

## Let's talk 'BIG' about poverty!

By Busiso Moyo

*Despite being endowed with many natural resources, Sub-Sahara Africa (SSA), wherein 13 of the 14 SADC countries are located, ranks amongst the worst regions globally in terms of poverty and socio-economic inequalities. Evidently, for the region, the capitalist 'trickle down' effect of wealth to all citizens in the context of a neoliberal global political economy has proven to be a fallacy. As such, now more than ever, it has become imperative for African governments to prioritize social protection namely through the provision of a Basic Income Grant (BIG) for all residents furnished through universal Social Cash Transfers (SCTs).*

A cursory look at SADC countries' socio-economic circumstances clearly reveals the need for upping efforts towards social protection to ensure that the most vulnerable are safe from destitution. South Africa, despite being a middle-income country and regarded as relatively the economic mecca of Africa, is the one of the most unequal countries in the world. People with access to wealth experience the country as a developed modern economy, while the poorest still struggle to access even the most basic services.



On the other hand, since the late 90s, Zimbabwe's economy slowed down and grounded to a halt by 2008 due to socio-political challenges that still bedevil the country to this day. Unemployment is estimated at 80% to date thus leaving the majority of people in abject poverty. Furthermore, 5.3 million people or 50% of the Zambian population falls under the poverty line<sup>1</sup> coupled with the fact that 70% of Mozambicans are classified as 'poor'.<sup>2</sup> Consequently, poverty and socio-economic inequalities have left the majority of people within the SADC-region food-insecure and with many of the region's children's educational aspirations frazzled.

Amidst the above, South Africa has borne the brunt of regional poverty and inequalities as the net receiver of socio-political economic refugees from around Africa especially the SADC region, resulting in refugee management headaches for authorities and ills like recurrent xenophobic attacks on non-South Africans. Therefore, a SADC-wide BIG would not only serve as a buffer against poverty but would be utilized as a stabilizing force to stimulate local and regional growth in-turn curbing one-directional mass movement of people to countries like South Africa.

A universal SADC-wide unconditional social cash transfer to all citizens of no less than US\$15 per month, would go a long way in curbing destitution. SCTs, as opposed to in-kind gifts, give beneficiaries the freedom to acquire what they need exactly. This freedom to choose in itself constitutes human security<sup>3</sup>.

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<sup>1</sup> Bernd Schubert - The Pilot Cash Transfer Scheme of Kalomo District in Zambia, Lusaka February 2005

<sup>2</sup> Joseph Hanlon, J, 2009, Just give money to the poor, II Conference do IESE, Maputo, April 2009

<sup>3</sup> Gharagozloo-Phakkala, L, Social protection may be the key to uplifting Africa's poor.

The fact that poverty is dire in SSA should not simply be left to the sphere of development practitioners with an interest in poverty-alleviation, but as an obstacle to the enjoyment of many human rights ought to be a concern of all change agents within society. For States and capital-interests within the region in particular, the role of SCTs as one of the priority intervention strategy in the fight against poverty cannot be ignored any longer. Granted, some scholars have alluded to the fact that the notion of social cash transfers brings about dependency amongst beneficiaries and removes the impetus for seeking meaningful employment. So what? People deserve to benefit from the region's natural resources in a non-prejudicial manner, especially in the pervasive absence of formal jobs. Every person is a human being and deserves equal rights. It's unnecessary and unethical to force people to pass through hoops to survive when there are more than enough resources to go around.

Nonetheless, for the half-convinced, its high-time we acknowledge that the poor are in fact good managers who already know how to do best for their families with the little they have. Many sustain the survivalist economy at the bottom of the pyramid with such wise daily financial decisions<sup>4</sup>. For scholars such as Joseph Hanlon, the questioning of the frugality of the poor is tantamount to blaming the poor for their circumstances. Moreover, such feeble arguments show a lack of appreciation for the political history of SSA and its structural make up. Worse still this mindset portrays a blind endorsement of the neoliberal agenda. Remarkably, a study of European history shows that social protection came first, then economic growth.<sup>5</sup> Indeed saving and/or the entrepreneurship-spirit cannot happen when the majority of people have to endure hunger-pains.

Empirical evidence of successes of SCT schemes globally abound. Brazil's 2003 initiated Bolsa Familia SCT scheme, supporting about 12 million families, has to date decreased inequality by 17% and the poverty rate has fallen from 42.7% to 28.8%<sup>6</sup>. For the South African experience, social safety nets such as the child grant have already shown that SCT schemes are capable of producing positive outcomes. Gharagozloo-Pakkala observes the following, 'In South Africa, the child grant reduced the poverty gap by 47%; in Kenya unconditional cash transfers saw a 19% increase in primary school enrolment among 'hard-to-reach' children; in rural Ghana, for every one Cedi transferred, 1.50 Cedi of income can be generated in the economy"<sup>7</sup>. Malawi's Mchinji district's SCT scheme also testifies to a positive turn of SCTs. SCTs are recorded to have "...influence[d] household productive capacity [and]...ownership of agricultural assets increased 16 per cent..."<sup>8</sup>

Having shown the need for a BIG and its transformative power, it is necessary to conclude this piece by observing that in a region blessed with natural resources the issue of a BIG roll out to all - SADC residents, refugees, economic migrants, asylum seekers predominantly

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<sup>4</sup> Joseph Hanlon, 2009

<sup>5</sup> Joseph Hanlon, 2009

<sup>6</sup> Madeliene Bunting - Brazil's cash transfer scheme is improving lives of the poorest, November 2010

<sup>7</sup> Gharagozolo-Pakkala - Social protection may be the key to uplifting Africa's poor, November 2014.

<sup>8</sup> Mchinji District Report 2004

funded by proceeds from extractive industries and other financial sources, is not 'alms' giving or a charitable gesture, but is an act of economic and social justice, and most importantly an investment in the poor's human capital!

***"Make the Change Happen!"*** – Support the call for a SADC BIG.