Campaign for a SADC BIG

- The project seeks to further develop existing work on creating a case for a SADC-wide universal cash transfer to all residents within SADC, to be funded by resources from the extractive industries.
- The rationale for such a project is based on the notion of economic justice for all by broadening access to the proceeds of such activities beyond the narrow circle of national and international beneficiaries and shareholders of the mining companies and aligned elites.
- Extending access to the proceeds of such activities to each and every resident of the sub-region, would alleviate the worst of the destitution currently faced by millions of people, and reduce the critical and unsustainable levels of inequality.
- In addition, given the fact that extraction depletes the levels of natural resources, such a scheme would introduce an intergenerational justice between those who oversee the extraction and the development of future generations.
- A universal scheme would ensure transparency based on an even handed distribution of resources, reducing the risk of allocation by politicians to win political support for their own gain. It would promote solidarity, and contribute to the regional integration of people and of social and economic policies as is provided in SADC treaties.
The Current Reality

Co-existing with

High levels of poverty and inequality within SADC.

- Swaziland: 78.59% of the pop. live below poverty line of $1.25 PPP per day.
- Tanzania: 67.9% with a pop. of nearly 43 million.

Current policies and regulations have not resulted in a significant change in the vulnerability of millions of SADC residents.

Residents of SADC are not benefiting from the mineral wealth of the region with the longevity of the resources being limited and under-utilized.

High revenues of the extractive industry within SADC with new mineral deposits being discovered regularly.

- 40% of the world’s mineral resources are in Africa.
- Angola’s oil sector accounts for 85% of its GDP ranking 60/185 countries in terms of GDP.
Mining in SADC

RSA

World's largest producer of chrome, manganese, platinum, vanadium and vermiculite.

Botswana

World's largest producer of diamonds by value.

Angola

Third largest producer of diamonds in the world with only 40% of the diamond-territory having been explored.

Tanzania

World's only producer of gemstone Tanzanite and contains one of the largest rare earths oxide deposits in the world.

DRC

Untapped mineral resources set to be worth an estimated $24 trillion.

Zimbabwe

The Marange diamond fields discovered in 2006 are considered the biggest diamond find in over a century.

DRC

Untapped mineral resources set to be worth an estimated $24 trillion.
Why a Basic Income Grant

“No political democracy can survive and flourish if the mass of our people remains in poverty, without land, without tangible prospects for a better life.” RSA Reconstruction and Development Programme

Definition: A regular cash transfer to all residents on an individual basis for life, as a matter of right and without means testing or work requirements. In practice, the grant would be calculated on a per person basis and paid out to individuals or the primary caregiver in the household for minors.
ABOUT SADC BIG

This Campaign seeks to build a case based on empirically derived economic models and the development of a campaign strategy to introduce and institutionalise a SADC-Wide Basic Income Grant (SADC BIG) that is funded predominantly through the extractive industries to promote economic justice and reduce poverty and inequality in the region.

Improved society SADC-wide through significant and far-reaching poverty reduction

At USD 15/month/person Cost = USD 54.12 billion = 5.2% SADC GDP

SADC Basic Income Grant

Exanteive Tax

Mining companies operating in the SADC region

Higher income earners would pay Individual Solidarity Tax

Political will

Transparency and monitoring

Light Bulb Moment: Power to the people

Funding Vehicle e.g. SWF
## SADC BIG IMPACT – Select Countries

<table>
<thead>
<tr>
<th>Country</th>
<th>Population (Millions) 2012</th>
<th>Population living below $1.25 PPP per day (%) 2011</th>
<th>No. households taken out of Destitution</th>
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<td>54.30</td>
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<td>Zimbabwe</td>
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</table>
WHAT NEEDS TO BE DONE

• TAKE A STAND:
  – Poverty and inequality is not good for society & Nobody should be poor in a country/ region with expansive natural resources

• LETS MAKE THE RESOURCES WORK FOR US:
  – time to call MNCs into order,
    • “Natural gas is said to be Mozambique’s future, but the first gas project - Pande Temane - has generated virtually no government revenue. By removing production sharing from the petroleum agreement and agreeing to an abusive pricing formula, the government gave away most of its share at the start. Aware of these unfair terms, MIREM, the IMF and the World Bank still forecast substantial government revenues that have never arrived. The annual sale value of Mozambique gas in South Africa is now more than $800 million per year while total government revenue over the first eight years of the project is less than $50m.” Centre for Public Integrity
  – Time to call governments to act
    • plug illicit flows of income from extractives (USD 160 billion leaving Sub Saharan Africa annually)
    • Reform extractives concessions – take control of our minerals
    • Introduce a tax to fund SP (BIG) and make it a production cost to mining houses
    • Create a funding vehicle dedicated to BIG (ideally a regional one)
SADC BIG Campaign Principles

The Basic Income Grant should be founded on the following fundamental principles:

• **Universal Coverage**: It should be available to everyone, from cradle to grave, and should not be subject to a means test.

• **Relationship to existing grants**: It should expand the social security net. No individual should receive less in social and assistance grants than before the introduction of the Basic Income Grant.

• **Amount**: The grant should be no less than US$15.00 per person per month on introduction and should be inflation indexed.

• **Delivery Mechanisms**: Payments should be facilitated through Public Institutions. Using community Post Banks would have the additional benefit of enhancing community access to much-needed banking services and promote financial inclusion.

• **Financing**: A substantial portion of the cost of the grant should be funded through a tax on extractives. Other funding options include progressive recovery through the tax system above the income tax threshold. This would demonstrate solidarity by all SADC citizens in efforts to eliminate poverty. The remaining cost should be borne by the fiscus. A range of new measures should be introduced to increase revenue so that the additional cost can be accommodated without squeezing out other social expenditure.

The SADC BIG Coalition Partners commit to working together with all stakeholders to make the Basic Income Grant a reality in Southern Africa. We invite and call upon all stakeholders to join our effort and to become a member of this coalition.
WHAT NEEDS TO BE DONE

A CALL TO ACT

SUPPORT THE SADC BIG:

- OUR RIGHT, OUR SHARE, OUR WEALTH