

SOCIAL SECURITY & SUSTAINABLE DEVELOPMENT GOALS

Prepared by:

Social Policy Initiative

Authored by:

**Zethembiso Mathenjwa
Camerodene-June Buys
Isobel Frye**

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@ www.spi.net.za



Table of Contents

03	Key Messages
04	Executive Summary
05	Objective & Outline of Policy Brief
06	Introduction (Background)
07	Unpacking the United Nations' Agenda 2030 Sustainable Development Goals
08	What is social security?
09	The nexus between social security and the United Nations Agenda 2030 and Sustainable Development Goals
	9.1 The Constitution
	9.2 National Development Plan 2030
	9.3 African Union Agenda 2063
	9.4 The International Covenant on Economic, Social and Cultural Rights
14	Progress on the Sustainable Development Goals
15	United Nations Summit of the Future: Implications for the Sustainable Development Goals
16	Implementing a Universal Basic Income in South Africa
17	Conclusions and Recommendations

Key Messages

- Social security is a fundamental human right and it is amongst the various socio-economic rights outlined in the Bill of Rights of the Constitution of South Africa and other key regional and international human rights instruments and development frameworks.
- Social security is a crucial aspect of all social development agendas aimed at addressing social and societal inequalities and redistributing resources to empower disadvantaged groups of people.
- Women would benefit disproportionately with the introduction of an unconditional UBI given the fact that they bear the overwhelming brunt of poverty and social reproduction in South Africa, as in most societies.
- Social security plays a key intersectional role in accelerating progress towards achieving the 2030 Sustainable Development Goals and in leaving no one behind.
- South Africa needs to implement universal social security systems to help address the high levels of poverty, inequality, and unemployment. Given these preconditions, targeted systems are costly, divisive, and ineffectual in solving the systemic poverty and economic stagnation of the country.
- A decent Universal Basic Income is the only feasible solution to tackle the unprecedented levels of poverty, inequality, and unemployment at the necessary scale.
- The implementation of a Universal Basic Income would be transformative and could help accelerate progress towards the achievement of the Global Sustainable Development Agenda 2030 and the Sustainable Development Goals.

Executive Summary

South Africa (SA) adopted the United Nations (UN) Agenda 2030 and its Sustainable Development Goals (SDGs) in 2015, however, it is still faced with high rates of poverty, inequality, and unemployment, with black African women bearing the brunt, despite having reached the halfway point of the deadline in achieving the 2030 global development agenda in 2023.

With only six years remaining to achieve the SDGs, SA must implement inclusive social security systems to ensure it does not leave anyone behind. Social security is amongst the various justiciable socioeconomic rights outlined in the Bill of Rights of the Constitution of SA, 1996. Various national and international rights instruments and development frameworks such as the National Development Plan (NDP), the African Union (AU) Agenda 2063 and the UN International Covenant on Economic, Social and Cultural Rights (ICESCR) recognise social security as a fundamental human right. Implementing inclusive social security systems such as a Universal Basic Income (UBI) in SA can help foster progress towards the achievement of the SDGs.

SPI proposes the implementation of a UBI of R1,634 per person per month to all people living in SA, including refugees and registered asylum seekers. This would ensure that everyone in SA lives on the upper-bound poverty line and can afford their basic needs every month. This would thus directly contribute to SDG 1 (No Poverty) and SDG 1.3 on social protection by creating a safety net that lifts individuals and families above the upper-bound poverty line. It would also enable recipients to afford nutritious food, thereby combating food insecurity and malnutrition, contributing to meeting SDG 2 (Zero Hunger). Additionally, when people are secure in their basic needs, they are more likely to prioritise their health and well-being, including their mental health, which would contribute to meeting SDG 3 (Good Health and Wellbeing). A UBI would also be in support of SDG 5 (Gender Equality) by empowering women and marginalised groups, who often suffer from economic burdens and unpaid care work, with financial freedom, allowing them to make decisions to enhance their quality of life, contribute to their families' well-being and participate more actively in the labour force. Furthermore, a UBI of R1,634 would serve a vital role in advancing SDG 10 (Reduced Inequalities), as it would foster inclusivity and ensure that marginalised groups are not left behind. Moreover, implementing a UBI would support the achievement of SDG 8 (Decent Work and Economic Growth) by boosting local economies and creating a multiplier effect and individuals would also be more likely to make informed decisions about their purchases, supporting local businesses and sustainable practices, aligning with SDG 12 (Responsible Consumption and Production).

Implementing the SPI UBI model would enable SA to eliminate income poverty within only 3 years, fostering the achievement of the sustainable development agenda and the SDGs before 2030.



Objective & Outline of Policy Brief

In this policy brief SPI examines the relationship between social security systems and the achievement of the SDGs and how social security may help accelerate progress towards inclusive and sustainable development. It also explores the potential impact of implementing a UBI in SA to eradicate poverty and inequality and grow the economy.

The central tenet of this policy brief is that strengthening and expanding inclusive social assistance programmes such as the UBI in SA is crucial for making progress towards achieving the SDGs, considering the country's historical legacy of inequality, poverty, and marginalisation as well as the ongoing structural unemployment challenges.

Social security is made up of contributory social insurance and revenue-funded social assistance. This policy brief will primarily focus on social assistance, as it is the most significant aspect of social security in SA, as social insurance, typically only includes workers in the formal sector, therefore only covering a small percentage of the population. Additionally, social assistance is a highly effective way of tackling poverty and inequality.



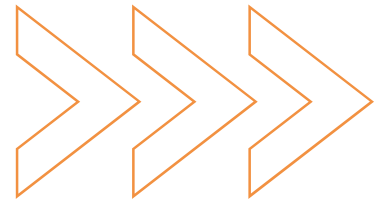
Introduction Background

In 2015, SA adopted the UN 2030 Agenda for Sustainable Development, along with the other 192 UN member states. The UN 2030 Agenda focuses on 17 SDGs, 169 targets, and 247 indicators that define the global development agenda and unite countries around a common agenda. The principal tenet of the SDGs is 'leaving no one behind'. However, poverty, inequality, and unemployment continue to cloud SA's progress towards sustainable development and leaves a significant portion of the population marginalised and unable to meet basic needs, despite having reached the halfway point of the deadline in achieving the 2030 global development agenda in 2023. Research shows that SA is the most unequal country in the world with a Gini coefficient of about 0.63. This stark inequality is further exacerbated by rising unemployment rates as Statistics South Africa (2024) reports that the expanded unemployment rate increased by 0,7 of a percentage point to 42,6 % in the second quarter of 2024 (Q2), with black African women remaining the most vulnerable with an unemployment rate of 50,4% in the second quarter of 2024. This is 4,3 percentage points higher than the national average for women at 46.1%. Such high unemployment figures highlight the economic hardships faced by many people. Millions of people continue to live below the food poverty line of R796 per person per month, which translates to just R27 a day. If SA is to leave no one behind, effective and inclusive social security systems that guarantee basic income, such as a UBI, are necessary. A UBI is the most feasible solution to tackle the unprecedented levels of poverty and inequality in the country as it can help eradicate poverty and inequality and grow the economy whilst accelerating progress towards the SDGs and it can be virtually self-financing with the correct macroeconomic reforms.





Unpacking the United Nations Agenda 2030 and the Sustainable Development Goals



The 2030 Agenda for Sustainable Development,

adopted by all UN Member States in 2015, provides a shared blueprint for securing peace and prosperity for people and the planet, both now and in the future. At the core of this Agenda are the 17 SDGs, which represent an urgent call to action for all countries, whether developed or developing, to preserve the environment, combat climate change, alleviate poverty, and promote a high quality of life and prosperity for all. The SDGs evolved from the Millennium Development Goals (MDGs), a set of eight development goals established in 2000 and culminated in 2015. However, international progress on the MDGs was uneven, therefore, the SDGs aimed to complete the unfinished elements of the MDGs' era whilst ensuring stability and prosperity for people worldwide.

The main principle of the SDGs is 'leaving no one behind'. It was agreed that the UN's global agenda applies to all member states, not only developing countries, as there are people in developed countries who remain disadvantaged and at risk of being left behind. The SDGs address sustainable development in three dimensions: economic, social, and environmental and they are structured along five interconnected pillars: People, to eliminate poverty and hunger and promote dignity and equality; Planet, to safeguard the Earth's natural resources and climate for future generations; Prosperity, to secure prosperous and fulfilling lives in harmony with nature; Peace, to promote peaceful, just, and inclusive societies; and Partnerships, to execute the agenda through a strong global partnership.



What is social security?



The International Labour Organisation (ILO), in the Social Security (Minimum Standards) Convention, 1952 (No. 102), defines social security as a set of public measures that protect members from economic and social distress caused by the absence of or significant reduction in income from work due to various contingencies such as sickness, maternity, employment injury, unemployment, invalidity, old age, and death of the breadwinner. The Convention sets out nine branches of social security: medical care; sickness benefit; unemployment benefit; old-age benefit; employment injury benefit; family benefit; maternity benefit; invalidity benefit; and survivors' benefit.

SPI defines social security as the guarantee of access to sufficient income throughout a person's life, from dependent child to adult with income-earning potential, to a retired older person. Contributions can either be direct, such as contributions to a personal pension scheme, or indirect through taxed income or VAT at the till. Within the framework of the national government, social security may be explained by the range of services that the government provides to the general population to guarantee that everyone, regardless of wealth, has access to a specific level of well-being. It can be seen as the widest form of a safety net comprising both contributory forms of social insurance and needs-based assistance from public funds (i.e. social assistance). The Department of Social Development (DSD) Social Security Review 2021 defines social security as a "set of contributory and non-contributory programmes providing income security and access to health care, to those covered, in the event of certain life contingencies and social risks." Social security is, therefore, a crucial aspect of any social development agenda aimed at addressing social problems and redistributing resources with the objective of empowering disadvantaged groups of people.

There are three main components of the social security system, namely,

- private savings, where people voluntarily save for unexpected contingencies like disability, retirement and chronic diseases.
- social insurance, where employers and employees make combined payments to pensions, provident funds, or social insurance to cover unexpected situations, the government may sometimes also contribute and usually regulates directly or indirectly the administration and probity of the funds.
- social assistance, where non-contributory benefits are provided by the state to individuals who meet certain prescribed criteria. In SA, it is means-tested, and eligibility categories are set in the Social Assistance Act of 2004.

Social security ought to be distinguished from the broader concept of social protection. Some authors use social protection and social security interchangeably; however, social protection is a more extensive concept and can be said to have an “umbrella effect” as it covers a wider range of initiatives. The United Nations Children’s Fund (UNICEF) also defines social protection as a set of public and private policies and programmes that aim to prevent, reduce and eliminate economic and social vulnerabilities to poverty and deprivation. The Asian Development Bank defines social protection as policies and programmes designed to reduce poverty and vulnerability by promoting efficient labour markets, reducing people’s exposure to risks, and enhancing their capacity to protect themselves against hazards and interruption or loss of income. In SA the current social protection programmes fall short as the country still faces significant challenges due to persistent poverty, unemployment and inequality. Addressing these issues requires not only the improvement of existing social security measures but also implementing innovative approaches that will ensure that all people have a reliable safety net.

In SPI’s recent publication [The Economics of Implementing a Universal Basic Income in South Africa](#), SPI also describes the critical role that social security, if properly designed, can play in regulating the economy and correcting market failings around income distributions.



The nexus between Universal Social Security and the UN Agenda 2030 SDGs

The adoption of the 2030 Agenda for Sustainable Development by all UN Member States, reaffirmed the global commitment which includes social security as a critical means of achieving SDGs. Most notably, SDG 1.3 calls upon countries to “implement nationally appropriate social protection systems and measures for all, including floors, and by 2030 achieve substantial coverage of the poor and the vulnerable”. Social security, as a part of social protection, plays a key role in accelerating progress towards achieving the 2030 Agenda SDGs and in leaving no one behind. Additionally, social assistance schemes, particularly cash transfers, as part of the comprehensive social security systems, play a crucial role in ensuring a minimum consumption level for poor and vulnerable households, enabling productive livelihoods, and promoting access to public services like education and healthcare. This significantly contributes to the reduction of poverty and inequality, promotes gender equality, and facilitates human development and decent work as people can use these cash transfers to seek employment or potentially start their own businesses. It can have a catalytic developmental impact if designed appropriately. Cash transfers (grants) are also likely to be spent locally and can have multiplier effects on the local and regional economies.

This helps accelerate progress towards meeting SDG 1 (No poverty), SDG 5 (Gender Equality), SDG 10 (Reduced inequalities), and SDG 8 (Decent work and economic growth). The section below looks at the various national and international development frameworks in which social security is rooted in SA and how these can help accelerate progress towards the achievement of the SDGs.

The Constitution of the Republic of South Africa, 1996



Social security is a fundamental human right and it is amongst the various socio-economic rights outlined in the Bill of Rights of the Constitution of South Africa, 1996. Section 27(1)(c) of the Constitution states that “everyone has the right to access social security, including, if they are unable to support themselves and their dependants, appropriate social assistance”. This is crucial for the achievement of SDGs 1 (No Poverty), 2 (Zero Hunger), 3 (Good Health and Well-Being), and 10 (Reduced Inequalities) as it seeks to directly address the needs of vulnerable people, allow individuals and families to have access to appropriate food and nutrition, improve overall health outcomes and reduces disparities. However, Section 27(2) further states that “the state must take reasonable legislative and other measures, within its available resources, to achieve the progressive realisation of each of these rights.” Since this provision of the Constitution promises to alleviate the plight of the poor, it has also been scrutinised for putting restrictions on this provision by making it subject to the availability of resources. In other words, this Constitutional right to have access to social security is not an absolute right but is subject to internal and external limitations. Nonetheless, if the state is only obliged to realise a right within its available resources, the realisation of the right is dependent on how much of the available resources are prioritised for the realisation of social security.

As a result of this right not being an absolute right, social assistance in SA has taken the form of means-tested categorical social grants that target particularly vulnerable parts of the population. These grants include but are not limited to, the child support grant, foster child grant, disability grant, old age pension, and now the social relief of distress (SRD) grant. Grants are awarded subject to a means test and provide an important source of income to households that would otherwise face devastation. The current social assistance system, whilst reaching over 26 million people, excludes large parts of the population, particularly vulnerable people aged between 18 and 59, thus only alleviating poverty in certain, targeted groups. Hence, even despite having social assistance programmes, SA remains one of the most unequal countries in the world, with significantly high levels of poverty.

Section 10 of the Constitution provides a universal guarantee of the right to dignity to all in SA. These socio-economic rights, including the right to social security, are seen as pathways to enable people to realise their right to dignity.

National Development Plan 2030

The NDP, adopted in 2012, serves as an action plan to secure South Africans' future as outlined in the Constitution. The Constitution stipulates that "we must build a united and democratic South Africa, able to take its rightful place as a sovereign state in the family of nations". The NDP directly relates to SDGs 1, 3, 5, 8, and 10, as it aims to eliminate poverty, promote good health and wellbeing, and reduce inequality by 2030 by uniting South Africans, unleashing the energies of people, growing an inclusive economy, building capabilities, and enhancing the capabilities of the state and leaders together to solve complex problems. Under the NDP, social security is viewed as an integral part of a broader social protection system designed to provide measures to the most vulnerable people in society to help prevent, manage, and overcome situations that adversely affect their well-being. Chapter 11 of the NDP focuses exclusively on social protection and provides that 'the social protection system must cover the entire life-cycle of an individual, from conception through ensuring adequate nutrition for pregnant mothers to retirement by ensuring that old age related poverty is eliminated'. The NDP recognises that women make up a sizable portion of the poor, particularly in rural areas. Thus, the plan addresses gender, along with race and geographic location, proposing a range of measures to promote women's equality. This aligns with SDG 5, which seeks to achieve gender equality and empower all women and girls. However, the NDP does not always clearly distinguish between social protection and social security, which is not infrequently done with some government documents. This leads to some conceptual weakness when looking at goals and measuring progress.

The NDP considers formal employment as the best form of social protection, meaning that social protection in the NDP is seen as a measure that is targeted at those "who are not gainfully employed due to their vulnerable status, i.e. children, people with disabilities and the aged, as well as those who experience labour market vulnerability due to the nature of their jobs, low-income levels or unemployment". However, the NDP acknowledges that structural unemployment due to historic factors and factors arising from economic globalisation means that full formal employment based on an industrial model of development is unlikely in the near future in SA. As a result, the NDP calls for a hybrid model that protects the vulnerable and those at risk while at the same time ensuring economic inclusion through a range of active labour market activation strategies. In this way, according to the NDP, social protection bridges the gap between protecting vulnerable groups in society from the detrimental effects of poverty and the challenge of rebuilding opportunity structures and the capabilities of people to be able to lead the lives that they desire. This accelerates progress towards SDG 1 (No Poverty); however, it raises concerns as it excludes individuals aged between 18 and 59 who are unemployed.

"A united South Africa, where poverty is eradicated and all are protected through a comprehensive social protection system, lies at the heart of the National Development Plan."



African Union Agenda 2063

The Africa We Want.

The African Union Agenda 2063: The Africa We Want is a 50-year continental plan of Africa's strategic framework that aims to deliver on its goal of inclusive and sustainable development, which aligns closely with the UN 2030 Agenda on Sustainable Development. The AU Agenda 2063 also considers social security as part of the broader social protection concept, and social security comprises social assistance, social insurance, and social allowances, and refers to public and private, and to mixed public and private measures, designed to protect individuals and families against income insecurity caused by contingencies such as unemployment, employment injury, maternity, sickness, poor health, disability, old age, maintenance of children and death of a family member. Aspiration 1 of the AU Agenda 2063 which projects "A prosperous Africa, based on inclusive growth and social development", calls for "a high standard of living, quality of life and well-being for all citizens". It envisages social security and social protection as a priority area and further gives expression to the goal of eradicating poverty in one generation and building shared prosperity through the social and economic transformation of the continent. This aspiration directly supports SDG 1 by focusing on social security and social protection to eradicate poverty. Aspiration 3 emphasizes the importance of building strong African states led by ethical leaders who can provide basic services while upholding human rights through the rule of law and impartial legal systems. This is consistent with the goals of SDG 10 to reduce inequalities between states. Aspiration 4 aims to create an Africa that is free of war and violence, poverty, hunger, disease, and other political, social, economic, and ecological injustices that threaten the lives of Africans daily, which is in line with SDGs 1, 2 and 3. Most importantly, Aspiration 6 envisions an egalitarian Africa where development and opportunity are inclusive and prioritize women, youth, and children. This Aspiration correlates with SDG 5, which aims for gender equality and the empowerment of all women and girls, and SDG 10, which aims to reduce inequalities of all forms.



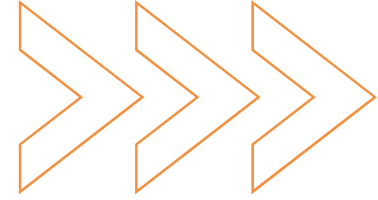
The International Covenant on Economic, Social and Cultural Rights



SA signed the UN 1966 ICESCR in 1994. It was signed by President Mandela shortly after the coming into effect of the new South African democracy, which highlights the importance with which it was then held but it was then only ratified in 2015. Section 231 (2) of the Constitution states that “an international agreement binds the Republic only after it has been approved by resolution in both the National Assembly and the National Council of Provinces”. This ratification marked a significant, if delayed, milestone in SA’s commitment to reducing poverty and ensuring social justice for all. The Covenant aligns with SDG 1 which seeks to eradicate poverty. Article 11 of the ICESCR recognises the right of everyone to an ‘adequate standard of living’. Article 9 of the ICESCR provides that, ‘The States Parties to the present Covenant recognise the right of everyone to social security, including social insurance.’ This right is essential for protecting human dignity, especially for women, thereby, fostering gender equality. The United Nations Committee on Economic, Social, and Cultural Rights (UN CESCR) in a clarifying note on the right to social security, provided that ‘The right to social security is of central importance in guaranteeing human dignity for all persons when they are faced with circumstances that deprive them of their capacity to fully realize their Covenant rights’. The UN CESCR further notes that social security encompasses the right to access and maintain benefits, without discrimination to secure protection, inter alia, from various vulnerabilities such as lack of work-related income caused by sickness, disability, maternity, employment injury, unemployment, old age, or death of a family member. This commitment is essential not only for individual well-being but also for encouraging decent work and economic growth (SDG 8), as it helps to establish conditions that enable people to engage in long-term economic activities.

According to Article 2(1) of the ICESCR, ‘States parties to the Covenant must take effective measures, and periodically revise them, when necessary, within their maximum available resources, to fully realize the right of all persons without any discrimination to social security, including social insurance.’ The wording of Article 2(1) indicates that social security benefits cannot be narrowly defined and must ensure that all citizens have a minimum enjoyment of this human right. The Covenant also clearly imposes a duty on each state party to take whatever steps are necessary to ensure that everyone enjoys the right to social security, as soon as possible, thereby addressing systemic inequalities (SDG 10) while also fostering social inclusion for marginalized groups.





Progress on the Sustainable Development Goals

South Africa's Voluntary National Review: A Progressive Approach to Human Development, 2024 focuses on the progress SA has made in meeting the SDGs. This review assesses and presents the progress that SA has made in implementing the UN 2030 Agenda, including its 17 SDGs and the pledge to leave no one behind.

SDG 1: SA faces the challenge of rising poverty rates that are closely intertwined with inequality and unemployment, creating what is known as the “triple challenge”. About 13.3 million people lived below the poverty line in 2015 and this number increased to 19.4 million in 2020, with nearly 32.6% of the population unable to afford the minimum required daily energy intake. Continued high inflation rates also exacerbate the pressure experienced by South Africans who live in poverty.

SDG 2: Despite having a strong commercial agricultural sector and various food and social safety nets, such as social assistance grants, school feeding programmes, community food gardens, food banks, emergency relief efforts, nutrition education, subsidised food programmes and community-based support services, SA is still faced with significant challenges in achieving food security for all.

SDG 3: Although SA has made significant progress in reducing maternal mortality, child mortality and HIV/AIDS prevalence, significant challenges remain, including a high incidence of non-communicable diseases and resource limitations exacerbated by the COVID-19 pandemic. For instance, 24.1% of 30-year-olds are expected to die from cardiovascular disease, cancer, diabetes, or chronic respiratory disease before reaching 70.

SDG 5: SA has an extensive legislative framework and initiatives to promote gender equality, including the Gender-Based Violence and Femicide (GBVF) Response Fund and high female political representation, however, high rates of gender-based violence, under-reported violence against women, unequal labour market participation, and a private sector pay gap persist.

SDG 8: SA's labour market is well-known for its robust worker protections and government-driven job-creation initiatives, including the Labour Relations Act of 1995, the Basic Conditions of Employment Act of 1997, and the National Minimum Wage Act of 2018 but slow economic growth (0.4% GDP Growth rate in Q2 of 2024), rising costs and high unemployment rates (with the expanded unemployment rate at 42.6% in Q2 of 2024) and skills mismatches hinder progress.

SDG 10: SA is the most unequal country in the world, with racial and gender disparities in income, wages, and labour market participation.

SDG 12: SA has adopted frameworks and legislation to promote sustainable consumption and production but the country's high material footprint and slow adoption of sustainable practices in businesses and consumer behaviours remain challenging.

The above section proves that SA's progress towards meeting the UN 2030 Agenda, and the SDGs, has been slow. Therefore, there is a need for SA leaders to meet with leaders from other countries to leverage and find ways to work together to achieve the SDGs whilst addressing local challenges.



United Nations Summit of the Future

Implications for the SDGs

On the 22nd and 23rd of September 2024, the UN Summit of the Future brought together leaders from around the world to redefine the path to a brighter present and a more secure tomorrow, improve cooperation on crucial issues, and address gaps in global governance. Leaders reaffirmed current commitments, including those to the UN 2030 Agenda and the SDGs, and emphasised the need for a revived multilateral system that is better positioned to positively impact people's lives. According to the UN, the Summit of the Future is the "how" to meet the 2030 Agenda: how countries can work together effectively to meet those targets and address the most pressing issues while preparing for a more resilient future. The UN also recognises that when the 2030 Agenda was developed in 2015, artificial intelligence and other emerging digital technologies were still nascent, therefore the Summit of the Future examined the opportunities and problems they provide and developed the tools to "turbocharge the SDGs". This presented a good opportunity for SA to leverage international partnerships and engage in global dialogues on technology and sustainability to enhance its progress towards achieving the SDGs whilst addressing local challenges.

The Summit of the Future saw the adoption of three significant agreements which intends to enhance global cooperation and address issues of the 21st century with 21st century strategies. The Pact for the Future, the Global Digital Compact and the Declaration on Future Generations present action-oriented commitments "to protect the needs and interests of present and future generations". The Pact, containing 56 actions, affirms the role universal access to social security plays in poverty eradication and inequality mitigation. Action 2(b) of the Pact commits to 'take concrete actions to prevent people from falling back into poverty, including by establishing well-designed, sustainable and efficient social protection systems for all that are responsive to shocks'. This action directly aligns with SDG 1 and emphasises the importance of robust social protection systems to address not only immediate needs but also to ensure long-term poverty alleviation by ensuring that individuals do not fall back into poverty. Action 6(b) commits to promoting, amongst other things, 'universal access to social protection to eradicate poverty and reduce inequalities'. This commitment is aligned with SDG 1 and 1.3 and SDG 10 as it seeks to eradicate poverty and reduce inequalities. It also emphasises the importance of universal social protection in eradicating poverty and inequalities in societies. Action 29(a) commits to 'ensure that science, technology and innovation contribute to our efforts to eradicate poverty in all its forms and dimensions and hunger, and to reduce inequalities, in addition to areas such as food security and nutrition, health, education, social protection, water and sanitation, energy, climate and environment'. Furthermore, Action 15 underscores the pivotal role social protection systems play in humanitarian emergencies by building community resilience in times of humanitarian crises. The Pact also advances social protection systems as a requisite for the social and economic development of children and youths to secure a decent life.



Social Policy Initiative





Implementing a Universal Basic Income in South Africa

SPI defines a UBI as a monthly cash payment that is paid unconditionally to individuals at a level set at the upper-bound poverty line which increases annually. This means that it would be available to everyone under 60 living in SA, regardless of race, gender, or income, as thereafter people are eligible for the State Old Age Pension.

Given that SA is faced with extreme levels of poverty, inequality and unemployment, SPI advocates for a monthly cash transfer of R1,634 per person, which would allow everyone living in SA to live on the upper-bound poverty line and afford their basic needs every month. The amount stated above is significant enough to create a multiplier effect, thus accelerating economic growth and employment creation. The UBI would provide a first dignity floor below which no one in SA will fall.

Demonstrated through econometric modelling in SPI's January 2024 report *The Economics of Implementing Universal Basic Income in South Africa*, the SPI UBI model has a self-financing component of up to 96% within 3 years. The paper is authored by Duma Gqubule. For the initial financing, the author considers possible funding options. SA has a large public sector balance sheet with assets worth R2.6 trillion at the Public Investment Corporation (PIC) and foreign exchange reserves of R1.2 trillion. These assets remain untapped as financing options for a UBI and are well above what is required to pay pensions and unemployment benefits and to cover imports. Additionally, SA's debt ratio of about 75% is not high by international standards, even when benchmarked against emerging market peers. Moreover, increasing taxes on idle wealth and high earners could boost the UBI stimulus and raise over R140 billion. Furthermore, curbing illicit financial flows and reducing corruption could contribute to the budget. Lastly, people who earn above the income tax threshold may be subject to clawbacks, meaning they would repay this money through taxes. These clawbacks offset the cost of the UBI.



Conclusions & Recommendations

In conclusion, a UBI indexed to the upper-bound poverty line of R1, 634 (2024) per person per month given to everyone living in SA, including refugees and registered asylum seekers is the only feasible solution to tackle the unprecedented levels of poverty, inequality and unemployment that plague our rich and fertile land. This is not an act of charity or pity, but it represents a moral obligation to our people. This unconditional financial support would provide a safety net for individuals and families and ensure everyone has access to basic needs like food, shelter, and sanitation. A UBI would serve as a reliable source of income and would reduce vulnerability to economic shocks, allowing people to navigate crises, such as job loss or health emergencies, more effectively.

In addition to strengthening social security, with only 6 years remaining to achieve the 2030 global development agenda, a UBI would help accelerate progress towards the achievement of the UN 2030 Agenda and its SDGs. Specifically, a UBI of R1,634 per person per month would directly contribute to SDG 1 (No Poverty) by creating a safety net that lifts individuals and families above the upper-bound poverty line. This ongoing financial support would ensure that basic needs are met, reduce economic vulnerability, and promote overall well-being. It would also enable recipients to afford nutritious food, thereby combating food insecurity and malnutrition, contributing to SDG 2 (Zero Hunger). Furthermore, when people are secure in their basic needs, they are more likely to prioritize their health and well-being, including their mental health. This would contribute to SDG 3 (Good Health and Wellbeing).



A UBI would also be in support of SDG 5 (Gender Equality) by empowering women and marginalised groups. This would provide women, who often suffer from economic burdens and unpaid care work, with financial freedom and allow them to make decisions to enhance their quality of life, contribute to their families' well-being, and participate more actively in the labour force. Moreover, a UBI of R1,634 would serve a vital role in advancing SDG 10 (Reduced Inequalities), as it would foster inclusivity and ensure that marginalized groups are not left behind. This redistribution of wealth would help bridge the gaps created by systemic inequalities and allow everyone to participate in the economy as well as benefit society in its entirety.

Furthermore, implementing a UBI would support the achievement of SDG 8 (Decent Work and Economic Growth) by boosting local economies. Individuals with a guaranteed income are more inclined to invest in education and start their own businesses, which increases demand for goods and services. This increased economic activity has the potential to create jobs and establish new industries, thereby, promoting sustainable economic growth. Individuals would also be more likely to make informed decisions about their purchases, supporting local businesses and sustainable practices, aligning with SDG 12 (Responsible Consumption and Production). Lastly, the SPI UBI model would help eliminate income poverty within only 3 years, fostering the achievement of the sustainable development agenda and the SDGs before 2030. It has a self-financing component, meaning it would sustain itself and not depend on further government revenue.



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