

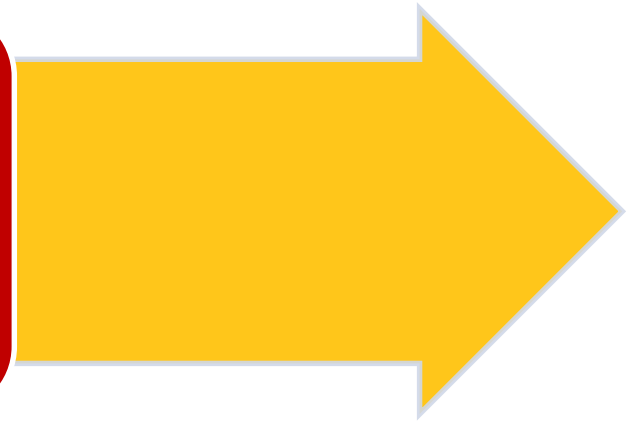
Alternative Mining Indaba
6 February 2017



*Building up knowledge
to break down Poverty*



**Social protection and Extractive
Tax: A win-win intervention**



Sustainable development & social protection

❑ SADC mission –

Promote sustainable and equitable economic growth and socio-economic development through efficient production systems, deeper cooperation and integration, good governance, and durable peace and security, so that the region emerges as a competitive and effective player in international relations and the world economy.

❑ Member states have concluded various instruments that are geared towards the promotion of adequate social protection in the region

- The SADC Treaty
- Charter of Fundamental Social Rights in SADC (Social Charter)
- Code on Social Security
- Protocol on Gender Development, amongst others

❑ SADC Treaty – Art 21

- Enshrines areas of cooperation between states, including food security, human development and social welfare

❑ SADC Treaty – Art 5

- Promotion of social development in the region
- Specific social protection-related objectives include poverty alleviation with the ultimate aim of eradicating it, enhancement of the standard and quality of life of the people, and support for the socially disadvantaged through regional integration.

SADC BIG Campaign: A Call to Action!



Civil Society Mobilization to:

1. Promote social protection in SADC countries
2. Provide platforms for exchange to foster sensitisation and dissemination
3. Facilitate a structure to link social protection experts, CSOs, FBOs and institutions
4. Link campaign to existing labour and social movements (regional + global)
5. Participate in international conferences, seminars, publications, joint research, and dissemination of information – objective of translating research into consumable information to be filtered down to national and local levels to galvanise support for the campaign

SADC BIG Campaign aims to:

- Share experiences and information based on research and in-depth knowledge of social protection issues.
- Facilitate constructive debate, discourse, discussion and reflection among experts, stakeholders and role-players
- Place social protection – particularly basic income – on the agenda of SADC Parliaments
- ❖ **Our Targets: ITUC/SATUCC/SADC Apex organisations/SADC Secretariat/AMI/SASPEN/APSP**

The Principles of a SADC-wide Basic Income Grant



Universal Coverage: It should be available to everyone 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 for example community Post Banks and 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.



Taxation from extractives and revenue considerations: AMV

- Significant share of tax revenue increase stems from natural resource taxes
- Taxation should provide a stable flow of revenue to finance development priorities (i.e. social protection and infrastructure)
- Government revenue from mining in African countries is not fully optimised – **a result of overgenerous fiscal incentives, corruption and lack of transparency**
- Major challenge for African countries is finding the optimal balance between a tax regime that is business and investment friendly and still raises enough revenue for public service deliver: **calls for more tax policy reform and capacity building for state agencies to monitor proceeds from MNCs**
- There is a need to interrogate existing tax regimes whose loopholes aid illicit financial flows. ***Africa is not poor: through Illicit Financial Flows, Africa appears to be aiding the rest of the world***
- **African policymakers need to:**
 - Mobilise domestic resources and broaden tax base to secure steady revenue for development financing
 - Fight tax evasion (Ex. Panama Papers)
 - Improve investment climate for enterprise development – shaped by tax regime
 - Promote good governance underpinned by effective taxation

SADC-wide Basic Income Grant Administration



For example: in S.A. alone 6.3 million people would be moved out of poverty.

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

Extractive Tax

Mining companies operating in the SADC region

Political will

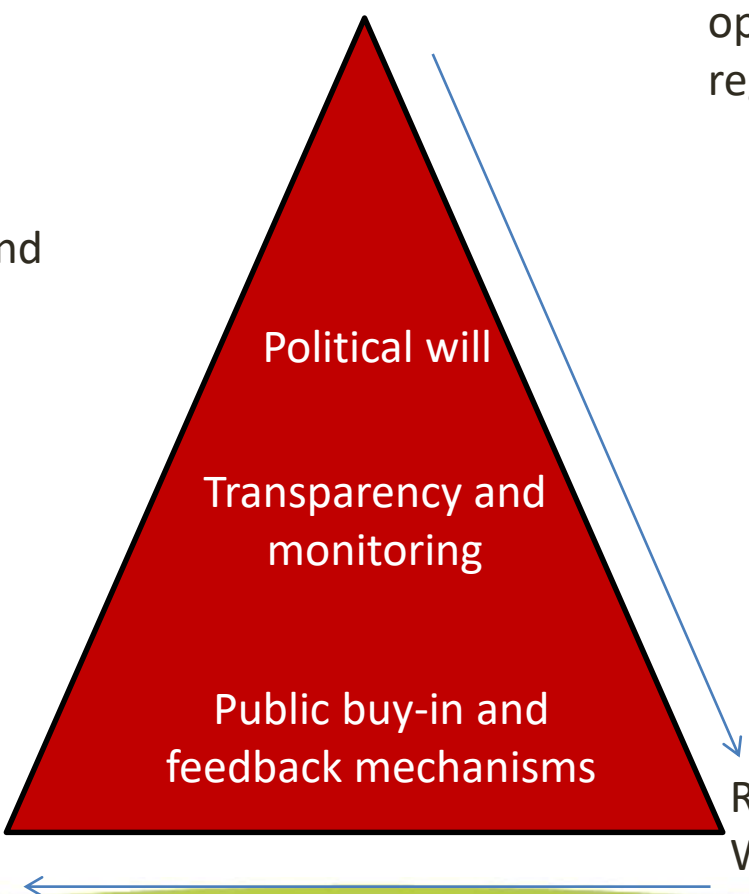
Transparency and monitoring

Higher income earners would pay Individual Solidarity Tax

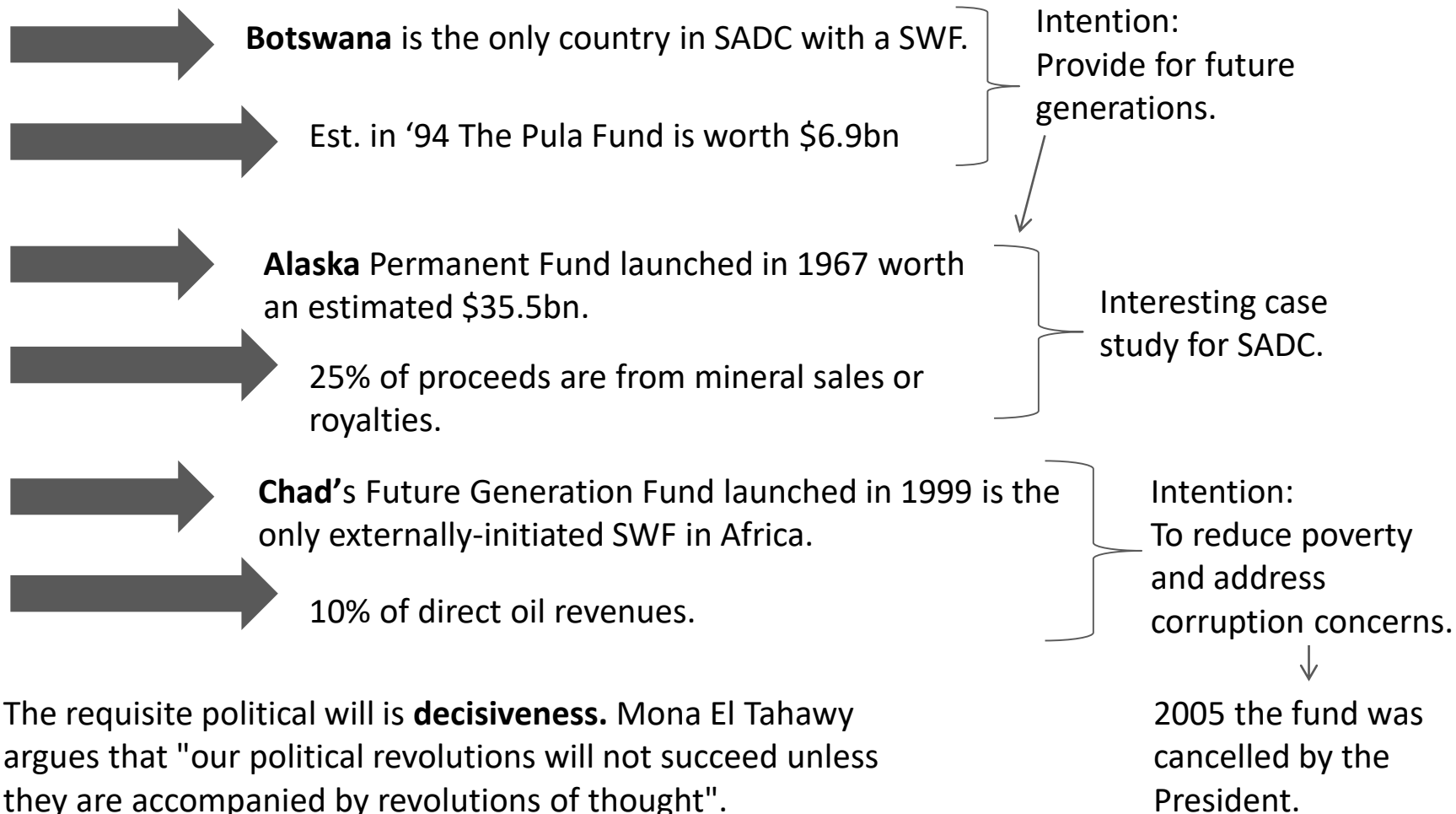
Public buy-in and feedback mechanisms

Regional Basic Income Grant

Regional Sovereign Wealth Fund



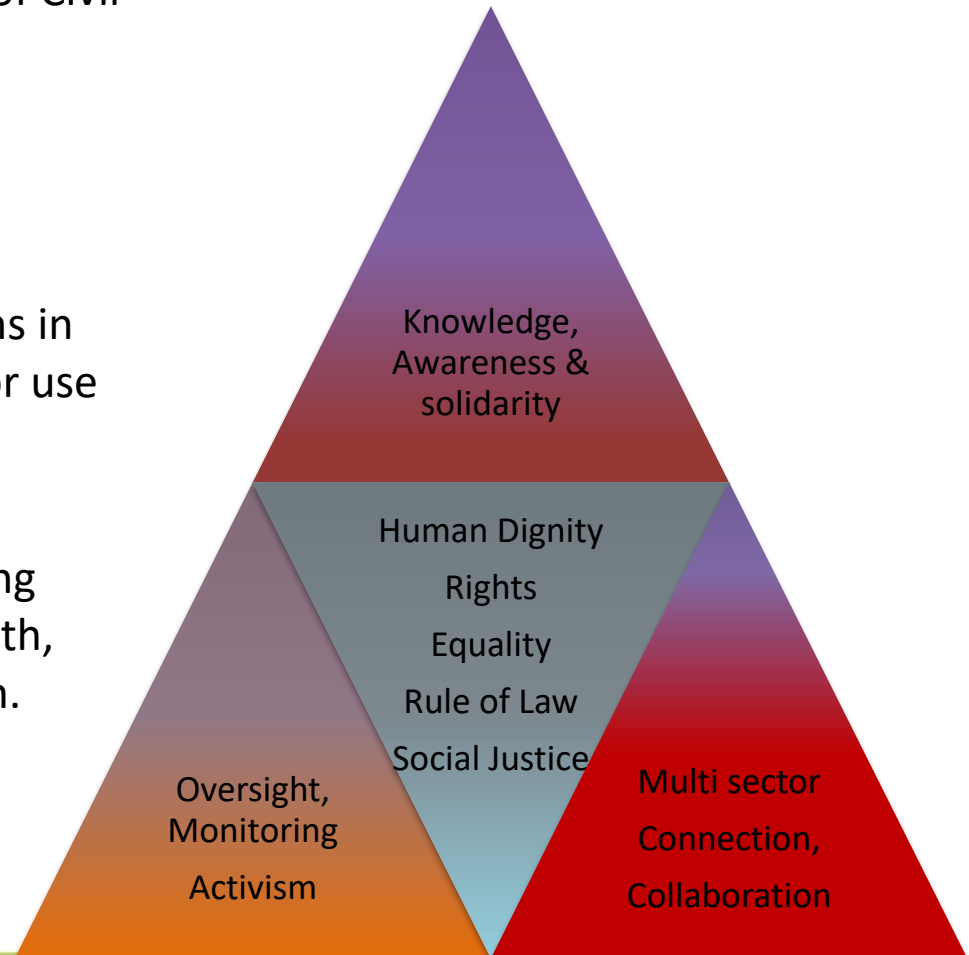
Lessons from Global Experience: Sovereign Wealth Funds (SWF)



The Future Trajectory of the SADC BIG Campaign

- Building strong regional networks of Civil Society Organisations.
- Sharing research and information.
- Providing access to local institutions in the region on policy alternatives for use in national advocacy.
- Providing the space for interrogating core issues related to mineral wealth, distribution and poverty alleviation.

Our Approach:



Thank You!



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