

# INTRODUCTION TO THE BASIC INCOME GRANT / GUARANTEE

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# What is BIG?



- ❖ Universal Basic Income, also often called a universal basic income grant/guarantee (UBIG) is the idea of a guaranteed, unconditional and dignified cash transfer. In some international contexts UBI refers to a basic income grant which is available to any citizen or resident of any age.
- ❖ A basic income grant is, first and foremost, a direct investment in human capital by alleviating poverty and hunger, which are unacceptable infringements on people's basic socio-economic rights.
- ❖ The UBIG is paid per person, with the target of R796 per person which is the food poverty line.



# Common myths surrounding the Basic Income Grant (BIG)



Basic Income Grant (BIG) is the false dichotomy between basic income and job creation.

BIG reduces Labour market participation

Social grants do not contribute to economic development

- ❖ Will make people lazy
- ❖ Too expensive to implement
- ❖ Cause inflation
- ❖ Recipients spend the grant money on Drugs and Alcohol



# A comparison between the current SRD grant and UBIG, including the advantages of the latter

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## SRD - R370

- ❖ Targeted – 18-59 years old.
- ❖ Means tested
- ❖ Exclude those who qualify due to the criteria
- ❖ Stigma

## UBIG - R760

- ❖ Universal
- ❖ Not means tested
- ❖ Limit risk of exclusion



# Feasibility and achievability of implementing UBIG



- ❖ These include increases in progressive taxation, particularly wealth tax, which many argue are significantly underutilised in South Africa, notable in the most unequal country in the world.
- ❖ Budget reprioritisation, cutting corrupt and inefficient spending and stopping the illicit outflow of capital.