





## **Press Statement**

19 May 2021

TO:

Mr Cyril Ramaphosa, President, Republic of South Africa Ms Lindiwe Zulu, Minister of Social Development Mr Tito Mboweni, Minister of Finance

## For a Universal Basic Income Grant Now (#UBIGNOW): #UBIGNOW People's Assembly

On the 18th of February, the Climate Justice Charter Movement, South African Food Sovereignty Campaign and allies released a package of documents, prepared by leading heterodox economists and political economists regarding the importance of a universal basic income grant/guarantee/dividend for South Africa. This transformative policy proposal document, titled #UBIGNOW Policy Approach and Proposals sought to indicate how a crucial democratic systemic reform such as a UBIG can help bring about transformative change in our society.

On Tuesday the 18th of May, the Climate Justice Charter Movement and allies hosted a #UBIG People's Assembly where it launched both the Alternative Macroeconomic #UBIGNOW Approach and Scenarios document and UBIG animation. Dr Asghar Adelzadeh, of Applied Development Research Solutions (ADRS), presented the aforementioned scenarios in a presentation titled Fiscally Neutral Basic Income Grant Scenarios: Economic and Development Impacts.

These approaches and scenarios are an extension of February's #UBIGNOW Policy Approach and Proposals document. Both documents are the build-up from the intensive campaigning in 2020 for a #UBIGNOW. During this period, the campaign affirmed a societal consensus for a #UBIGNOW amongst unemployed people's movements, trade unions, social justice NGOS, women's organisations and progressive intellectuals. We have since been working on solidifying a technical consensus. The #UBIGNOW Policy Approach and Proposals and the #UBIGNOW Approach and Scenarios documents help elaborate, on technical policy grounds, an alternative to government's current austerity approach to running the economy. Instead, the documents indicate how a #UBIGNOW could be introduced, firstly, in a fiscally neutral manner which will not increase the debt to GDP ratio and will increase income to the state. This requires a firm commitment to tackle inequality through a redistributive taxation regime. Secondly, there are many positive impacts on the economy, including the reduction of inequality and the eradication of poverty, if the #UBIGNOW is set at the upper bounded poverty line for all in South Africa. If the state is more ambitious with a #UBIGNOW it could even have macroeconomic stimulus effects. There is no reason for the state to deny the existing societal consensus for a #UBIGNOW given the suffering of the people and the need for the state to do more to protect society. International examples such as the cash transfers made by the United States government to their people also affirm the necessity of such policy action. Dr Adelzadeh's macro-economic modelling deserves engagement at the highest levels of government. Hence we would like to request a meeting

with the President, the Minister of Finance and the Minister of Social Development to share his research findings. Our recently hosted Peoples Assembly also felt the same way. We look forward to your response.

The Climate Justice Charter Movement and South African Food Sovereignty Campaign would like to extend its thanks and gratitude to all who have helped support the #UBIGNOW campaign from the unemployed people's movements, trade unions, informal traders' associations, academics, social welfare organisations, policy think tanks and the broader public. This is the first policy document based on the Climate Justice Charter, towards achieving a deep just transition and just recovery, which is so desperately needed in our society.

## For further information, contact:

Vishwas Satgar, COPAC board chairperson, SAFSC and CJCM activist, 082 775 3420 Awande Buthelezi, COPAC organiser, SAFSC and CJCM activist, 079 613 8191 Ferrial Adam, COPAC associate, SAFSC activist and CJCM activist, 074 181 3197 Jane Cherry, COPAC Executive Manager, SAFSC activist and CJCM activist, 084 236 3649