (Gqubule, n.d.), alongside an increase in the debt-to-GDP ratio of between 2.4 and 3.1 percentage points (Gqubule, 2022).	Unconditional	“The basic income grant is primarily a macroeconomic policy issue, although it could eliminate income poverty in three years.” (Gqubule, n.d.). Within the three year implementation period: “There would be a GDP growth rate of between 4.3% and 5.6% a year, assuming fiscal multipliers of 1 and 1.5 respectively. The economy would create between 1.6 million and 2.1 million jobs.” (Gqubule, 2022).

(Adapted from Ortiz *et al*., 2018).