

“Mining in Africa has not worked for its people” Interview with Nkateko Chauke on the SADC Basic Income Grant

Ms Chauke, what are the cornerstones of the SADC Basic Income Grant?

First of all, it has to be universal. We advocate for a SADC-wide Basic Income Grant that is primarily financed through a tax on extractives. The grant would be applied to every single citizen in the region.

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Instead, we are asking for one which would complement existing measures that governments have already taken forward. More than bridging the gap between the rich and the poor, it is about levelling the playing field and opening up spaces for every citizen to be able to participate meaningfully within the economic structure of their country.

The third element is the amount of the grant. We are advocating for a start-off of at least USD 25 every month for each citizen, to be inflation-indexed. This has been a very contested issue. Paying out cash transfers regardless of the beneficiaries' employment status has been at the centre of controversy. It has been a challenge to negotiate, and a challenge to even have this debate.

Secondly, the SADC Basic Income Grant has to coexist with existing grants in different countries of the region. It cannot be looked at in isolation from what already exists. We are not asking for a new innovative social security measure to be put in place.

How would a tax on extractives work?

We are lobbying for each government in the region to impose a tax on extractives. I think there is a great deal of importance in ensuring the harmonisation of policies across the region first, not only for the success of such initiatives but primarily for regional economic integration.

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The states in the region have fragmented systems of taxation and social protection. Of course it places a burden on them to afford an additional grant. This is the argument we mostly get from states, saying they do not have enough resources to accommodate something new. So we are not advocating for the Basic Income Grant as a new element. We try to look at existing structures that are already in place to mobilise domestic resources.

In South Africa, we have a very progressive legislative framework that regulates our mining industry. Among other things, we have the Mineral and Petroleum Resources Development Act 28 of 2002 and a royalties system. Mining companies which intend to extract resources in South Africa are required to pay a tax for the right to do so. This is usually channelled through to the National Revenue Fund. In many cases, however, the money has not transitioned into development aspirations for communities – especially mining-affected communities. We want to ensure that revenues taken from such taxes actually filter back to the communities. The beauty of this alternative is that new income would

be mobilised across the region. Illicit financial flows have plagued the continent for a long time. It pains me personally that mining on the continent has not worked for its own people.

How would the Basic Income Grant be paid out?

In South Africa, we have existing grants that are paid out through the South African Social Security

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Agency. Identity cards have been transformed from the previous ID book to a new standardised microchip card. They could help beneficiaries to access money from the grant in an easy and efficient way. It is also important to open up the space for communities to have access to banking services. Another possibility would be to reshape community trusts to empower local communities to receive funds directly from

mining companies which are paying out dividends under social and labour programmes.

Post offices, which are located in many communities, could be utilised as well. It is important to use existing structures to make sure that people can get their money. We are also looking at the possibility of using innovative models such as the bitcoin. Here, we need to take into account the potential barriers in terms of access as we are aware that not everyone has a smartphone or access to the internet.

When is the SADC Basic Income Grant likely to be implemented?

Unfortunately, I cannot give you a specific answer on this. The work started as early as 1996 in South Africa followed by the Taylor Committee of Inquiry into a Comprehensive System of Social Security for South Africa. I cannot pinpoint a time when the grant can effectively begin. Right now, we are lobbying regionally. A number of questions need to be addressed. What method should be used to assess existing regulatory frameworks in the context of mining? How should we reform tax regimes into a

welfare or solidarity tax with a broadened tax base?

I think a lot of value should go into ensuring buy-in at the national and local level. Only from there can parliamentarians start to take the conversation across borders. I think at this stage it is about putting thoughts to paper and ensuring that advocacy and mobilisation pick up pace and speak to the needs of the people. It is important to bring the perceptions of local citizens to the fore. It's one thing to have a conversation with ourselves. But we

Nkateko Chauke

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are representing the people in the region. And that's where the actual work has to start.

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