



Can a universal basic income contribute to breaking structural poverty in South Africa? Annotated Bibliography

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[Linked to Discussion Document 03](#)

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This annotated bibliography provides a non-exhaustive list of references which may be useful to policymakers and other actors interested in the potential of a Universal Basic Income Grant (UBI/UBIG) to disrupt structural poverty in South Africa, across a number of dimensions. Each reference is accompanied by a brief explanation of its key findings or argument.

This annotated bibliography is intended to accompany the ERSA Discussion Document, “Can a universal basic income grant contribute to breaking structural poverty in South Africa?” The discussion document reviews a range of local and international evidence, including macroeconomic modelling, and empirical evaluations of cash transfer initiatives in predominantly low-and middle-income country contexts.

The discussion document follows the structure of the corresponding working paper, which is organised as follows: (1) The impact of UBIG on income poverty, (2) the impact of UBIG on employment and decent work, (3) the impact of UBIG on health and nutrition, (4) the impact of UBIG on women’s economic empowerment, (5) the impact of UBIG on social cohesion and democracy, (6) the impact of UBIG on sustainable livelihoods, (7) the macroeconomic impact of UBIG. We add a final section to this annotated bibliography, to capture references which do not fit specifically into one of the above categories—(8) general.

The impact of UBIG on income poverty

- ❖ Barnes, H., Espi-Sanchis, G., Liebbrandt, M., McLennan, D., Noble, M., Pirttila, J., Wright, G. (2021). Analysis of the distributional effects of COVID-19 and state-led remedial measures in South Africa. *United Nations University World Institute for Development Economics Research*, 1-34.
 - [Link](#)
 - The study uses the tax-benefit microsimulation approach to assess the impact of the COVID-19 pandemic on income, poverty, and inequality in South Africa.
 - The study finds that lockdown restrictions mostly affected non-essential and informal workers as they were prohibited from working and trading, therefore, they were left with reduced income or no income at all.

- The authors argue that the COVID-19 policy responses including the Social Relief of Distress (SRD) grant played a significant role in assisting female-headed households, assisted in protecting beneficiaries' income and provided additional support for those that were already in poverty.
- ❖ Goldman, M., Bassier, I., Budlender, J., Mzankomo, L., Woolard, I., & Leibbrandt, M. (2021). *Simulation of options to replace special Covid-19 Social Relief of Distress grant and close the poverty gap at the food poverty line*. Finland: United Nations University World Institute for Development Economic Research.
 - [Link](#)
 - The study used a primary dataset—the Living Conditions Survey of 2014/5—to compare the potential impact of: the Family Poverty Grant; a Basic Income Grant (BIG); and increasing the value of the existing support grants.
 - The study's findings show that introduction of a household-targeted family poverty grant is theoretically able to reduce extreme poverty most efficiently; however, it faces stark implementation challenges.
 - Furthermore, a BIG has a larger impact on poverty reduction at the Food Poverty Line. If perfectly implemented, it would reduce the Food Poverty Line poverty gap by over 70% at a cost of R60 billion per year.
- ❖ Kohler, T., & Borhat, H. (2021). *Can cash transfers aid labour market recovery? Evidence from South Africa's special COVID-19 grant*. Cape Town: Development Policy Research Unit, University of Cape Town.
 - [Link](#)
 - This quantitative study assesses whether or not cash transfers play a significant role in labour market recovery, using the evidence from the introduction of South Africa's COVID-19 SRD grant.
 - The study finds that the COVID-19 special grant brought millions of previously unreachable South Africans to the grant system.
 - These authors further report that the grant played a vital role in reducing labour market inactivity and increasing participation, therefore, assisting in the recovery of the South African labour market.
- ❖ Mathebula, J., Fish, T., & Masvaure, S. (2022). *Should the COVID-19 lockdown Social Relief of Distress Grant be made permanent?* Johannesburg: Centres for Learning on Evaluation and Results. Policy Brief.

- [Link](#)
- The study uses a qualitative panel survey to provide evidence to the government on how SRD recipients have used the grant and investigate the impact the grant has had on well-being, and cohesion among South African societies.
- The study reports that the recipients used the grant in various ways; to pay for school fees, school uniforms, buy food, boosted self-esteem, and enabled the unemployed to actively look for work as they could now afford to purchase data, internet café, and transportation costs. These findings show that the grant improved the standard of living of many South Africans.
- With that being said, these authors recommend that the grant should be made permanent in order to continue improving the livelihoods of poor South Africans.

The impact of UBIG on employment and decent work standards

- ❖ Baird, S., McKenzie, D., & Ozler, B. (2018). The effects of cash transfers on adult labour market outcomes. *IZA Journal of Development and Migration*. *IZA Journal of Development and Migration*, 1-20.
 - [Link](#)
 - The study is a narrative review looking at the effects of cash transfers on adult labour participation on paid employment.
 - Theory predicts that when individuals receive unexpected income, they reduce working hours and increase leisure. However, this review finds that what happens in reality is actually the opposite of the theory prediction.
 - The review further explains that BIG helps job seekers to cover the costs of searching for paid employment. Furthermore, cash transfers have resulted in more self-employment and own agriculture.
- ❖ Banerjee, A. V., Hanna, R., Kreindler, G. E., & Olken, B. A. (2017). Debunking the stereotype of the lazy welfare recipient: Evidence from cash transfer programs. *The World Bank Research Observer*, 155-184.
 - [Link](#)
 - This quantitative study used data from randomised controlled trials of BIG programs in six developing nations to re-analyse the evidence for cash transfers creating dependency cultures.

- The study finds no significant evidence that BIG interventions discourage paid employment.
 - The available evidence implies that the BIG programmes do not induce the “bad” behaviours that are often attributed to them in the policy space. Combined with the positive effects of transfer programs documented in the literature, this suggests that transfers can be an effective policy intervention to combat poverty and inequality.
- ❖ Birnbaum, S., & De Wispelaere, J. (2021). Exit strategy or exit trap? Basic income and the ‘power to say no’ in the age of precarious employment. *Socio-Economic Review*, 909-927.
- [Link](#)
 - A lack of access to social protection such as health insurance, sickness, and disability pay, pensions, and unemployment benefit accorded to many workers is one of the critical drivers of precarious employment.
 - This paper theorises that basic income can be used as an “exit strategy”. In most circumstances, workers need additional income support to bridge the gap between leaving one precarious job and moving onto the next.
 - Having some kind of additional financial back up like a BIG promotes improved working conditions because it lessens workers’ dependence on exploitative employment and improves their structural power.
- ❖ Gilbert, R., Murphy, N. A., Stepka, A., Barrett, M., & Worku, D. (2018). Would a basic income guarantee reduce the motivation to work? An analysis of labour responses in 16 trial programs. *Basic Income Studies*, 1-10.
- [Link](#)
 - The study uses both qualitative and quantitative data to examine whether there is correlation/relationship between a BIG and dependency culture, by assessing the nature and strength of labour market attachment among grant recipients, and the opportunities and barriers to employment they face in South Africa.
 - The study finds no significant relationship as grant recipients did not subscribe to a distinctive culture but to mainstream values and aspirations.
 - The authors argue that the key factors in reducing people's chances of finding employment seem linked to the structural conditions of the labour market and

the wider economy (namely a lack of available jobs) rather than the motivational characteristics of the unemployed and the arrangements of the grant system.

- ❖ Handa, S., Daidone, S., Peterman, A., Davis, B., Pereira, A., Palermo, T., & Yablonski, J. (2018). Myth-busting? Confronting six common perceptions about unconditional cash transfers as a poverty reduction strategy in Africa. *The World Bank Research Observer*, 259-298.

- [Link](#)

- The paper assesses the evidence for six common perceptions that dominate the policy discourse around cash transfer programmes, using data from evaluations of large scale government unconditional cash transfers in Sub-Saharan Africa, conducted in collaboration with the Transfer Project. These perceptions include that cash transfers: (1) induce higher spending on alcohol or tobacco, (2) are fully consumed (rather than invested), (3) create dependency, (4) increase fertility, (5) lead to negative community-level economic impacts (including price distortion and inflation), and (6) are fiscally unsustainable.
- The authors find substantial evidence to refute each claim, which leads to a conclusion that these perceptions are actually myths and insofar as they continue to be cited in policy debates, limit the range of tools that governments consider to reduce poverty and support inclusive growth.
- It is important to note that all evidence reviewed in the paper derives from large-scale national programmes operated by African governments and is therefore directly applicable to national policy dialogues and debates, including South Africa.

- ❖ International Labour Office. (2021). World Social Protection Report 2020-22: Social protection at the crossroads - in pursuit of a better future. Geneva: International Labour Office.

- [Link](#)

- The report provides a global overview of progress made around the world over the past decade in extending social protection and building rights-based social protection systems
- It finds that social protection is crucial for advancing decent work, assisting men and women in better juggling their personal and professional lives, easing the transition of workers and businesses from the informal to the formal economy,

advancing economic structural change, and assisting in the move toward more environmentally friendly economies and societies.

- ❖ Leibbrandt, M., Woolard, I., McEwen, H., & Koep, C. (2010). Employment and inequality outcomes in South Africa. Cape Town: Southern African Labour and Development Research Unit and University of Cape Town.

- [Link](#)

- The report used a data-driven approach and relies heavily on rich household survey data for the period 1993-2008 to explore linkages between growth, poverty, inequality, and labour market participation in South Africa.
- The report finds that social grants play a significant role in alleviating poverty, particularly in households with little access to the labour market.
- The report concludes that social grants assist in indirectly reducing unemployment through funding job searching or internal labour migration or establishing businesses.

- ❖ Orkin, K., Grabowska, M., Kreft, B., Cahill, A., Garlick, R., & Bekkouche, Y. (2022). Designing Social Protection to Improve Employment, Earnings and Productivity in Lower-and Middle-Income Countries. Mind and Behaviour Research Group, Centre for the Study of African Economies, University of Oxford.

- [Link](#)

- This report summarises evidence from a rapid review of international experience of cash transfer initiatives during the COVID-19 crisis, to inform decision making on implementing social protection.
- The report focuses on the impact of cash transfers on inter alia employment, productivity, enterprise, nutrition, livelihoods and consumption.
- Key findings that cash transfers do not reduce labour supply or discourage people from searching for jobs, and in some cases have helped people to search for jobs and increased employment.
- Also cash transfers have supported investment and productivity including in agricultural and other enterprises.
- Cash transfers have also supported local business and improved incomes and consumption of non-recipients.

- ❖ Ortiz, I., Behrendt, C., Acuna-Ulate, A., & Anh Nguyen, Q. (2018). Universal Basic Income proposals in light of ILO standards: Key issues and global costing. International Labour Organisation, 1-30.
 - [Link](#)
 - This paper reviews UBI proposals as a tool to reduce inequalities and shortfalls against ILO standards.
 - The paper reports that the UBI debate reaffirms the necessity and importance to provide every member of society with at least a minimum level of income security, which is essential to the realisation of human dignity - the very principles of social security.
 - These authors conclude that UBI could be the most radical variation of a national social protection floor's income component, serving as a key tool for advancing social justice and inclusive growth.
 - However, the authors warn that UBI can risk undermining ILO standards depending on how it is designed - especially if it is not based on social dialogue and consultation with key stakeholders, if it comes at the expense of other forms of social protection and public services, if it is funded by regressive taxation, or if the transfer is set at an inadequate value.

- ❖ Surender, R., Noble, M., Wright, G., & Ntshongwana, P. (2010). Social assistance and dependency in South Africa: An analysis of attitudes to paid work and social grants. *Journal of Social Policy*, 203-221.
 - [Link](#)
 - Using both qualitative fieldwork and quantitative data, the study explores the relationship between BIG and labour market participation and dependency culture in South Africa.
 - The evidence shows no significant relationship between grants and unemployment or dependency culture. Almost all recipients would prefer to have a job than to remain unemployed, irrespective of receiving a grant.
 - These authors report that both the survey and group-focused results show that people place a high value on paid employment as it promotes dignity. Despite prolonged and high levels of structural unemployment, joblessness had not become normalised and the unemployed are extremely motivated to get to work.

- Rather than dependency, the biggest barrier to employment is a lack of job availability.
- Some grant recipients ascribed to popular prejudices about other grant recipients being lazy, but did not apply these to themselves.
- ❖ Wielers, R., & van der Meer, P. H. (2021). Beyond Income: Why We Want to Keep on Working Even if We Don't Need the Money. *Applied Research in Quality of Life*, 16(13-16), 1635
 - [Link](#)
 - The study uses the European Social Survey 2010 which contains questions about work, work conditions, and work-life balance for workers between 18 and 65 years in 26 countries to analyse the impact of grants on work motivation.
 - The results from the survey show low work commitment is related to strains and stresses, such as less good health, financial problems, and job, and work insecurity. Therefore, grants alleviate financial insecurity and open up opportunities to pursue meaningful work that builds capabilities.
 - People have strong intrinsic motivations to engage in work, and these include personal development and contribution to a community.
- ❖ Youth Capital. (2022, May 3). *Youth Capital*. Retrieved from Youth Capital Website: <https://youthcapital.co.za/beyond-the-cost-research-report/>
 - [Link](#)
 - The study uses an online survey of 2200 young job seekers to estimate the real cost of looking for employment in South Africa.
 - Young people's ability to search for employment is significantly affected by the ability to pay for data, transport costs, printing, and application fees.
 - 27% of respondents had used government grant monies including the SRD grant to supplement their job search costs—84% had been forced to choose between looking for work, and buying food.
 - The researchers argue that UBIG would go a long way to help job seekers in looking for and finding paid employment.

The impact of UBIG on health and nutrition

- ❖ Eyal, K., & Burns, J. (2014). Up or Down? Intergenerational Mental Health Transmission and Cash Transfers in South Africa. *Southern Africa Labour and Development Research Unit, University of Cape Town*, 1-35.
 - [Link](#)
 - The need for improving mental health outcomes is widely acknowledged in South Africa and the prevalence of mental illness is significant. This quantitative study uses data from the National Income Dynamics Survey to investigate the impact of the child support grant on the mental health of adolescents, and on the intergenerational transmission of depression.
 - The evidence suggests that a depressed parent raises the probability of a teenager being depressed by 0.38%. However, the likelihood that child support grant beneficiaries with depressed parents will also have depression is substantially lower.
 - The child support grant lowers the risk of adolescent depression by 12 percentage points for maternal depression, and 25 percentage points for paternal depression.
- ❖ Guettabi, M. (2019). What do we know about the effects of the Alaska Permanent Fund Dividend? Alaska: Institute of Social and Economic Research.
 - [Link](#)
 - The paper summarises all the empirical papers that have examined different aspects and impact of the Alaska Permanent Fund—a type of UBI which pays annual oil dividends to all Alaskan citizens and residents.
 - One paper looked at the UBIG’s effect on health and focused on birth weight and found that income has a positive, but modest effect on birth weight.
 - The other paper focused on UBIG’s effect on health focuses on the weight of toddlers and the results were negative and statistically significant.
 - Overall, UBIG improves children’s health by increasing birth weight and decreasing childhood obesity.
- ❖ Gupta, R., Jacob, J., & Bansal, G. (2021). The Role of UBI in Mitigating the Effects of Psychosocial Stressors: A Review and Proposal. *Psychological Reports*, 1-23.
 - [Link](#)

- The authors take an epidemiological approach and illustrate the impact stress has on people by looking at the results of major stressors like unemployment and poverty.
 - These authors assess global evidence from unconditional cash transfers and in light of this evidence propose UBI as an intervention that could reduce the long-term negative impacts of these stressors on individuals and society.
- ❖ Ohrnberger, J., Fichera, E., Sutton, M., & Anselmi, L. (2020). The effect of cash transfers on mental health – new evidence from South Africa. *BMC Public Health*, 1-13.
- [Link](#)
 - Using biennial data from the National Income Dynamics Study between 2008 and 2014, the study investigates the effect of cash transfers on mental health in South Africa.
 - The evidence suggests a positive relationship between mental health and cash transfers. The Child Support Grant improves mental health. People with greater mental health can increase their life-long productivity, which can ultimately help to reduce poverty.
 - These authors conclude that unconditional cash transfers have significant mental health benefits for the poor adult population.
- ❖ Psychologists for Social Change. (2017). *Universal Basic Income: Psychological Impact Assessment*. London: AAA.
- [Link](#)
 - This paper assesses the psychological impact of UBIG.
 - UBIG improves the mental and physical health of recipients, reduces stigmatisation of those on low incomes or unemployed and has a positive effect on the social standing of women.
 - From a psychological perspective, UBIG has the potential to increase the five psychological markers of wellbeing: agency, security, connection, meaning and trust.
- ❖ Stahl, A. F. (2019). *Health promoting potentials of basic income: an analysis of the psychosocial environment in work and welfare*. Citizen Network Research.
- [Link](#)

- The amount of resources each individual has determines whether that person can say no to unhealthy work conditions. These authors argue that UBI would constitute a financial, psychological and social resource.
 - Financial security provided by UBI would reduce the threat of temporary gaps with no salary or benefits. Socially, it is likely to lessen the stigma of unemployment and enable the building of social networks and sources for social esteem outside work.
 - In providing an alternative to work, UBI provides an exit option to workers, allowing them to more easily change jobs in search of better conditions, and thus increasing their bargaining power when negotiating with bosses.
- ❖ Watkins, S. (2010). Income and Health: From minimum wage to citizen income? *International Journal of Management Concepts and Philosophy*, 137-143.
- [Link](#)
 - This paper discusses the relationship between income and health and how “citizen’s income” may be used as an intervention to address public health inequality.
 - The paper finds that public health and well-being can best be served by establishing a citizen’s income to protect the whole population.
 - The author concludes that income inequality has a direct impact on people’s health, therefore, UBI should be seen as a public health intervention.

The impact of UBIG on women’s economic empowerment

- ❖ Buller, A. M., Peterman, A., Ranganathan, M., Bleile, A., Hidrobo, M., & Heise, L. (2018). A mixed-method review of cash transfers and intimate partner violence in low- and middle-income countries. *The World Bank Research Observer*, 1-41.
- [Link](#)
 - This meta-study draws on evidence from cash transfers in low- and middle-income countries, to conduct a mixed-methods (quantitative and qualitative) review of how cash transfers impact intimate partner violence (IPV).
 - A reduction in IPV was reported in 16 out of 22 studies.
 - Theorising why this might be the case, the researchers argue that cash transfers can potentially impact IPV by (1) improving economic security and emotional wellbeing, (2) lessening intra-household conflict including about spending

decisions, and (3) increasing women's empowerment, self-worth, and perceived value to the household.

- ❖ Haushofer, J., Ringdal, C., Shapiro, J. P., & Yu Wang, X. (2019). *Income changes and intimate partner violence: Evidence from unconditional cash transfers in Kenya*. Cambridge: National Bureau of Economic Research.
 - [Link](#)
 - The study analyses the impact of randomised unconditional cash transfers to both men and women in Kenya, on rates of IPV.
 - Transfers paid to both men and women (in heterosexual couples) significantly reduced IPV.
 - Physical violence was reduced in cases where either the man or woman received the transfer, while sexual violence was reduced only in cases where the woman received the transfer.
- ❖ Molyneux, M., & Thomson, M. (2011). Cash transfers, gender equity and women's empowerment in Peru, Ecuador and Bolivia. *Gender and Development*, 195-212.
 - [Link](#)
 - This is a qualitative study which summarises key findings of research on the impact of conditional cash transfers (mainly child support grants) on women's empowerment and gender equity promotion.
 - Because these grants were designed to benefit children by supporting women solely in their status and role as mothers, they had limited emancipatory potential for women.
 - These writers suggest that if conditional cash transfers are redesigned, women can benefit by having their needs met and having more opportunities for economic and personal progress. Additionally, they might do more to support and promote women's increased engagement and voice in their communities.
- ❖ Schulz, P. (2017). *Universal Basic Income in a feminist perspective and gender analysis*. Switzerland: Global Social Policy.
 - [Link](#)
 - The paper looks at UBI from a feminist lens and how it can be used to address the problem of gender inequality.

- The study finds that female-headed households are more exposed to poverty, marginalisation, and stigmatisation as a result of poverty than male-headed households. A UBI would, by de-linking income from waged work, contribute to freeing female-headed households from vulnerability and restoring their dignity.
 - The study further reports that women have a particular stake in the introduction of a UBI to maintain systems that respect their human rights and freedoms especially in contexts where restrictive views of women's rights and gender equality are prevalent.
- ❖ Sibeko, B., & Isaacs, G. (2019). *A Fiscal stimulus for South Africa*. Johannesburg: Institute for Economic Justice.
- [Link](#)
 - The paper looks at how the state money should be spent and advances progressive principles that should guide the fiscal stimulus in South Africa; one of the principles should be to reduce inequality.
 - The authors argue that fiscal stimulus should challenge, not reproduce structural inequalities. Fiscal policy should distribute resources equitably and improve livelihoods.
 - They further explain that investing in care work is not only critical for job creation but also raises women's participation in paid employment and improves equity.
- ❖ Zelleke, A. (2008). Institutionalizing the Universal Caretaker through a Basic Income. *International Journal of Basic Income Research*, 1-30.
- [Link](#)
 - The article looks at whether feminists should endorse a basic income as a tool to address issues of gender inequality.
 - The article reports that basic income promotes gender equality by creating the social and economic conditions required to reduce the gendered division of labour.
 - It concludes that UBIG could greatly reduce the poverty rate of the most vulnerable group in capitalist economies: single women and their children.

The impact of UBIG on sustainable livelihoods

- ❖ Baird, S., Ferreira, F. H., Ozler, B., & Woolcock, M. (2013). Relative Effectiveness of Conditional and Unconditional Cash Transfers for Schooling Outcomes in Developing Countries: A Systematic Review. *Campbell Systematic Review*, 1-124.
 - [Link](#)
 - This is a quantitative study which assesses the effectiveness of conditional and unconditional cash transfers in improving education outcomes in developing countries.
 - While the effect on enrollment is larger for programmes explicitly conditional on schooling, there is still a significant effect observed in unconditional programmes (the odds of enrollment increase by 60% and 20% respectively).
- ❖ Gertler, P., Martinez, S., & Rubio-Codina, M. (2006). Investing cash transfers to raise long-term living standards. *American Economic Journal Applied Economics*, 1-30.
 - [Link](#)
 - Using data from a controlled randomised experiment, the paper tests whether poor households use cash transfers to invest in income-generating activities that they otherwise would not have been able to do.
 - The evidence shows that poor households used cash transfers to invest in micro-enterprise and own agricultural activities.
 - These authors argue that cash transfers have the potential to increase income permanently by facilitating investments in productive activities.
- ❖ Haarmann, C., Haarmann, D., Jauch, H., Shindondola-Mote, H., Nattrass, N., van Niekerk, I., & Samson, M. (2019). *Making the difference! The BIG in Namibia*. Namibia: Basic Income Grant Coalition.
 - [Link](#)
 - The report uses four-fold research methodology: baseline survey, panel survey, key informants and case studies to assess the impact of BIG in Namibia.
 - The report shows that although UBIG cannot solve all social and economic challenges, it has the potential to be the most significant poverty-reducing programme. BIG supports household development, economic growth and job creation.

- In the BIG pilot group, the number of unemployed people decreased from 60 to 45%, incomes increased by 29% over the value of the grant in the first year, and income from self-employment increased by 301%.
- Overall crime rates reported to the local police fell by 42%. In particular, stock theft fell by 43% and other forms of theft fell by nearly 20%.
- The report concludes that UBIG provides security that reinforces human dignity and empowerment.

The impact of UBIG on social cohesion and democracy

- ❖ Agüero, J. M., & Fasola, E. (2022). Distributional Policies and Social Cohesion in a High-Unemployment Setting. *World Bank Group Policy Research Working Paper 10103*, 1-45.
 - [Link](#)
 - This is a quantitative study which investigates the impact of grants on social cohesion, focusing on the Old Age Pension (OAP) South Africa. The study draws on 100 variables relating to social cohesion in the Social Attitudes Survey.
 - It finds that the OAP has limited impact on social cohesion, including only a marginal effect on interpersonal trust, and a very small effect on attitudes towards immigration. The researchers also identified a decline in social participation.
 - This reflects the finding that grants targeted at specific population groups do little to support social cohesion, and reinforces the importance of grant universality to social cohesion outcomes.
- ❖ Beierl, S., & Dodlova, M. (2022). Public works programmes and cooperation for the common good: Evidence from Malawi. *The European Journal of Development Research*, 1-21
 - [Link](#)
 - The study uses both primary and secondary data to investigate the relationship between public works programmes and social cohesion in Malawi.
 - The results demonstrate that social cohesion can be improved by public works programmes because they demand more and better quality social connections than other forms of social assistance since they have a labour component.

- The evidence suggests a positive and significant association between the presence of public work programmes and cooperation for the common good within communities.
- ❖ Evans, D. K., Holtemeyer, B., & Kosec, K. (2019). Cash transfers increase trust in local government . *World Development*, 138-155
 - [Link](#)
 - This study attempts to answer the question of whether cash transfers increase trust in local government by exploiting the randomised introduction of a locally-managed transfer program in Tanzania in 2010.
 - The findings show a significant positive relationship between cash transfers and increased trust in leaders. The study has at least two key lessons.
 - Firstly, the concern that managing remittance programs locally can reduce confidence in the government and the quality of governance seems unfounded, especially in information-rich situations.
 - Secondly, the difference in therapeutic effect between baseline village meetings is not causally attributed to the meeting, but by making information available to the public, community-managed programs are trusted by the community. I support the argument that it can improve its impact on the community.
- ❖ Guardia, A. D., Lake, M., & Schnitzer, P. (2022). Selective inclusion in cash transfer programs: Unintended consequences for social cohesion. *World Development*, 1-13.
 - [Link](#)
 - This qualitative study explores both the economic and social implications of targeting in cash transfer programs in contexts with widespread poverty.
 - The study reports that targeting and selective inclusion into cash transfer programs can have positive benefits on social cohesion, but they can also have negative repercussions on the economy that pose a long-term threat to the productive potential of the transfers and exacerbate resentments and disparities.
 - These authors further report that selecting certain households as transfer beneficiaries to the exclusion of others, creates jealousy and animosity towards those included.
- ❖ Pateman, C. (2004). Democratizing citizenship: some advantages of a basic income. *Politics & Society*, 89-105.

- [Link](#)
 - This paper provides arguments about feasibility and the best way to present BIG to gain public support. It focuses on the reasons for advocating a BIG, and how a theoretical argument for the BIG should be framed.
 - The author argues that for a basic income to be relevant for improved democratic outcomes, it should be adequate to provide a modest but decent standard of life.
 - In his argument, he further explains that this is a level sufficient to allow individuals to have some control over the course of their lives, and to participate to the extent that they wish in the cultural, economic, social, and political life of their polity.
- ❖ Pavanello, S., Watson, C., Onyango-Ouma, W., & Bukuluki, P. (2016). Effects of cash transfers on community interactions: Emerging evidence. *The Journal of Development Studies*, 1147-1161.
- [Link](#)
 - This article examines evidence of the impact of national cash transfer programmes on community interactions and patterns of exclusion.
 - The paper draws on five case studies of cash transfers, in: Yemen, West Bank and Gaza, Kenya, Uganda and Mozambique.
 - It finds that cash transfers have, in some circumstances, helped beneficiaries feel more socially connected and increased interactions and links with the larger community, which has helped to "bond" social capital and contribute to more cohesive societies.
 - However, these effects were tempered by the intra-community tensions that arose from targeting measures—and this finding indicates that grant targeting may undermine positive outcomes for social cohesion, pointing to the desirability of universality.

The macroeconomic impact of a UBIG

- ❖ Adelzadeh, A. (2021). *Fiscally Neutral Basic Income Grant Scenarios: Economic and Development Impacts*. Folsom: Applied Development Research Solutions.
- [Link](#)
 - The presentation finds that BIG is a pro-poor social policy intervention that can significantly reduce income inequality and poverty in South Africa.

- In order to cover the entire cost of a BIG program that is intended to help the bottom two quintile households, it is argued that the state must be willing to implement a set of tax policies that increases the overall tax liabilities of the top quintiles.
- ❖ Development Pathways and ITUC. (2021). Investments in social protection and their impacts on economic growth. Belgium: International Trade Union Confederation.
 - [Link](#)
 - The study simulates the effect of social protection policies on eight economies: Bangladesh, Colombia, Costa Rica, Georgia, Ghana, India, Rwanda, Serbia.
 - The study finds that an investment of 1% of GDP into social protection transfers has on average a 1.1% multiplier effect on GDP, as well as a 1.8% multiplier effect on government revenue.
 - Investments in social protection have between a 0.1 and 1.1% multiplier effect on employment, and push a consistent part of the population out of poverty, with flow on effects for gender equity.
- ❖ Development Pathways. (2022). Investments in social protection and their impacts on economic growth: Tax financing options. Belgium: International Trade Union Confederation.
 - [Link](#)
 - This study builds on Development Pathways (2021), to analyse how different tax financing options impact the economic outcomes of investment in social protection across the eight studied economies.
 - Overall, social protection financed by progressive forms of taxation generate much better outcomes for income, employment and growth.
 - Financing social protection through regressive taxes like VAT has a negative impact on GDP growth.
- ❖ Institute for Economic Justice. (2021). *Financing options for a universal basic income guarantee in South Africa*. Johannesburg: Institute for Economic Justice.
 - [Link](#)
 - This report presents a range of options and costings for financing a UBIG in South Africa.

- The report demonstrates that UBIG can be financed through phased-in introduction of progressive taxation.
 - Some of the identified mechanisms which can contribute to financing a UBIG include a social security tax levied progressively up the income scale, a resource rent tax, selective removal of medical aid credit and certain corporate tax breaks, a luxury VAT, a carbon tax, excise duties on harmful products, wealth and property taxes (wealth tax, estate duty tax and currency transaction tax), and the reduction of wasteful and irregular spending.
- ❖ Nikiforos, M., Steinbaum, M., & Zezza, G. (2017). *Modelling the Macroeconomic Effects of a Universal Basic Income*. New York: Roosevelt Institute
- [Link](#)
 - The study uses a macro-econometric model (the Levy model) to estimate the macroeconomic effects of a UBIG in the US.
 - The evidence shows that the economy cannot only withstand large increases in government spending, but could also grow thanks to the stimulative effects of cash transfers on the economy.
 - For all three designs modelled, enacting a UBI and paying for it by increasing the federal debt would grow the economy.
- ❖ Torkelson, E. (2020). Collateral damages: Cash transfer and debt transfer in South Africa. *World Development*, 1-11.
- [Link](#)
 - The study uses fieldwork experience, qualitative interviews and archive data to explore how cash transfer programmes in based on digital financial systems incorporated recipients into a highly coercive and monopolistic financial system in South Africa.
 - Due to their bundling within a monopolistic financial system predicated on proprietary technologies, cash transfers were able to be exploited and captured by private corporations, in particular the main service provider—Net1—who capitalised on its access to recipient data to encourage people to take on loans, and automatically deducted repayments from grants.
 - Net1 made use of specialised grant payment technologies to encourage grant recipients to take on loans, with grants used as collateral. This encouraged indebtedness and made “cash transfer a site of nearly risk-free profit.”

- ❖ Pereira, R. (2015). Universal basic income and the cost objection: What are we waiting for? *World Economic Review*, 1-21.
 - [Link](#)
 - The paper discusses one of the most common criticisms of UBI proposals; cost/affordability—especially the claim that income taxes would have to be raised to unsustainable levels.
 - The paper argues that a UBI is affordable, because it achieves better outcomes with lower costs, without the need to cut any vital public spending.
 - Current income support and public policies are out of date and dysfunctional. A UBI can for instance reduce the burden on the public health system while improving health outcomes.

General

- ❖ Castel-Branco, R. (2021). *Universal basic income: a politically slippery response to the crisis of social reproduction*. Johannesburg: Southern Centre for Inequality Studies.
 - [Link](#)
 - This article looks at the progressive arguments for a UBI, progressive concerns with UBI and what progressive a UBI might look like.
 - The universal character of the UBI avoids errors of exclusion and inclusion, selection processes, and other administrative costs.
 - Introducing UBI would reduce income inequality and poverty, and allow workers to negotiate a healthy working environment and strengthen social basis.
 - However, one of the concerns is that UBI could end up subsidising capitalism rather than undermining it as the recipients spend most of their income on food. Retailers would, therefore, benefit significantly from cash transfers.
 - UBI could also provide a subsidy to employers to suppress wages, by supporting workers' living costs.
- ❖ Davis, B., Handa, S., Hyper, N., Rossi, N. W., Winters, P., & Yablonski, J. (2016). *From evidence to action: the story of cash transfers and impact evaluation in sub-Saharan Africa*. New York: Oxford University Press.
 - [Link](#)

- This book focuses on studies from cash transfers in eight Sub-Saharan Africa countries: Ethiopia, Ghana, Kenya, Lesotho, Malawi, South Africa, Zambia and Zimbabwe, and evaluates their impact across a range of social and economic areas, including health, education and economies.
- Each case study is outlined and discussed in detail. Overall across the case studies, cash transfers had a range of positive socioeconomic impacts
- ❖ Department of Social Development. (2021). *The Rapid Assessment of the Implementation and Utilisation of the special COVID-19 SRD Grant*. Johannesburg: Department of Social Development.
 - [Link](#)
 - The report uses online survey, interviews and literature review to assess the implementation and utilisation of the special COVID-19 SRD grant.
 - The results show that 93.3% of surveyed applicants used the COVID-19 SRD grant to buy food.
- ❖ Institute for Economic Justice. (2021). *Designing a Basic Income Guarantee: Targeting, Universality and Other Considerations*. Johannesburg: Institute for Economic Justice.
 - [Link](#)
 - This report reviews the relative merits of targeting a UBIG in South Africa compared to universality.
 - Drawing on a range of international and local evidence, it finds that targeting is relatively expensive, whilst being ineffective in achieving its policy aims.
 - Targeting always results in errors of inclusion and exclusion.
 - Targeting on the basis of unemployment is impracticable in South Africa given the fluid nature of the labour market.
 - A universal grant financed through progressive taxation is a more efficient system for ensuring benefits are directed to the most vulnerable while eliminating the injustice of exclusion errors.
- ❖ Kidd, S., & Athias, D. (2020). *Hit and Miss: An Assessment of Targeting Effectiveness in Social Protection*. England: Development Pathways.
 - [Link](#)

- The study uses national household survey datasets to assess the targeting effectiveness of 42 social protection schemes across 25 low-and-medium-income countries.
 - The results from the survey show that universal schemes are much more effective than poverty-targeted programmes in reaching both their intended recipients and those living in poverty.
 - The authors recommend that if governments and international agencies are really committed to ‘leaving no one behind’ and ensuring that the right to social security is fully realised, the evidence demonstrates that it will be necessary to support universal social protection programmes.
- ❖ Majози, N., & Kekana, L. (2021). Global Basic Income Pilots since 2000: An annotated summary of lessons for South Africa. Johannesburg: Studies in Poverty and Inequality Institute.
- [Link](#)
 - The report presents a desktop research review of BIG pilot projects implemented since 2000.
 - The review shows that BIG cash transfers have had a strong positive impact on several key dimensions: women's empowerment, health and nutrition, food security, incomes, employment, and labour market involvement, as well as self-worth and well-being.
 - These lessons give a glimpse into the potential social transformational impacts of a BIG for South Africa, with the aim to inform research, policy, and social dialogue around the implementation of a UBIG.
- ❖ Orkin, K., Garlick, R., Rodriguez Hurtado, I., Grabowska, M., Kreft, B., & Cahill, A. (2022). International evidence to inform decision making on implementing urgent response social protection measures. *Psychology, Health & Medicine*, 1-20.
- [Link](#)
 - This paper informs urgent responses to the COVID-19 pandemic by summarising international evidence on the impacts of cash transfers.
 - The review points to benefits of cash transfers for child support on health and nutrition, and a possible reduction in malnutrition.
 - It also suggests that cash transfers aid job search and economic activity.

- The review did not find evidence that cash transfers lead to increased consumption of temptation goods.
 - The authors conclude that unconditional cash transfers are more effective than conditional cash transfers in responding to crisis situations. They note that outside crisis situations conditionalities can help to improve health and education outcomes, but the benefits of conditionalities are outweighed by the costs in situations where cash transfers are needed immediately.
- ❖ Standing, G. (2013). India's experiment in Basic Income Grants: Global Dialogue. *School of Oriental and African Studies University of London*, 24-26
- [Link](#)
 - This article presents evidence from an unconditional basic income experiment conducted in Madhya Pradesh, India, in 2011.
 - The article finds that basic income grants could be a vital part of a 21st-century social protection system.
 - The report finds that many grant recipients used the money to improve their housing, nutrition, and to take precautions against malaria. Improved health and diet resulted in improved school attendance and performance. There was an increase in overall labour and work, and a reduction in bonded labour. Recipients also used grants for small-scale productive investments, reduced debt, and improved financial liquidity.
 - There was a significant improvement in the average weight-for-age of young children, and more so among girls.
 - The grant had a transformative impact on individuals and communities, gave people more control over their lives, and improved equity.