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A CONTRACTARIAN CONCEPTION OF THE BASIC INCOME GRANT: GENERAL AND SOUTH AFRICAN CONSIDERATIONS

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A research report submitted to the Department of Political Studies, Faculty of Humanities, University of the Witwatersrand in partial fulfilment of the requirements for the degree of Master of Arts (Political Studies).

Johannesburg, 2023

Abstract

This academic report proposes an additional moral argument for implementing a basic income grant (BIG) within the framework of the social contract in South Africa. The analysis aims to establish whether there are implicit obligations on the part of the state to provide all citizens with access to social assistance. The report ascertains what moral obligations the state has towards its citizens by exploring social contract theory. The report also analyses the South African case more closely, arguing that state obligation to provide social assistance to all citizens can be found in the Constitution and in the objectives of the social. The research report offers reflections regarding how the South African state attempts to satisfy these obligations through a discussion on some of the government's social and economic policies. The reflections argue that while the state recognises this moral obligation, it follows the structurally unviable policy position that wage employment can satisfy the social contract for the working aged population. The report investigates the nexus between the social contract and basic income, arguing that the social contract makes the provision of social assistance a moral requirement of the state and thus a basic income grant is necessary, especially in the South Africa case where a large number of working age people have no social assistance access and face high rates of structural unemployment. The report undertakes document analysis of relevant literature, government policy proposals and development programmes to achieve this objective. Ultimately, this report contributes to the understanding of the post-Apartheid social contract, the politics of the welfare system, and the discourse surrounding basic income grants.

Keywords

Basic Income Grant, Social Relief from Distress, social contract, labour contract, social minimum, Putting South Africa to Work

Declaration

I declare that this research report is my own unaided work. It is being submitted for the degree of Master of Arts at the University of the Witwatersrand, Johannesburg. It has not been submitted before for any degree or examination at any other University.



06 October 2023

Jordan Mc Lean Date

Dedication

This research report is dedicated to my Annah Nozinja Msimanga and is written in loving memory of my grandma Sheila.

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I would like to express my sincere gratitude to the Konrad Adenauer Stiftung for generously funding my Master of Arts (Political Studies) degree at the University of the Witwatersrand and supporting my internship programme at the South African Institute of International Affairs (SAIIA) in 2022. In particular, I would like to thank the Konrad Adenauer Stiftung Regional Programme Political Dialogue in Sub-Saharan Africa (PolDiSSA), Dr Holger Dix and the SAIIA Research team for this support.

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1. Introduction

The idea of a minimum level of livelihood has floated in and out of political discourse since Thomas Paine (1797) first spoke to unconditional cash payments to citizens by the state in 1796. More recently, Andrew Yang (2020) had made basic income a central plank in his unsuccessful Presidency bid in the United States. Income security comprises programmes designed to "ensure, collectively, at least a minimum living standard for all citizens" and protection from destitution (Taylor Commission, 2002:41). Despite its long history, basic income, and other iterations of income protection from destitution have suffered from widespread doubt about their objectives, implementation, and sustainability, with very few countries attempting more than the limited pilot projects seen in towns or provinces in Namibia (2008-2009), Kenya (ongoing), South Korea (2018-present) and Alaska (1982-present). The basic income debate has been reinvigorated in South Africa and beyond by the economic constraints of the COVID-19 pandemic (Johnson and Roberto, 2020, ILO, 2020, Razavi et al, 2020 and Mathebula, Fish and Masvaure, 2022).

The aim of this report is to present an additional moral argument for the implementation of a basic income grant using the theory of the social contract, applying this to the South African context. To achieve this, the paper aims to establish the moral obligations of the state to provide citizens with access to social protection, which are implicit in the framework and philosophy of the social contract, through a discussion of the Constitution of South Africa (1996) and the social compact concept in South Africa. The report does not interrogate the feasibility of a basic income mechanism but seeks to understand in what ways the basic income grant can form part of the moral obligations of the state, in general and with specific application to South Africa. The report offers some reflections related to how the South African state has attempted to fulfil these obligations, after establishing that a basic income grant is necessary for the state to satisfy the social contract, in a review of some of the state's anti-poverty policy choices.

Background on the basic income mechanism

As far as currently possible in the available literature, the basic income idea has been linked to political thinker Thomas Paine. As Alberto Camporesi discusses, there has been a "rising consensus" that Paine's *Agrarian Justice* (1797) contains the origin of the basic income concept. In the *Agrarian Justice* pamphlet, Paine proposes the creation of a property tax that would form a fund to be redistributed as a basic endowment to all citizens, based on his belief that land should be treated as common property (Camporesi, 2023:81-83). However, Camporesi argues Paine's experimentation with basic incomes and issues of citizen endowments began much earlier, in 1775, when he authored the *Pennsylvania Magazine* (Camporesi, 2023:85-89). A leading proponent of the basic income is also philosopher and political economist, Phillipe Van Parijs, who has authored many of the central philosophical texts probing the moral feasibility and necessity of the basic income mechanism (and founded the Basic Income Earth Network) in tandem with authors such as Guy Standing.

The economic feasibility of a basic income has been widely analysed and debated as well while definitions of basic income are less contested. A basic income is a cash allowance distributed by the state authority to recipients at regular intervals. It is commonly a monthly cash grant to all individual citizens (of a community or country, depending on its form) without means testing or obligations on the part of the recipient in exchange for the cash transfer (Bidadanure, 2019:482). Its universality and unconditionality have made it part of radical proposals for social security reform and fundamental reconfigurations of society (see Wright, 2010) and across the globe.

Unconditional cash transfers suffer from allegations of promoting free riders and laziness (see Kymlicka, 2002), trapping recipients in dependency on limited state resources better deployed elsewhere. But Hickey (2011) notes that proponents of basic income highlight social integration as a potential benefit and argue that the financial opportunity to boost one's capabilities allows one to freely pursue a decent life. Questions surrounding the state, its role in social protection and the kinds of mechanisms it employs to address societal problems are growing. Barrientos (2016:152) argues that the expansion of welfare institutions across the globe has indicated a "significant extension of the role and responsibilities of governments", which has brought these questions more attention. Existing literature on the rights-based contractarian approach to social assistance suggests that there is an implicit promise in the architecture of the social contract on the part of the governing authority to provide protection from destitution to the least advantaged members of society (Hickey, 2011).

In the South Africa context, the basic income grant (BIG) is conceptualised as a cash transfer both unconditional and universal. Policy proposals for a BIG describe the grant as a "universal guaranteed minimum income" for all citizens, free from means testing and provided by the state as a right (Department of Social Development (DSD), 2020:7). This is in contrast to the title page of the draft document released by the Department of Social Development in 2020, which describes an "Income Support for the Unemployed Aged 18-59", setting an age and employment condition on the receipt of the proposed grant. Grant recipients in this age category are not adequately supported through South Africa's other grant mechanisms which address the vulnerable within society, namely the elderly, disabled and children.

For South Africa, the idea of a basic income grant was first introduced by the then Department of Welfare in the 1997 White Paper for Social Welfare. The White Paper described "universal access" for all citizens to the social security system, promising a minimum income to all citizens to meet their basic needs (Department of Welfare, 1997, Chapter 7, paragraph 27). The Congress of South African Trade Unions (COSATU) had also proposed a universal, non-means tested basic income grant to the department in 1996, referring to the "positive obligation on the government" to ensure every citizen had access to social security, including social assistance (COSATU, 1996). In 1998, COSATU further refined their policy inputs, leading to an agreement to investigate a proposal for a BIG. This culminated in the 2002 report from the Committee of Inquiry into a Comprehensive Social Security for South Africa which was chaired by Professor Viviene Taylor. A key observation of the 'Taylor

Commission', as it became known, was that the South African welfare system was still influences by a view that "those in the labour force can support themselves through work, and that unemployment is a temporary condition" (Tayor Commission, 2002:15 quoted in Chitonge and Mazibuko, 2018:11). The report ultimately recommended a BIG of R100 for all citizens, arguing that it would be the most effective way to combat income poverty (BIG Financing Reference Group, 2004:17-18). The state took no decisive action on the findings of the report although calls for a BIG have persisted, appearing even in the ANC 2022 Umrabulo Policy Conference document (ANC, 2022:106).

The introduction in 2020 of the Covid-19 Social Relief from Distress (SRD) Grant for people aged between 18 and 59 years old who were both unemployed and not recipients of other social grants "marked the first time that unemployed adults of working age were included in the social grant system" (DSD, 2021). The BIG in the Green Paper on Comprehensive Social Security and Retirement Reform (2021) and in the Discussion Paper: Income Support for the Unemployed Aged 18-59 (2020) made public by the Department of Social Development differ on the issue of conditionality and universality. Where the Discussion Paper describes the BIG as being for all citizens irrespective of whether they earn an income or not, the Green Paper very clearly articulates that the BIG would initially be a targeted income support intervention for a specific age group both unemployed and non-beneficiaries of other social grants. There seemed to be some internal confusion as to the universality of the proposed BIG. The proposed plan in the Green Paper is to gradually develop the applicability of the grant, and all other existing grants, to all be universal. The aim is thus to achieve a single Basic income Grant for all citizens with the option of top-ups to increase the value of support for designated vulnerable groups.

For this report, the discussion will be confined to a basic income grant available to all unemployed citizens of South Africa within the 18–59-year-old age group, which is in line with various government proposals and speeches which have mentioned the dire material circumstances of this age group and acknowledged their need.

Conceptual overview of report themes

It is important at the outset to illustrate some perceived connections among the concepts and ideas the paper aims to clarify. What we have seen in the context of the COVID-19 pandemic is the reassertion of the state as a protector and as a "guarantor" of the public's income security and health and safety (Razavi, et al, 2020:55). The idea that the state has 're' asserted itself is best understood in the context of global neoliberalism (characterised by market individualism and minimal government) which limited the interventions of the state. The reassertion of the state emerged out of the shortcomings of the post-war Keynesian welfare state where even employment was in some instances considered the burden of the state (Hickey, 2011:430). The reassertion of the state is seen in the enforcement of stringent health regulations during the pandemic as well as in the slew of social protection mechanisms implemented across the globe to protect the public from the economic constraints of lockdowns and social distancing. The preceding decades had been

characterized by a drive to address poverty and inequality particularly for the African continent, with the state as an active agent for development, exemplified in the United Nation's Sustainable Development Goals (particularly SDG 1, 2, 8 and 10), the African Union's Agenda 2063 (Aspiration 1 and goal 1), and central in the Southern African Development Community's mission as well. The consensus is that the pandemic has had a detrimental effect on the developing world's progress toward the realization of these and other development goals (see UNDESA 2021, Shulla et al, 2021 and ILOSTAT, 2022). There is further acknowledgement that the absence of social protection instruments such as temporary income guarantees and emergency social assistance would have resulted in more negative effects from the crisis for national economies and social cohesion (McKinnon, 2020:10).

The protection from destitution that Hickey (2011) speaks to is needed in the current post-COVID context where the pandemic and the sluggish post-pandemic economic growth in South Africa have placed what Offe (1997) calls the labour contract under significant stress. Restrictions during the pandemic (such as on physical movement and face-to-face industries) plunged many people into poverty or more severe income insecurity. Literature with a focus on labour argues that formal employment plays a fundamental role in maintaining social order and where unemployment persists, the disintegration of the cohesion and stability of society is likely to occur (Offe, 1997). A wide range of literature covers these elements in isolation, but this report aims to offer a clarification of the nexus between the social contract and basic income, to present an argument for the institutionalization of basic income grants.

In a case study on comprehensive social protection for South Africa, van den Heever (2021:217) argues that the financial vulnerability of low-income families compromises their participation in society. However, it is well established that access to grants in South Africa is the "only mechanism supporting poor households and preventing deeper descent into destitution" (Ferguson, 2007:78). South Africa's social security system is comparatively one of the most comprehensive on the continent (Devereux, 2010). Sections of the poor are covered by non-contributory conditional social assistance in the form of pension, childcare, and disability grants. Social insurance is made up of employee and employer contributions to private pensions schemes.

The role of the state in South Africa has shifted significantly. Where the Apartheid state was an oppressive entity for the majority of South Africans, the post-Apartheid ANC-led democratic state became one on which "many people rely for their well-being and livelihoods" (Piper and von Lieres, 2016:323). The substantial – though not adequate – coverage of the post-Apartheid social assistance system speaks to this state responsibility.

In post-Apartheid South Africa there are calls for an explicit inter-sectoral social contract, referred to as a social compact between civil society, business, and the government. Where the social contract is a philosophical concept used to explain how states come to be and how state authority may be bound, the social compact describes an elite partnership of social actors who can influence policy decisions based on common objectives. The implicit contract between them has been tested

by high levels of unemployment and persisting income inequality, only exacerbated by the COVID-19 pandemic. The implicit social compact between these sectors of society involved a commitment to mutual benefit, economic growth and stability among groups who had previously stood at odds with one another. The effectiveness of this compact can be called into question when faced with the fact that South Africa has the highest rate of inequality (GINI Coefficient of 0.63) and continues to suffer from sluggish economic growth. Referenced in the African National Congress's 2022 Umrabulo Policy Conference document, the "social compact" is described as still incomplete. There remains a need to "urgently finalise the social compact" to operationalize an economic programme which is able to foster economic growth and eradicate inequality (ANC, 2022:141). As the preferred mechanism for multi-stakeholder engagement on policy issues, the social compact aid the paper in achieving its normative goal of identifying the state's moral obligation to provide basic income support. The objectives of the social compact speak to the moral imperatives, arrived at in common by compacting partners, integral to the functioning of the new South African democratic state.

The South African experience of the pandemic has been no different to what McKinnon (2020:10) had described. Poverty and income inequality have been persistent in the democratic era which has left questions as to the success of the ANC-led government in realising the rights and freedoms enshrined in the Constitution (ANC, 2022). The Constitution is a formalized version of the social contract as it sets out to government and (less clearly) to citizens their rights and responsibilities. The reduction of inequality, exclusion and disparities is the aim of the South African constitution in particular as it sought to address the inequalities of the apartheid-era. Social assistance for those who are "unable to support themselves and their dependents" is enshrined as a right in Section 27(C) of the Constitution. The government of South Africa thus operates under a rights-based framework for policymaking.

To date, social assistance grants have targeted vulnerable groups in society, these being: children under the age of 18 (the Child Support Grant), the disabled (Disability Support Grant) and the elderly (Old Age Pension), among other minority groups such as veterans. The White Paper on Social Welfare (1997:100), which is the policy framework for the Department of Social Development, states the purposes for social protection as addressing the economic hardships of "old age, disability, child and family care…unemployment, ill-health, maternity, child-rearing [and] widowhood", while aiming for poverty relief. A glaring omission in the current system in South Africa is sufficient policy for achieving relief from poverty and addressing the hardships of unemployment for the working-age population. Thus, exploration of the debates on basic income is relevant to the South African context where structural unemployment has led to mass poverty and for which there is no permanent state support.

It is also important, McKinnon (2020:7) argues, for states to review the effectiveness of their social security systems periodically, to "remain responsible to the evolving national and global context". It is the objective of this report to interrogate the South African government's own admission that social protection coverage is not adequate

and to investigate how the state thus perceives its obligation, as laid out in Section 27(C) of the Constitution, to address the inefficiencies of its social security system through a basic income grant.

The objective of the report is to analyse what links there are between the social contract and basic income provision. The economic situation of South Africa in the pre- and post-pandemic contexts is one of persisting poverty and inequality of people whose rights to assistance are guaranteed in the formal social contract, the Constitution. Another concern is to clarify the relationship between the social contract, South Africa's constitution and the social compacts frequently called for. The social contract is a tacit agreement which crystallizes some of the assumptions upon which social and political order is based. States assume the provision of law and order, but social contract philosophical literature explores the moral obligations of the state beyond this basic one. The social contract is a theory about the moral basis of state authority in society. A review of these theories takes place in Chapter 2.

The 1996 Constitution of South Africa makes aspects of the contract explicit. A constitution is an explicit agreement where a social contract is tacit. It sets up the legal framework of society and society's key institutions, outlining how the government must work and what the liberties are afforded to the citizenry. This limits the scope of the state as it dictates people's rights against the state. The Constitution in turn differs from what social partners (including the President at the State of the Nation Address in 2022) have called for since the establishment of democracy (see for instance, Luiz, 2014), namely a 'social compact'. The social compact refers to an explicit partnership "emphasising the coming together of different stakeholders or actors in society, through social dialogue, to unite behind some commonly agreed goals" (Chitonge and Mazibuko (2019:24). It is not legally binding but brings particular societal role players together as they discuss various approaches to policy issues. By nature of its composition, the social compact is political but adheres, at least, to the ideals, objectives, and limits of the Constitution.

This research report hopes to advance an argument for the basic income grant as a mechanism that is implicit in the social contract because of the potential for it to aid the state in discharging its obligations.

Motivations of the study

The paper aims to interrogate the obligations of the state to provide protection from destitution to its citizenry, in light of the added pressure on the economy, cost of living and job market during dire post-pandemic economic situation. These factors are the motivations for the study, especially in the context of the extension of the COVID-Social Relief from Distress grant, which will have served as income support for over 10 million South Africans for close to 4 years at its projected end in March of 2024. Beyond offering a synthesized account of the extent to which basic incomes form part of the social contract, the report seeks to make a contribution to the study of the post-Apartheid social contract, the politics of the welfare system in South Africa and the broader rights-based approach to the basic income debate.

Research Aims and Methodology

The report aims to answer the question, “To what extent is the provision of a basic income part of an implicit social contract? Some general and South Africa-specific considerations”. More specifically the report aims to (1) explore a contractarian approach to the introduction of the basic income grant, in general and for South Africa; (2) ascertain what obligations (in terms of social assistance and a universal form of social assistance) come out from various examples of a social contract (as e.g., expressed in the South African constitution), and (3) produce a synthesized account of the way that the social contract, compact and basic income concepts play out in the South African context.

The overarching research objective is to formulate a coherent account of the nexus between the social contract and the basic income mechanism, to advance a moral argument for the implementation of the basic income grant for the South African context. An analysis of how these concepts play out in South Africa is an attempt to bridge the gap between such theoretical frameworks as the social contract and formal policymaking.

The report is an exercise of normative political philosophy, seeking to establish whether the state has an obligation to provide a basic income grant. Necessary for this task is the provision of a philosophical clarification on how the concepts of the social contract and the basic income grant come together as part of an argument for basic income and how this plays out in South Africa, using mainly secondary literature. The aim here is to interrogate the logic of social policy and social policy positions, to clarify the conceptual logic of policy proposals like the basic income grant. The research report will thus contribute to the body of knowledge on contractarian approaches to social protection policy and the way that the social contract theory plays out in South Africa. This will help to expand the research in this area through evaluating a potential policy mechanism through the political philosophy prism of the social contract.

In investigating the South African debate around basic income, the report will build on the normative findings of earlier chapters and conduct document analysis to look at how founding documents such as the Constitution of 1996 figure into social contract literature on South Africa. Presidential addresses as well as policy documents from the South African Department of Social Development and the ANC will be analysed to pick out the implicit obligation of the South African government and its dominant party to provide adequate income support to the population.

The African National Congress’s Policy Conference and the outcomes of this in terms of the social transformation subcommittee’s call for discussion on the implementation of a basic income grant at R350 will also be analysed. This is under the understanding that the ideas of the party may not translate to policy implementation but that there is value in looking at the rationale for the basic income grant and trying to ascertain what obligations the subcommittee may or may not place on the government.

Limitations of the report

A central component of the report's content is a focus on the role of the state in providing income protection to the citizenry. The report aims to analyse key documents to draw out what obligations are placed on the state and whose fulfilment may be demanded by citizens through such means as the Constitution. As a result, the scope of the report is narrow in that it does not account for how the citizenry ascertains the obligations of the state, nor does it engage deeply with the perceptions of society of the state and the state's role (or lack thereof) in providing income support to the 18–59-year-old age group largely omitted from the current social assistance programme. This is a limitation because the social contract can be thought of as an agreement among individuals to form a state or as a tacit mechanism which delineates both state obligation and citizen responsibility which occurs in a reciprocal manner.

While the scope is focused on the state alone, the advantage of this approach is that to answer the research question, whether a basic income forms part of the implicit social contract, the report is able to look specifically at the state's obligation to provide income support, which is conducive to a rights-based approach to the basic income concept.

In terms of methodology, the research is limited to document analysis and literature review. Conclusions about what the obligations of the state are, are based on what government documents say, not necessarily what government policymakers involved with the deliberations on the basic income project in South Africa, believe. Similarly, the report does not consider in much detail the views of citizens which may have been gathered through questionnaires or interviews.

Perhaps a final limitation might be the generalizability of the report's conclusions to other global contexts given that the report will use the case of South Africa prominently. There are many countries debating the introduction of basic income support across the world, with many like Switzerland and Finland in better fiscal situations than South Africa, which experience more income equality and are able to consider lower unemployment and poverty rates in the policymaking process. However, the South African case is particularly important because it is a country in the Global South which is deeply connected to the poor and vulnerable populations through direct state support which reaches one out of every three South African presently[1]. South Africa is also a site of deep structural unemployment which has been exacerbated under the pandemic and will continue to deepen through the processes of automation and transitions from fossil fuels and extractive industries – industries upon which the entire economy relies. South Africa is and will be an important case study for the future of social protection policy in a changing economic landscape.

Structure of the report

The report will interrogate a normative question: Does the state have a moral obligation to provide a basic income grant? The report will begin with an account of

[1] This statistic includes the beneficiaries of the COVID-19 Social Relief From Distress Grant which has been earmarked by the DSD as the mechanism through which to launch a Basic Income Grant. See Madubela, 2021.

the history of the theory of the social contract in political philosophy. Social contract theory is concerned with the legitimacy of the state and state authority. It has been used to understand and identify what obligations, if any, the state has to its citizens in order to maintain this legitimacy. The report will discuss the thinking of Thomas Hobbes, John Locke, Jean-Jacques Rousseau, and John Rawls to provide an overview of some of the prominent names within social contract thinking. The aim of the extended discussion of Rawls' social contract in this research report is to identify where exactly the basic income mechanism fits in with his attempt to establish the 'most fair' conception of society. The report will then explore the social compact in South Africa and drawing a clear distinction between the contract and the compact in the South African context.

Chapter 3 will draw out the South African government's obligations to provide comprehensive social assistance, given that access to social assistance is enshrined in Section 27 (C) (1) of the Constitution of South Africa. The chapter will begin with an overview of the right to access social assistance bearing in mind the caveat attached to socio-economic rights in South Africa's Bill of Rights, 'progressive realisation'. Socio-economic rights refer to "those rights that give people access to certain basic things (resources, opportunities, and services) needed to lead a dignified life, and include the right to adequate housing, education, social security, among others (Khoza, 2007:19). The aim of this overview is to argue that the 18–59-year-old population group – the 'working-age' population – is unjustifiably left out of the government's attempts to realise social security for all. The chapter will also focus on Offe's labour contract (1984) linking the objectives of the social compact to the imperative that Offe identifies, for the state to look to another policy mechanism besides jobs to maintain social order. This section unpacks the central role of formal employment in society, where Offe (2009:55) argues the labour market is able to provide, essentially, identity to individuals and 'distributes' livelihood to people according to their productivity. For this labour contract to survive, Offe shows, a sufficient number of people must maintain employment, a reality which is not always possible. Offe's labour contract exposes the need for another mechanism to produce some of the effects of the labour market, even where socio-economic conditions are dire. Thus, the research report argues that the institutionalisation of a basic income grant is necessary to see that the state fulfils the moral obligations of the social contract.

The last section of the report provides some reflections on the basic income grant debate in South Africa, drawing on the normative findings of the report's main chapters. This section provides an analysis of the South African economic and political landscape, identifying pressures on the social compact described in Chapter 3. This section will look at South Africa's 'job creation rhetoric' (as coined by Barchiesi (2007)) to evaluate how the social compact partners' (primarily the government) attempts to address the fracturing of the labour contract and meet the obligations of their social compact agreement operate in practice.

This section will also discuss some of the South African state's policy choices as it attempts so satisfy the moral obligations of the social contract, notable the Expanded Public Works Programme. A comparison will be drawn between the polycrisis facing

South African citizens, especially the poor and unemployed, and Rawls' concept of the 'strains of commitment'. The aim here is to show how a social minimum (which may be take shape in a basic income style mechanism) can help to mitigate the threat to society where a portion of society is faced with excessive burdens and obstacles to their participation and enjoyment of society and its institutions. The report will end by discussing two internal PowerPoint presentations that were leaked to the internet, which detailed government's current policy considerations for a basic income grant. The proposals are shown to ignore the harsh reality of a fractured labour contract where the supply of labour far exceeds the job supply, placing the order of society under stress by centring wage labour and undermining the anti-poverty impacts of social assistance and the potentialities for a basic income mechanism to realise the government's poverty reduction objectives.

2. The social contract and the social compact

Social contract theory developed in Western political philosophy during the Age of Enlightenment (17th – 18th Century), although the Greek philosophers had explored the ideas of contracts, society formation and the state of nature (Ritchie, 1891:656-658). In its modern iteration, social contract theory emerged out of the (continued) need to understand the formation of governing authority and society as a whole. The basic question that social contract theory seeks to answer is what the function of the state is and what legitimises state authority. The concept remains a central feature of democratic politics in the modern age. This is despite the fact that people do not, in practice, come to a formal agreement to form a society and hand over legitimate power to a governing authority. Rather, the 'social contract' refers to a tacit agreement, built on the understanding that escaping an ungoverned world is to the benefit of more people. Social contract theory does have its critics, but the objective of the chapter is not to present any defence of social contract theory or, critically, any conception of the social contract by the theorists named in the report.[2] Rather, the aim of this chapter is to begin the normative task of interrogating the question: Does the state have the moral obligation to provide a basic income grant?

The following sections will each focus on the philosophical underpinnings and overall structure of the social contract theories of Thomas Hobbes (1651), John Locke (1689), Jean-Jacques Rousseau (1762) and John Rawls (1971). The intention is to present a broad history of social contract theory to provide an overview of the philosophical concept and to highlight different conceptions of the social contract. Social contract theory deals with the function of the state, outlining upon what basis the state may draw its legitimacy. For this research report, an overview of social contract theory helps to outline in what ways a basic income grant may form part of the moral obligations of the state. The chapter will then look at the rights-based approach to social protection, as it is the philosophical and policy position within which the paper will locate this study of the Basic Income Grant, especially for the South African case. The aim of this chapter is also to draw a strong distinction between the social contract and the social compact which is a term used more in the South African context. The last subsection will begin exploring the way in which the basic income grant can figure into a Rawlsian interpretation of the social contract.

2.1 Hobbes

Drawing on various conceptions of the social contract, it can be broadly understood as a mechanism for explaining why people come together to form societies and for explaining the role of state authority in relation to the citizenry. Part of this is identifying what obligations – if any – the state has to its citizens in order to maintain its legitimacy. Hobbes (1651) is thought to have first given a significant and dedicated account of a social contract in his *Leviathan*.

[2] An overview of social contract theory's critics is presented in the introductory chapter of Boucher and Kelly's (1994) *The Social Contract from Hobbes to Rawls.*

At the outset, a contextualisation of Hobbes's contemporary political situation aids in understanding his version of the social contract and the recommendations he prescribes for society. Drawing on the tumultuous state of a warring English society, Hobbes describes a nasty and brutish state of nature. The relationship between the English authority and society had broken down as the Royalists and Parliamentarians began a civil war in 1642. While Parliamentarians debated the right of the King to make law, Hobbes observed a citizenry that in turn began to question their duty to the monarchy (Hampsher-Monk, 1992: 1-3).

Hobbes takes this reality into his philosophical work. He writes about a state of nature which predates the formalisation of society, where natural law prevails. All men are equal in power but struggle to maintain good relations (Hampsher-Monk, 1991:24). He argues that "men have no pleasure…in keeping company" with one another as their ability to do whatever they need to do in pursuit of their desires is unregulated (Hobbes, 1651:88). People's existence in a state of absolute freedom creates an environment, he argues, where people act to acquire their desires even where this includes violence against a fellow man, actions which invariably lead to war (ibid.). It is not a flaw on humanity necessarily that people resort to violence and war. This is an outcome of nature which rules over the state of nature and provokes people's actions.

The conflict which permeates the 'nasty and brutish' state of nature should be attributed to natural instincts. Hobbes argues that this continual state of war is "miserable" and unbearable (Hobbes, 1651:117). This is the impetus for society's coming together and accepting a governing authority. But it is the nature of the governing authority which stands Hobbes' social contract theory apart from others. The way to escape this state of nature, he argues, is to create an individual with "greater stature and strength than the natural" to properly address and curtail the conflict which characterises the state of nature (Hobbes, 1651:10). Since mankind live in the same dangerous world, everyone does recognise the precariousness of their situation. There is a constant threat to their livelihoods, lives, and property which they should seek to escape. And escape is the first condition Hobbes introduces as he makes recommendations for avoiding a return to the state of nature or the perpetuation of life within the state of nature.

People must first exit the state of nature in order to rationally enter into agreements of contracts since agreements can easily be undermined in a lawless, violent environment. Then, a political power which is sovereign and absolute must be created who possess the qualities to subdue the violence, destruction, and chaos of people in the state of nature, "keep(ing) them in awe", in the newly formed society (Hobbes, 1651:120). This sovereign power is created through the voluntary submission of power from each individual. The role of the sovereign thus becomes to ensure the "safety of the people" while people uphold a duty to not act in a way which hinders the sovereign's ability to fulfil their role to society (Hobbes, 1651:231). Disagreements with the sovereign power for Hobbes are equal to rebellion and a return to the state of nature he sought to think society out of in *Leviathan.*

Hobbes was a royalist, but relatively radical for his times in the way he viewed the monarchy as drawing its authority from the social contract rather than divine right. His conception of the state of nature as a primal place, devoid of order speaks to a deep belief in an absolute power with the ability to both guarantee protections of life and property and prevent war. Individual freedoms, including personal liberty, the right to act in self-preservation and the freedom to acquire and possess property, persist but a large part of this freedom is ceded to this power to ensure the infringement of others' freedoms is minimised.

2.2 Locke

The state of nature and political recommendations in Locke's view are fundamentally different to Hobbes'. His political reality was also characterised by significant turmoil, born during the civil war which coloured Hobbes' political thinking and living through the deposing of King James II and the quick institution of a new king (Hampsher-Monk, 1992:69-72).

Locke's *Treatises* (1689) were built on the notion that individuals ought to have the liberty to acquire property and order their lives as they see fit, empowered by an extensive set of freedoms. As with the individuals in Hobbes' in the state of nature, all humans have equal rights to natural resources, have equal and total freedoms and are considered to understand these facts of their existence, being rational beings. All people are thus equal "creatures of the same species (and) should also be equal one amongst another without subordination or subjection" (Locke, § 4:9-12). Locke argues that people are drawn together by "necessity, conscience and inclination" to form a society and details where from where this necessity arises (Locke, § 77:3-4). In stark contrast to the state of nature that Hobbes presents (a deadly, brutish place which people need to escape), Locke's state of nature is less hostile, owing in part to his belief in the broad rationality of men.

People are bound to self-preservation in Locke's state of nature but another equal duty to "preserve the rest of mankind" by not inflicting harm on their fellow man (Locke, § 6:22). Characterised by perfect equality and freedom and comprised of rational individuals, people do not come together to form society because they are in dire need of protection from the rampant free will of others. For Locke the issue with the state of nature lies in the possibility that being equally free and obliged to self-preserve as well as preserve mankind, people can and do violate these ideals and there exists no sufficient power to prevent other people from descending into further violations of freedom and thus harm amongst people. As Locke notes, "good men are men still, liable to mistakes" and it is this flaw which makes some kind of accountability system to guide the enjoyment of freedoms necessary, so as not to allow individuals to inflict harms on others (Locke, 1689). Two flaws or mistakes of mankind are of particular importance to Locke, the issue of violating natural law (as this indicates a misunderstanding of the principles of preserving the self and mankind, and thus a lapse in rationality) and the issue of misapplying punishment for this violation. A separate entity must be agreed to which is fully cognisant of people's freedoms and how to preserve them and which can adjudicate them appropriately.

A society and a governing authority are conceived to provide the convenience of protecting such pre-state liberties to prevent a 'state of war' over resources. This mitigates the Lockean state of nature where although people have vast freedoms and rationality, confusion and disorder arise out of human mistakes. The social contract preserves these freedoms but limits the confusion and disorder of the state of nature. This governing authority does have its abilities limited with a constitution. Its objective is solely to combat the inconveniences of the state of nature – its tendency to confusion and disorder – and stringent safeguards are imposed on it to prevent its abuse of power over citizens. Government acts as an agent of society, serving the people rather than limiting the scope of their action, as Hobbes would have it. Locke's conception of the state of nature and his commentary on state power, authority and freedoms have formed the foundation of modern liberalism.

2.3 Rousseau

Written in the middle of the 18th century, in a Europe fascinated by reason, logic and science, Rousseau's *The Social Contract; or, Principles of Political Right* takes a different political and philosophical approach to the norm, to the question of the state and state authority. Rousseau states his objection in *The Social Contract* as to "enquire whether…it is possible to establish some just and certain rule of administration in civil affairs" (Rousseau, 1762:3). In pursuit of this objective, Rousseau offers a different view on the state of nature and re-establishes the problem to which he deems the social contract a solution.

In the *Second Discourse* (1755), Rousseau is critical of previous conceptions of a state of nature, believing they do not encapsulate a true pre-political natural state of humanity but rather feature qualities that are inherent in an already formed society. The *genuine* state of nature can only be understood once we strip back layers of human behaviour to reveal the natural individual. Rousseau's state of nature is characterised by an almost primitive, animalistic human species without language or industry. Rousseau argues pre-societal men "could not be either good or bad, virtuous or vicious", since they do not possess nor understand morality (Rousseau, 1755:180). The difference between Hobbes' state of nature and Rousseau's is that Rousseau believes Hobbes' characterisation of the state of nature includes such concepts as desire and reason which Rousseau holds to be qualities mankind could only possess by living through a society.

This is a fundamental rethinking of the state of nature which, in previous conceptions, had featured at least a kind of humanity that were able to communicate and understand natural law, property ownership and why the self should be preserved, even through violence. What prompts mankind to develop language, community, and industry, he argues, is a realisation that the obstacles of nature cannot be overcome by the individual alone (Rousseau, 1755). An understanding develops that in some cases of mutual interest, it is beneficial to collaborate with other individuals and eventually, associations form. This is an artificial society, formed on the hope that more can be produced for sustenance through the collective work of a household or community. Only from then does mankind develop the ability to act morally and rationally as opposed to acting upon his instincts (ibid.).

Rousseau laments this corruption on the natural, individualistic human condition. Upon entering the construct of society, mankind develops dependence on others and creates such institutions as private property. The division of labour follows, engendering new inequalities in power and wealth so that although mankind thought freedom could be secured through society, “all ran headlong to their chains” (Rousseau, 1755:205). This new state of nature is characterised by difference, inequality and oppression and a social contract is needed, argues Rousseau, to mitigate the corruption embedded in modern society. The ideal form of human association should “defend and protect with the whole common force the person and goods of each associate” and allow mankind to unite but individually maintain a level of freedom.

The principles of Rousseau’s social contract include the total cession of individual rights to a community, thus enabling all men to truly be equal. In so doing, men become subject to volonté générale, the general will and society would be governed by the general will. The general will can be conceptualised as the outcome of the collective deliberation of citizens wherein they deliberate and decide on courses of action which speak to the interest of all. This is not a violation of individual freedoms because contributing to and following the general will is an exercise in expressing one’s own freedom as well.

The social contract is a voluntary agreement but binding on the responsibilities and obligations of both the citizenry and the state apparatus. The state is required to act in the best interests of all citizens (applying what is decided as the general will) and is answerable to the general will of all citizens which directs state action. This conception of the social contract has greatly informed concepts like popular sovereignty and Rousseau’s thinking has featured prominently in notions of democracy and will.

2.4 Rawls

As Etieyibo (2018) explains, social contract theory was ‘resurrected’ in the 70s with Rawls’s *A Theory of Justice*. While aiming in this and the previous subsections to provide a broad overview of social contract theory and the various iterations of the concept, this report will pay some special attention to in order to aid in answering a subsidiary research question: whether Rawls’s thinking can provide a definitive answer on the role of basic income within the social contract.

Rawls’ aim in *A Theory of Justice* (1971) is to provide a conception of justice which uses the social contract as an indirect way of describing the rights of members of society, by way of describing a just basic structure of society. He begins with the ‘original position’ which is a philosophical location for hypothetical decision making. In the original position, the proposed representatives of society are described as people possessed of both rational self-interest and a capacity for justice. The proposed members are behind a ‘veil of ignorance’ which is a hypothetical barrier, making sure that each member does not know their own individual endowments (race, gender, economic position, skills set, personal goals) and thus cannot be biased in the decision-making process. Only under this condition does Rawls believe

they will determine the best conditions for the creation of the most fair society (Rawls,1999:11). The parties to the decision-making have some degree of common sense and rationality that enables them to determine what would be most fair, in the understanding that within this proposed society, they may be privileged with regards to their endowments or equally, severely disadvantaged (ibid.:124).

Rawls' thinking behind the original position is that it is the best device for establishing a basic structure of society. The very institutions of this society would, Rawls assumes, be arranged so that rights and resources are distributed fairly among all members. For Rawls (1999:6), material inequality is indicative of an unjust structure of society, unless that inequality operates to the benefit of the materially least advantaged in society.

The hypothetical representatives of society then choose two principles of justice. The two principles of justice are as follows (Rawls, 2001:42-43):

> "Every individual is to have an equal right to the most extensive total system of equal basic liberties compatible with a similar system of liberty for all.
>
> Social and economic inequalities are to be arranged so that they are both: (a) attached to offices and positions open to all under conditions of fair equality of opportunity and (b) to the greatest benefit of the least advantaged.

These principles are in a relationship of lexical priority. The first principle must be met first before the following two-part second principle of justice can possibly be fulfilled (Rawls, 1999:53). The first principle is known as the liberty principle and holds that basic liberties (such as freedom of expression, association, and personal property rights) shall not be withheld and must be afforded to every individual to an equal degree. No one person should have more liberty rights than someone else.

The second principle is in two parts. The first part of the second principle, "Social and economic inequalities are to be arranged so that they are both … (a) attached to offices and positions open to all under conditions of fair equality of opportunity", is known as the principle of fair equality of opportunity. People with the same talents should have equal access to the same opportunities, regardless of their class, race, gender or other factor, which Rawls considers to be the most fair.

The second part, "Social and economic inequalities are to be arranged so that they are both… (b) to the greatest benefit of the least advantaged" is known as the difference principle. Inequalities in income should only be tolerated by society if they are to the advantage of everyone, including (most importantly) the least advantaged – those whose individual endowments do not result in privileges or may result in disadvantages. If we compare the economic distribution of different kinds of societies, Rawls would argue that the most just would be the society where the least advantaged are materially best-off, taking the availability of primary goods into account. Thus, there are still inequalities in society, but compared to other ways of economic management, the most fair society for the least advantaged is the one where the spread of economic resources results in the least advantaged having the greatest quantity of primary goods (ibid.).

The difference principle has cemented Rawls' justice as fairness theory as the most important social justice theory of the modern age. Its focus on addressing inequalities through the prism of working toward a common good creates a "forceful justification of many of the fundamental ideals" of welfare states.

Rawls' justifications for why these principles are chosen by the proposed members of society is called the strains of commitment (Rawls, 1999:153). He argues that once all options are considered for the structure of society, the proposed members (being rational and having no biases behind the veil of ignorance) would not advocate for a society structured in an unfair manner, which would be difficult to adhere to in practice (Martin, 1994:252). The principles and structure they would choose would involve the most fair burden of commitment for all members, not subjecting any one to situations too demanding for even themselves to live under. This is rooted in the maximin approach to decision-making, which he feels is inherent. He describes it as choosing to "adopt the alternative the worst outcome of which is superior to the worst outcomes of others", meaning to choose the options which will secure for the least advantaged, the best possible outcomes (Rawls, 1971:152-153). Because the proposed members do not know what personal endowments they will have in society, they are sure, Rawls argues, to choose principles which should not disadvantage them further.

Rawls' conception of the social contract, especially the maximin concept is the most promising conception for trying to place the basic income grant within the social contact. The theories of Hobbes, Locke and Rousseau offer us a better understanding of navigating society and state authority for the specific eras the authors wrote in where Rawls's theory and principles can, perhaps more readily, be applied to the modern, unequal world. Hobbes and Locke were mainly preoccupied with issues of order, social stability, freedom, and monarchy – necessary concerns for their eras of war and absolute kings. Guiding Hobbes and Locke is the key question: does the state have a right to exist? The answer Hobbes arrives at develops an idea of an absolute monarchy able to rationally derive its power from its subjects. Locke argues that the society of the disordered state of nature needs laws protecting its citizens liberties from the tyranny of confusion and finds this in a limited state. Rousseau's grappling with 'the state' also interrogates the tension between tyranny (of war and monarchy) and liberty (from war and absolute power). Rousseau thinks of liberty differently, cementing his work as a centrepiece of democratic thought, calling on a general and collective 'will' of the public. This becomes the authority to which individuals are subjected to but which they partake in and create. As with Hobbes, Locke and Rousseau, Rawls's theory's applicability to the modern unequal world can be linked to the realities of the time of its writing. The American 'war on poverty'[3] inaugurated by Pres. Johnson in his 1964 State of the Union address with policies which greatly increased the state's role in people's lives and livelihoods, creating a kind of American welfare state around Rawls as he worked thought his theory of justice.

[3] See Johnson, L. B. (1964) "Annual Message to the Congress on the State of the Union". Available at: https://www.presidency.ucsb.edu/documents/annual-message-the-congress-the-state-the-union-25

In the following sub-section, the research report considers Rawls' maximin and social minimum concepts in relation to a basic income.

2.5 The Basic Income grant and Rawls' social contract theory

Social protection continues to be used to reduce poverty and contain inequality across the globe. These outcomes are integral to the fulfilment of the social contract, especially in South Africa's case where the social contract's moral guidelines for society and the economic objectives of the social compact largely overlap. As Chitonge and Mazibuko (2019:3) argue, for South African society, the state's deployment of social assistance measures is a 'central pillar' of the way the state fulfils its obligations.

In a case study on comprehensive social protection for South Africa, van den Heever (2021:217) argues that the financial vulnerability of low-income families compromises their participation in society, i.e., their ability to enjoy their constitutionally enshrined freedoms. It is also well established that access to grants in South Africa is the "only mechanism supporting poor households and preventing deeper descent into destitution" (Ferguson, 2007:78). South Africa's social security system is comparatively one of the most comprehensive on the continent (Devereux, 2010), although social assistance covers less than 40% of the population. Sections of the poor are covered by non-contributory conditional social assistance in the form of pension, childcare, and disability grants. Social insurance is made up of employee and employer contributions to private pensions schemes. However, social assistance for the working-age poor and unemployed aged 18-59 is limited. The state makes provision for a Disability Support Grant (DSG) to assist only those in this 18-59 age group who cannot work due to illness or injury. There is also the Child Support Grant (CSG) which is intended to assist poor mothers in raising their children. It is important to note that the CSG is not intended to improve the economic situation of mothers but is for the betterment of the child in terms of nutrition, education, and other basic needs for their development.

Of the social contract theories discussed thus far, Rawls' is more contemporary. Rawls is also one of the most influential political philosophers of the 20th century. His thinking appeals to ideals such as justice, fairness and equality which are particularly important for the evaluation of the basic income for the South African context. The anti-apartheid political project involved similar ideals – as seen in the Constitution (1996) – and a stated commitment to redress in the name of equality.

The report attempts to establish whether and, if so, in what way Rawls' theory of the social contract can explain the role of a basic income grant within this theory, in South Africa and beyond. Rawls' theory is normative and thus the use of his conception of the social contract is not meant as a way of interrogating the real economic consequences of implementing a basic income grant.

Rawls has argued that the exercise of people's freedom does require a minimum income (Rawls, 1996:7). In this way we secure the least advantaged their basic needs and free them from a situation where they would depend on charity and pity which would limit their access to other freedoms. Rawls' broader theory of justice is

designed to “regulate the inequalities in life prospects between citizens that arise from social starting positions, natural advantages and historical contingencies” (Rawls, 2005:271). The veil of ignorance and original position are thought experiments which helped Rawls to explain and determine a theory of justice which would embody the principle of justice as fairness. The aim of his theory of justice is to inform the creation of political, economic, and social institutions which ensure fair and just participation in all aspects of society by all manner of peoples (Barrientos, 2016:155). Rawls understands that to expect the buy-in of the populace to these institutions and to their stations in society, the ‘strains of commitment’ cannot be allowed to become too excessive.

This research report has already defined Rawls’ strains of commitment as the motivation for why the proposed members of society in the original position would choose a structure of society which is the most fair and which places burdens of commitment fairly across all proposed members. They choose a society where even the options available to the least advantaged create the best outcomes for those proposed members as compared to other structures of society (Rawls, 1999:153). In this way, no one section of society is expected to endure too heavy of the burden of their social starting positions, natural advantages (or disadvantages) and historical contingencies because the structure of social institutions secures for them the best life, as compared to any other configuration of society.

Part of the institutions Rawls describes in *A Theory of Justice* is a social minimum (Rawls, 1971:243). He does not mention the basic income but does refer to a negative income tax which is guaranteed by the state authority and is comprised of “family allowances and special payments for sickness and employment…a graded income supplement” (ibid.). What he seems to propose is a way of income distribution that is more just as it ensures that income inequality is not a contributing factor to the limitations of the least advantaged. The nature of a basic income grant means that costly issues such as the administrative cost of means testing or the budget implications of a policy with low take-up are avoided (Birnbaum, 2010:498). The basic income grant should (by definition) be received by all citizens, regardless of age or employment circumstances. As stated, the current South African proposal for basic income would have an age and working circumstance condition attached to receipt of the grant (that recipients only be between the ages of 18 and 59 and that they be unemployed). The age requirement seems a small administrative obstacle to overcome while the unemployment condition is more difficult to enforce administratively, with an already embattled SASSA.[4] However, in terms of making progress on the realisation of social assistance to all South Africans, this conception of basic income (economic considerations untouched by this research report) seems administratively feasible and in-line with the Constitution. With the Child Support

[4] For background of some of SASSA’s issues in recent years see Breckenridge, K. 2019. “The global ambitions of the biometric anti-bank: Net1, lockin and the technologies of African financialisation” *International Review of Applied Economics, 33:1, pp 98-118* and more recent work on current issues with Schrieber, S. (2023) “Grant payment mess: Hundreds of SASSA beneficiaries starve as payouts not entirely resolved” *Times Live.* September 12, 2023, Available at: https://www.timeslive.co.za/news/south-africa/2023-09-12-grant-payment-mess-hundreds-of-sassa-beneficiaries-starve-as-payouts-not-entirely-resolved/

grant and the Old Age pension, a BIG for those aged 18-59 would leave only the working aged 18–59-year-old population uncovered by social assistance (outside of the Disability grant).

Jeremy Waldron has produced probably the most famous critiques of the Rawlsian social minimum as it is conceptualised in *A Theory of Justice* (Waldron, 1986). Waldron argues that Rawls' justification of a social minimum (as a requirement of his theory of social justice) is flawed. Waldron proposes a justification of a social minimum as a response to urgent need (Barrientos, 2016:155). To ensure that the strains of commitment do not become too burdensome on the least advantaged, a social minimum can be used as a mechanism to provide for people a decent life, unencumbered by the struggle to provide for their own basic needs. Rawls responded with a more refined social minimum in later work (Rawls, 2001). The refined social minimum "maximises the life prospects of the least advantaged over time", working with the rest of society's social policies (ibid.:129). This is a justice-based social minimum where the state transfer "addresses basic needs" in a developmental way compared to Waldron's compensatory conception of a social minimum. For Waldron the objective of the social minimum is purely to prevent the strains of commitment becoming so excessive that the least advantaged experience despair and engage in "single-minded violence…pos(ing) a simmering threat to the viability of (society)" (Waldron, 1986:30). The social minimum compensates for the inequalities of society which threatens the life prospects of the least advantaged. Rawls' refined social minimum can do much more, it can "put all citizens in a position to manage their own affairs and take part in social cooperation on a footing of mutual respect under appropriately equal conditions" (Rawls, 1971:xv).

What becomes clear in the comparison of Waldron and Rawls is the distinction between a compensatory and developmental social minimum. While neither explicitly mention the basic income grant, neither do the authors limit a social minimum to a specific age class, physical ability, or employment situation. The South African implementation of social grants follows Waldron's own conceptualisation of a compensatory measure to ensure the strains of commitment are bearable. The monetary value of all grants are set extremely low but exist in an economic climate where the recipients are not in a position to reject the grants nor is there a sustained 'on-the-ground' campaign from ordinary people for government to increase the value of grants. NGOs and social groups armed with technical skills to research and argue for greater state expenditure or who are able to model new taxes have formed the main actor in this space and choose to represent grant recipients but there is still no mass movement in this regard. There is an alignment with the Rawlsian approach to the social minimum as developmental and enabling a citizenry in control of their affairs and who participate in all aspects of society in the way that social grants are described and the way that the Department of Social Development has written on and explored income support and the Basic Income Grant. The low monetary value of the grants undermines the developmental capacity of grants, and this will undoubtedly continue with state implementation of any income support in South Africa, as will be discussed in the next chapter.

It is difficult to evaluate which approach to the social minimum seems to be consistent with the South African experience of social grants. The monetary value of social grants are set far below the basic level of poverty that it seems contradictory to argue that this speaks to Waldron's compensatory social minimum as the grants barely compensate for the stains or unemployment, inequality and poverty in South Africa. Similarly, it is less clear form the state whether the developmental Rawlsian social minimum aligns with their approach to social grants either. The eradication of poverty and the reduction of inequality are central pillars of the developmental project in South Africa, but the state is reluctant to place grants as a central policy mechanism for achieving these goals, resting rather on job creation and economic growth.

2.6 Rights-based approach to social protection

Plant, Lesser and Taylor (1980) discuss the political philosophy of welfare. There is a link drawn by the authors between the right to welfare and political legitimacy. Seeing welfare in terms of rights (of citizens) and obligations (of governments) "will sanction a commitment to government responsibility for welfare" (ibid.:24-25). This is as opposed to the idea of charity which does not engender a responsibility on any member of society to facilitate welfare nor does it allow citizens to make demands on authority or on each other for financial assistance (ibid.). Plant et al's approach to welfare is consistent with Chitonge and Mazibuko's (2019:299) statement that it is 'politically dangerous' for the ANC to stray from its mandate of economic redistribution and poverty alleviation. The legitimacy of the ANC, they argue, can be called into question should they fail to realise these post-Apartheid goals. Conceptualising welfare as a right is a significant portion of the Plant, Lesser and Taylor's book. A "major legitimising principle" of governmental authority when welfare is a right, is the ability to protect, provide and secure rights for citizens (Plant et al, 1980:55). It is from understanding this, the authors argue, that the provision of welfare acts as a legitimising force of the government.

Hickey (2011) evaluates the connection between social protection and the social contract. The paper finds that different approaches to the concept of a social contract leads to different accepted forms of social protection. A quotation from the Chronic Poverty Research Centre included in the paper states that a just social compact exists "when political and social institutions are arranged to ensure a distribution of public goods and services that contributes to fairness in society" (CPRC, 2008:13 cited in Hickey, 2011:426). The aim of social contract theorists is to establish the grounds of political authority where the "obligations of rulers and subjects" were based on a "premised contract" legitimising a particular relationship between the two parties (Hickey, 2011:427).

The rights-based approach to the social contract argues that individuals have rights and obligations against their fellows and the political authority, as the contract is binding and built upon the exchange of promises between the parties. Social protection emerged then, Hickey argues, as a reaction to the "rupture of the social contract" where the centrality of the economic market has meant that citizenship no

longer includes the citizens' access to or right to state provided public goods, a key component of the social contract (ibid.:430).

My interest in the social contract and the role of the state in ensuring a minimum level of income security stems from the COVID-19 global context where many states effectively "reasserted themselves as the guarantor of rights by protecting public health and incomes" (Razavi et al, 2020:55). Further, while the social contract may be a tacit agreement, lacking a legal bond between the partners, it is built on a "tacit acceptance and recognition" that forming a society and a governing authority is obliged to enhance the well-being of all members of society, at least better than if each individual operated alone (Chitonge and Mazibuko, 2019:21).

Theories of the social contract are relevant for their ability to try to justify in what ways governments are legitimate and what actions of the state fall within this legitimacy. There are differences among social contract theorists and thus no one 'true' conception of the social contract. In the context of trying to understand whether a particular policy is part of a *just* society, Rawls's social contract is referenced through the remaining parts of this report. Rawls's social contract was arrived at only when the principles necessary for crafting institutions that achieve fairness were discovered by means of the veil of ignorance. The thinking of Hobbes and Locke, however, focused on why individuals would give up parts of their rights and freedoms to a government.

A basic feature of these social contract theories is the element of agreement. There is difference among what must be agreed to and who must agree to them, but the social contract theory deals with agreements related to how the state functions, what the state is and what the state can do (implied here is an agreement on the existence of the state).

In 1996, South Africa's democratic Constitution was adopted, ushering in, it was hoped, a new social contract among all the people of South Africa, built upon the common goal of forging an inclusive and equal new democracy. The term 'social contract' refers to an implicit agreement among people in South Africa which determined the values of the new society, and which spoke to the hopes of people for this new society. While social contracts are meant to include all members of society, the South Africa version was particularly and deeply connected to the black majority of South Africa, in the promises of the Constitution to create a truly just and inclusive new society. The black majority was the broad support base from which the African National Congress (ANC) grew, pledging their support to the liberation movement turned political party on the assumption that "once in power", the ANC would ensure that political rights for all people – and for the first time, black people – were secured and policy put into place to address deep poverty and inequality generated by colonialism and the apartheid regime (Chitonge and Mazibuko, 2019:288-289).

The social contract is thus hinged on whether the ANC can "remain loyal" to this implicit social demand for poverty alleviation and economic redistribution.[5] "It will be politically dangerous" Chitonge and Mazibuko argue, should the ANC diverge from this political path (ibid.:299). The argument of this report is that the provision of social assistance has become so important for the ruling party that it is a fundamental pillar of the new social contract in South Africa.

[5] Acknowledgement of this demand can be found in the repeated emphasis on job creation and economic development to counter poverty. See the ANC's two most recent local government manifestos which speak to "more decent jobs", "an economy for all" (ANC, 2019) and to "grow the economy, increase jobs and reduce poverty" (ANC, 2021).

3. The Constitution and Socio-Economic Rights

As the overarching framework for how democratic South Africa society was envisioned to work, the Constitution is an attempt to formalise the social contract as legally binding. The Bill of Rights details citizens' constitutionally protected rights and imparts on the government obligations to create an environment conducive to the realisation of these rights. The Constitution also represents the formal establishment of the new South African society, based on the principles of mutual respect, social justice and equality and freedom.

The Constitution legally obliges the government to provide *access to* social assistance for those who are unable to support themselves. From a Rawlsian perspective, this may be in line with maximin thinking where the least advantaged are afforded the better outcome of some social assistance on the grounds that no social assistance at all would leave them worse off.

The most important challenges to South Africa's democracy and growth are poverty and inequality, both linked as well to the unemployment crisis. South Africa's Gini coefficient[6] is 0.63, the highest inequality rate in the world and has an expanded unemployment rate[7] of 44.1%. According to Statistics South Africa, about half of the adult population live in poverty with a higher proportion of the poor being women (52.3%) than men (46.1%) (StatsSA, 2015).

The COVID-19 pandemic has exacerbated this reality of a fragile working world. Against globalization, technological change and rise in precarious forms of labour (including remote work, informal care work, online platform forms of work and work with poorly regulated working conditions such as sweat shops for fast fashion) inequality and poverty have grown, making social protection mechanisms increasingly important.

The aim of this chapter is to draw out the government's obligations to provide comprehensive social assistance, given that access to social assistance is enshrined in Section 27 I (1) of the Constitution. This allows the paper to further interrogate a normative question: Does the state have a moral obligation to provide a basic income grant? The chapter will begin with an overview of the right to access social assistance through the 'progressive realisation' caveat that is attached to all rights in the Bill of Rights and consider the current coverage of the social assistance system. The chapter will also reflect on another tacit contract, the 'labour contract' of Claus Offe (1997 and 2009).

[6] The Gini coefficient is a measure used by the World Bank to assess the levels of inequality in different countries A Gini coefficient of 0 indicates perfect equality while a coefficient of 1 indicates inequality. South Africa's Gini coefficient of 0.63 is the highest in the world.

[7] The expanded unemployment rate includes those of working age (15-59 years old) who are unemployed but looking for work and those of working age who are 'discouraged' and no longer seeking work opportunities. The narrow unemployment rate is 33.9% (Q2 of 2022) while the expanded unemployment rate is 44.1% (Q2 of 2022). The youth unemployment rate for those 15-24 years old is 61.4% (Q2 of 2022).

3.1 The right to access social assistance.

We, therefore, through our freely elected representatives, adopt this Constitution as the supreme law of the Republic so as to -

- ***Heal the divisions of the past and establish a society based on democratic values, social justice and fundamental human rights;***
- *Lay the foundations for a democratic and open society in which government is based on the will of the people and every citizen is equally protected by law;*
- ***Improve the quality of life of all citizens and free the potential of each person****; and*
- *Build a united and democratic South Africa able to take its rightful place as a sovereign state in the family of nations.*

Preamble to the Constitution of South Africa (1996) (emphasis added)

The Preamble to the Constitution captures the value and intentions of the new South Africa. Establishing a society rooted in democracy, fundamental human rights and inclusivity was the key purpose of the Constitution. Hailed as one of the most progressive and inclusive constitutions in the world, the South African constitution recognises the right of all South Africans to access social security (including "appropriate" social assistance) if they are "unable to support themselves and their dependents" (Section 27(C)(1)). Given that poverty and inequality are "chronic, structural and widespread" issues in South Africa, the scope of the state's provision of social assistance has become more contested (DSD, 2020:5). This is notwithstanding other issues commentators have with the Constitution upon review of its successes and shortcomings, particularly with municipalities and the issue of corruption.[8]

The right to access social assistance is afforded as a constitutional right to *all* individuals in South Africa. This is despite the fact that the coverage of the social assistance system does not reach those working-age individuals aged between 18 and 59 years old. This speaks to how the state conceives of those who are actually 'unable to support themselves and their dependents'. Even though the wording of the Constitution means anyone should be able to at least apply for social assistance from the state, the system does not, in practice, provide social assistance options to this age group, outside those with disability or those who may be caring for a child. As to who the state envisions as unable to care suitably for themselves and dependents, the implicit answer is that those who are of working age are not considered deserving of state support. This is in contradiction with everyone's enshrined right to social assistance. Liebenberg (2001:239) argues that the critical issue confronting policymakers and citizens is whether the right to access social assistance can be broader in scope to include the working-age unemployed, poor and vulnerable who are not disabled or caretakers. This issue still confounds policymakers today. She argues further that within the context of high unemployment

[8] See Mubangizi and Mubangizi, "The Constitution 25 years on: A dream deferred or great expectations realised?", 07 May 2021 https://www.news24.com/news24/opinions/fridaybriefing/analysis-the-constitution-25-years-on-a-dream-deferred-or-great-expectations-realised-20210506

and poverty, a broader interpretation of the right is appropriate since the constitution has as an aim the realization of improved quality of life for everyone (ibid.).

The right to access social assistance is linked in some ways to socio-economic rights. The constitution guarantees many rights which have an impact on socio-economic position such as the right to housing, education, and health care. In a presentation seminar entitled “Exploring the substantive content of socio-economic right: should the Constitutional Court change track?” at the University of the Western Cape, Professor Liebenberg expanded on the purposes of socio-economic rights, according to the Constitutional Court. The purpose of socio-economic rights are to meet the remedial and transformative needs of the South African developmental project. Socio-economic rights are remedial in the sense that they redress the social and economic discrepancies of the apartheid regime, and they are transformative as they disrupt the cyclical, generational disadvantages which are a legacy of the past.

What is key in Liebenberg’s explanation of the objectives of socio-economic rights is that both purposes can be linked to the compounding issues of poverty, inequality and unemployment which are racialised. Socio-economic rights, she goes on to explain, allow us to recognise the present manifestations of South Africa’s historical injustice and through them, make a contribution to the transformation of society, an ideal of the Constitution.

The most influential Constitutional court case related to socio-economic rights is referred to as the Grootboom case. Liebenberg describes Grootboom as a test to “whether government has fulfilled its positive obligations” to socio-economic rights through the adoption of reasonable policies to realise the Bill of Rights for all South Africans (Liebenberg, 2001:241). The Court, in the Grootboom case, found that fundamental human rights are restricted for those without food, clothing or shelter. Socio-economic rights directly enable people to enjoy the rights and freedoms ensured in the foremost version of the social contract in South Africa, the Constitution. Grootboom is an instrumental case study for those wanting to understand the obligations of the state in relation to the Constitution. In as far as a social contract encompasses a larger, philosophical, and moral idea of society and the Constitution of South Africa represents a more formalised account of this kind of moral vision for the new, democratic South Africa, the fact that the right to access social assistance is written into the highest law of the land speaks to the responsibility of the state to continuously work to realising this right for all. The Constitution of South Africa makes the right to access social assistance both legal (as the Constitution lays the legal framework for society and its institutions) and morally part of South Africa’s social contract (as the Constitution formalises the obligations of the state and the rights of its citizenry, both set out by the social contract).

In trying to interpret how, whether and why the basic income grant fits into a framework of the social contract, especially in the South African context, the applicability of the socio-economic security a basic income affords an individual must be considered, among other enshrined rights in the Constitution. A basic income grant may make access to housing easier, as a means to pay rent, it may enable

people better access to healthcare because of how it may be used to pay for transportation to local health facilities or how it may enable payment for basic administrative photocopying of documents needed for job applications and school applications.

The commitment of the Constitution to transforming socio-economic inequality is inextricably linked to how the government acts on its constitutional obligations and how far these actions go in terms of comprehensiveness – how far will they go to protecting income security and to which people will they extend this protection?

3.2 Progress on 'Progressive Realization'

Any discussion of the Bill of Rights must also consider the caveat attached that government is under obligation to realize these rights progressively and within reasonable means of the resources at the state's disposal. The test of Grootboom relates to whether the State is adequately meeting its obligation to enact legislation or policies and programmes which make credible progress on the realization of rights as they are enshrined in the Constitution. The Court will not prescribe policies or legislation to the state as there are a wide range of ways for the state to show it is working to realize the Bill of Rights in concrete ways. Rather, Grootboom saw that the Court would in the future, review the state's progress against "the standard of reasonableness" imposed by the Constitution on socio-economic rights (Liebenberg, 2001:250).

In terms of social assistance, the Constitution does not oblige the state to extend social grants to all. Rather it does oblige the state to make social grants accessible to all, which the Department of Social Development and its Social Security Agency (SASSA) determine through various means or asset tests that form part of the grants' eligibility criteria. That being said, it is important to note that the Department of Social Development, has stated many times and as recently as 2020, that the social assistance system in South Africa is intended to be universalized and unconditional (DSD, 2020). In summary, the progressive realization caveat both imposes on the state an obligation to work incrementally (at least) "towards the constitutional goal of effectively meeting the basic needs of all in our society" and the 'legroom' so to speak, to achieve this over a longer framework of time and in a wider range of methods (Liebenberg, 2001:252).

As Plagerson and Ulriksen (2016:465) note, state obligation to provide some social assistance for those who cannot take care of themselves or their dependents' basic needs is prioritized for certain vulnerable categories, namely the elderly, children and people with disability. Where the Constitutional Court on the Grootboom case ruled that the state should not deny anyone access to their basic rights, the Social Assistance Act of 2004 effectively excludes the entire category of poor, able-bodied adults between 18 and 59 years old through the eligibility criteria for social grants and the fact that a social assistance measure for the working-age population does not exist. The Constitutional Court has emphasized before that "those whose needs are the most urgent and whose ability to enjoy all rights therefore is most in peril"

should not be ignored by government policy, which the government has adhered to in existing grants.

To be fair, the government does have the Social Relief from Distress measure which is accessible to everyone who meets its eligibility criteria. The “temporary provision of assistance” is intended for those in “dire material need” and may not already qualify for a social grant (Government of South Africa, 2022). Other cases of dire need may be due to various factors such as waiting for the processing of a social grant, personal disaster such as the loss of shelter, temporary loss of employment due to injury, the death or short-term imprisonment of the breadwinner in the home or in the case of a natural disaster, where one may be indirectly affected by disaster (Government of South Africa, 2022). This assistance is temporary – usually for three months and could be extended to six months – and in the form of either food parcels or food vouchers. According to the official webpage which describes the grant, it also requires proof of distress such as a police report for damages to property or proof of a bread winner’s incarceration, and proof of short-term medical disability. Again, access to social assistance for those who are poor or unemployed and cannot prove their distress in these narrow terms is not available.

This is not to say that progress on the realization of social security (or even yet ‘sufficient’ progress) for all South Africans has not been made. The aim of the paper is not to assess the sufficiency of social assistance coverage in South Africa, in fact the assumption of the paper is that coverage is not sufficient in the first instance. Rather the aim here is to highlight the significant gap in social assistance coverage which may be ameliorated with a basic income grant. The introduction of this basic income grant (in essence, a grant which closes this coverage gap in its entirety) means effectively that the government will meet its constitutional obligation and uphold this part of the social contract – the right to access social assistance. Other measures and interventions would be needed to address the structural unemployment, poverty, and inequality that the country faces more broadly, but the argument here is that the introduction of a BIG, even to just unemployed young people, would satisfy the government’s moral obligation to provide access to social assistance for all South Africans. In fact, the obligation to close this coverage gap is entrenched in the sole policy framework for social development in South Africa, the White Paper for Social Welfare (1997). It clearly states that policy “will be developed to ensure that every member of society can realize his or her dignity…Every member of society who finds him or herself in need of care *will have access to support*. Social welfare policies and legislation will facilitate universal access to social welfare services and social security benefits in an enabling environment.” (Department of Social Welfare, Chapter 2, Section 26:13)

We can measure, as Plagerson and Ulriksen (2016:480-484) do the government’s progress on affording access to social assistance to more people (though not all). This is part of the government’s 2012 National Development Plan as well which targets a reduction of citizens living below the lower bound poverty line to 0 from a figure of 39% in 2009 (NDP, 2012; Marais, 2022:42). The NDP proposes that social grants can and do have an impact on inequality beyond reducing poverty (NDP, 2012). In 2001/02, expenditure on social grants was around R20 billion which has

grown to a budget allocation of R248 billion rand for the 2022/23 financial year. Just about one third of the population (18 million beneficiaries) receive a social grant. In her budget speech, the minister of Social Development, Lindiwe Zulu, announced that the Special COVID-19 Social Relief of Distress grant is allocated R44 billion for the 2022/23 year to distribute R350 monthly payments to 10.5 million persons (Zulu, 2022). Almost half of all South Africans thus receive a social grant. Ferguson (2015:5-9) argues that the growth of grants has been a response both to the expectations of post-apartheid society and "another conjunctural feature", the HIV epidemic which created millions of orphan children, dependent on the elderly for care. An "extensive set of state commitments" to social grant payments grew from this context, where it is now considered "normal and proper" for the state's mission to include issuing monthly cash transfers (ibid.).

This broad understanding of the state's constitutional obligations still comes up against the issues of the availability of financial resources to extend the scope of the state's social assistance and other measures opening access to basic rights to more people. From a Rawlsian perspective, the fiscal concerns of the state prevent society from ensuring that the 'strains of commitment' are felt equally among all people. It is difficult to see how the least advantaged South Africans would have accepted this unfair structure of society, where instruments are not already in place to ensure that the 'strains of commitment' on the least advantaged do not become too burdensome to feasibly participate and enjoy society, had they participated in Rawls's thought experiment. The following chapter explores the strains of commitment and the pressures on the social compact in South Africa through a contextual description of the labour crisis.

3.3 The social compact in South Africa

The term 'social contract' has not been popular in South Africa, with analysts and even the current president Cyril Ramaphosa referring to a 'social compact' instead. Chitonge and Mazibuko (2019:24) explain that this preference for a 'social compact' is probably the case due to the country's colonial and apartheid eras, where the majority of the population were excluded from state services, political rights and freedoms and economic opportunities – and thus any social contract was exclusionary. More popular has been the social compact. A broad definition of the social compact would refer to a partnership "emphasising the coming together of different stakeholders or actors in society, through social dialogue, to unite behind some commonly agreed goals" (ibid.). This definition does not specify the partners to this compact but prolific political author, Joel Netshitenzhe has included government, the community sector, business, and labour as key actors in the post-apartheid political landscape. In this report, I argue that the social compact is a much more narrow, elite partnership with specific economic objectives. Before proceeding, it is important to elaborate upon the differences between the social contract and compact.

On the one hand and as discussed, the social contract refers mainly to a political philosophic theory for explaining how and why states may be legitimate. Social contracts are not formal, written accounts of the structure and ethos of society but

are a device for understanding how these decisions (about the structure and ethos of society) should carried out and implemented. The social contract is tacit but, as shown in the broad discussion of social contract theorists in this chapter, it can be said to bind states, setting up what states are morally obliged to provide to those the state exercises authority over.

Rawls' social contract provides a good avenue for understanding the tacit nature of agreements established through the social contract. Foundational to Rawls' theory is a hypothetical thought experiment where we are tasked with imagining a group of individuals who know nothing more than a few conceptions of justice and the ideal of the common good. They are in this position because of a 'veil of ignorance' which eliminates the possibility of bias in favour of one person's interests, to properly arrive at the most fair conception of society, which all agree to through fair deliberation and rational thinking. Rawls and other social contract theorists do not posit that a formal, legally binding agreement emerges from the social contract process. Rather, the social contract represents the larger moral basis of society and social order.

The social compact on the other hand, is more of an elite partnership with specific actors who possess the political and economic power to influence policies and decision making. There are various aims for social compacts, but they are built on a common objective which brings various stakeholders into communication and action with one another. Where notions of the social contract seem inherently to include general society (and tend to encompass all of society), social compacts can be more exclusive partnerships. In a sense the social compact is an attempt to realise the core tenets of the social contract in a more concrete context of agreements between political actors.

In South Africa, the National Planning Commission (NPC) defines the social compact as a 'vision' centred on the interactions between social actors "comprising of government, labour, civil society and business" (National Planning Commission, 2015:8). The specific purpose of the NPC is to "integrate a long-term outlook in policy-making and national planning in government and in the country, guided by a shared national vision" (ibid.:20). There have been various platforms for the partners of the social compact to develop this vision. Chitonge and Mazibuko (2019:24) identify the National Economic Forum which emerged after apartheid, soon to be replaced by the National Economic Development and Labour Council (NEDLAC) as one such platform.

While the compact is supposed to be inclusive of wider society, in practice the social compact is highly exclusionary, failing to represent the unemployed, poor and otherwise vulnerable portions of society. The ANC government has maintained various partnerships in the post-apartheid era including the Tripartite Alliance, made up of the ANC, the Congress of South African Trade Unions (COSATU) and the South African Communist Party (SACP). This as well as the government's well-established relationship with private business encompasses the government, labour and business partners to the compact, without any significant player to represent civil society or the general population.

There is a particular argument about the ANC, which argues that the 'reformation' of the ANC as a political party, from its activist roots, has seen the ANC, rather than civil society come to represent 'the people' of South Africa (Piper and von Lieres, 2016: 315). In this way, where on the eve of democracy the ANC might have initially represented the people (as in not only citizens but also labour) in a kind of hopeful, post-apartheid conception of a social compact, representation of the mass population now is absent from the broader national social compact as the ANC has settled more into the role of governing authority and ruling party and labour has come to encompass a small part of society, being that unemployment is so high. This is the same for other expressions of this kind of social partnership such as NEDLAC which is worker and business based.

Perhaps the closest and most concrete representation of a social contract in South Africa is the Constitution of 1996. It sets out both individual rights and entitlements in a legal framework which places obligations onto government as to the realisation of these rights and action to provide these entitlements to people, together with society's respect for others' rights and entitlements. It acts as a sum of society's democratic aspirations and still reflects a more profound aim for the new South Africa. The Constitution can be conceptualised as an attempt to formalise a new social contract between the democratic state and society, replacing the unfulfilled and exclusionary 'social contract' of the apartheid era, where black homeland officials – referred to as 'stooges' of the apartheid state (Tolsi, 2013) – were given the role of contracting party on behalf of the black majority. Because of the nature of South Africa's 1994 negotiated settlement, the Constitution was bargained by an elite social pact comprised of the key political players of the time.

The objectives of the current 'social compact' according to the ANC are to "reduce inequality and poverty and address the fundamental obstacles to economic growth" (ANC, 2022:143). The ANC's objectives are not new. We have seen action on these objectives in the various development initiatives launched by the government since democracy. In 1994, the Reconstruction and Development Programme was implemented, a result of consultations spearheaded by the Tripartite Alliance. The Growth with Employment and Redistribution (GEAR) program followed in 1996 with a "business-friendly, "growth-led" strategy" to boost economic growth and employment (Ferguson, 2015:4). In 2005, the government launched the Accelerated and Shared Growth Initiative of South Africa (AsgiSA) to eliminate barriers to growth and job creation. It is well known that government policy faces competing interests (Edigheji 2010:22). Good international credit ratings have risen as an economic objective, perhaps more so since South Africa's ratings have soured, signalling the close partnership between government and business as an ever more narrow compact in South Africa emerges.

Nonetheless, these embattled initiatives serve as evidence of attempts to 'put the social compact into practice' over the first decade of democracy. This is because they signify some effort from members of the elite social compact to realise these key objectives of reducing inequality and poverty in the development-centred nature of the programs. However, the ANC's unchanged objectives showcase the inability of the social compact partners to realise these goals. Indeed, the ANC argues that

“significant scope” remains for the deepening of the social compact (ANC, 2022:142). Like the NPC, the ANC also names communities as members of the compact, along with business, labour, and government. It is unclear to what actor from communities the NPC and ANC are referring and too, what contributions from the ‘community’ figure into decisions taken at NEDLAC (Merten, 2022).

As discussed in the introduction, social compact thinking has come to the forefront since the COVID-19 pandemic and in post-pandemic rebuilding. In the State of the Nation address in 2022, President Cyril Ramaphosa posed the social compact as the means to “address the immediate crisis” of economic growth in the post-pandemic context. He called for a new consensus in South Africa built on a “common understanding of our current situation and a recognition of the need to address the challenges of unemployment, poverty and inequality”, echoing the key objectives of the ANC’s social compact ideal (SONA, 2022 and ANC, 2022:143). The president said the state must create a conducive environment for private business and gave himself and the government 100 days to finalise this comprehensive social compact between government, labour, business, and communities for the objective of growing the economy, creating jobs and combatting hunger (SONA, 2022). Not only did the social compact not materialise in the 100 days – nor 100 working days according to Daily Maverick contributor, Marianne Merten – but the framework that was developed was rejected by business stakeholders for its limits on job cuts amid other concerns (Mahlaka, 2022 and Paton, 2022). Predictably, the social compact proposal featured ‘priority actions’ to raise economic investment and growth but according to Daily Maverick[9], also featured plans to expand welfare support (ibid.)

More interesting is the SONA speech from 2021 where Ramaphosa divulges that it was through discussions with partners in business, labour, and community-based organisations, that an extension of the COVID-19 Social Relief from Distress Grant was decided, for three months until June 2021. This statement points to the role of the social compact in policymaking.

The next chapter explores the Constitution in South Africa as an attempt to formalise the social contract. The aim of the chapter is to discuss the government’s constitutional obligation to provide at least access to social assistance to all South Africans and the framework in place for realising this aspect of socio-economic rights.

3.4 The labour contract

There is another tacit contract important for the aims of this research paper. The labour contract of Claus Offe (1997 and 2009) allows the research report to appropriately establish the moral obligations of the state to offer some form of social provision to all citizens, especially those who are able bodied but unemployed and thus unable to support themselves. This is a category of the population that is expected to support itself primarily through employment, as observed by the Taylor Commission (2002:15). This research report argues that the social contract obliges

[9] The draft social compact was not made public but shared with key stakeholders.

the state to provide some access to state support for all citizens, making the institutionalisation of a basic income grant necessary for the state to satisfy its obligations.

Offe (1997:81) describes a labour contract that has created our social order. There are two main questions of social order: the production problem – "institutionally regulating which categories of persons are being assigned to which productive task" – and the distribution problem – "who is entitled to which part of the total social product after, as it were, the work is done" (Offe, 2009:55). The capitalist economic system has the unique ability to produce a solution to both problems, namely the labour market. The labour market can 'place' or categorize people by assigning them productive functions which in turn establish social groups. Perhaps speaking on class distinctions, Offe says these social groups have various exclusionary and inclusionary characteristics attached to them. The labour market controls how resources are then distributed to people after their productive functions have been executed – after they have worked – and includes income but also protection against risks to their share of the distribution (their livelihood).

The centrality of this 'labour contract', as he names it, is under stress; it has failed to place a sufficient amount of people into productive roles and to protect their livelihoods appropriately, as the neoliberal capitalist system has evolved beyond the need for some forms of labour (Offe, 1997:82). The consequences of the disintegrating labour contract – at least in neoliberal, capitalist democracies – is that unplaced and unprotected people (the unemployed) no longer feel that they can live in the same society as those protected and placed. The 'rewards' of placement and protection are not within the reach of the unemployed which fosters discontent and social disintegration (ibid.:96). To reflect on Rawls's most fair society, we can argue that this reality is one where the strains of commitment have become unbearable for the least advantaged in society, the poor and unemployed. What is missing, Offe argues, is a suitable mechanism where those whose labour is superfluous to the reality of what the labour market can absorb "can retreat and lead a reasonably autonomous life above the level of poverty" (Offe, 2009:54). Policymakers are left with a dilemma, Offe goes on to argue in his account of the labour market crisis. They are faced with a faltering social cohesion as people become increasingly unhappy with their lack of placement and protection in society. Social cohesion is understood in this report as comprising some societal goals to reduce disparities, exclusions, and inequalities to foster deeper social relations in society (Berger-Schmitt, 2002). Policymakers may believe the consequences of the breaking down of the labour contract can be controlled and eliminated by the mechanisms of the market or they can implement policy to 'gradual(ly) neutralise' the impact of the failing labour contract on social cohesion (ibid.:93).

This paper seeks to present the South African government as at this crossroad, propelled here by the economic devastation of the COVID-19 pandemic. The research report argues that for the state to satisfy its moral obligations to all citizens, a basic income grant is needed. These multi-layered and self-reinforcing problems have created convincing arguments for state interventions to correct the developmental course of the country (Edigheji, 2010:1). Edigheji argues further,

although in the context of advancing a South African developmental state, that the state is required to build the “capacity to intervene” in the economy to achieve goals which South Africa has prescribed in the Constitution, and which government works towards in its social compact partnerships (ibid). The role of social grants in this work cannot be understated. Ferguson argues that social grants play an “absolutely vital role in sustaining poor households” and may be the primary way citizens and the state interact in really remote areas (Ferguson, 2015:8). In South Africa’s situation, worsened by COVID-19, the reality of job cuts and destitution has left more of the population looking to government as a “direct provider and provisioner” (ibid.:9).

The Basic Income Grant may not possess the same capabilities as the labour market to both ‘place and protect’ members of society but this research report argues that it can fulfil the second purpose of the labour contract – the protecting. The BIG affords those unemployed with at least the monetary means to satisfy their subsistence, protecting them from destitution. The BIG would need to be set at a monetary value in line with (at least) an upper poverty line as the food poverty line ensures basic nutrition but not basic housing or other basic needs. The BIG is not able to place people in society but does allow them the ability to engage and participate in society because they are not focused on escaping destitution. Jobs which are not well paid or that speak purely to a passion or charity do become more feasible with the implementation of a BIG which offers some ‘place’ in society to the unemployed and could also be used to cover basic needs while some individuals seek new skills to enter other industries.

4 Reflections

Despite South Africa's position in its earlier years of democracy as a something of a leading emerging economy in the Global South, South Africa still struggles to address the deep racial lines of poverty and inequality which affect access to quality education and health care and characterise the demographics of welfare beneficiaries. The country sits in an unusual position of having these deep socio-economic challenges while having implemented a number of different redistributive policies to address them over its three decades of democracy. The objective of this section of the research report is to offer some concluding reflections related to how the South Africa state has sought to fulfil its moral obligations to provide basic income support.

In a speech at the Annual General Meeting of the Hellenic Federation of Enterprises in 2016, former European Commission president Jean-Claude Juncker referred to the "worst economic, financial and social crisis" in Europe as a polycrisis. This is a newer term used more often now, to refer to various socio-economic, security, environmental and political crisis which "arrive at the same time [and] also feed each other" to prolong and deepen uncertainty (Juncker, 2016). In many ways this word encompasses the multi-layered issues confronting South Africa and the social contract. According to Statistics South Africa, half of the adult population lives in poverty with a higher proportion of the poor being women (52.3%) than men (46.1%) (StatsSA, 2015). The COVID-19 pandemic has exacerbated this making state-led social protection mechanisms increasingly important.

The first political imperative of the democratic government was to generate jobs and improve the working conditions of workers (Ferguson, 2015:9). This was a political outcome favourable to the ANC's core partners, COSATU and the South African Communist Party. Ferguson notes (2015:9) that the intellectual position of the ANC in the late 90s was on the Left. This combined with the interests of their alliance partners makes clear the fact that the central concern for early policymaking was the workers. Barchiesi (2011) and Ferguson (2015:9) argue that this commitment to labour in policymaking also centralised labour as the chief mode of social incorporation, figuring prominently in future anti-poverty policy approaches.

The state has tried to pursue economic growth through its development policies, RDP, GEAR and AsgiSA, discussed in Chapter One. The COVID-19 pandemic necessitated another initiative to address bottlenecks to economic growth in October of 2020, Operation Vulindlela (Government of South Africa, 2020). Key achievements of Operation Vulindlela centre on private investments into electricity generation and participation in container terminals at ports as part of the priority reforms in the electricity, transport, water, and telecommunication sectors (The Presidency, 2022). It is asserted in these programmes that economic growth will aid poverty alleviation.

Other policy interventions have included job creation programs, wage subsidies and the introduction of the National Minimum Wage in 2019. Government has been more direct in recent years to say that alternative policy interventions to social assistance

have “not really been very effective as poverty, inequality and unemployment [remain] high” (DSD, 2020:5). Barchiesi (2007:561) identifies a “growing inability of waged employment to provide an effective avenue for social inclusion” in his account of the Basic Income Grant debate in South Africa, fifteen years ago. This observation draws on Claus Offe’s writing on the ‘labour contract’.

Waged employment traded in the labour market has become increasingly unable to include the vast supply of labour, in general and in South Africa. Hein Marais argues that South Africa’s socio-economic issues are a ‘grim example’ of a downward trend in employment, incomes, and jobs, as the rest of the globe has achieved some post-2008 and post-pandemic economic growth recovery. The very large working-age population exists in contrast to the very constrained labour needs of the South African economy which has progressively shifted away from manual, labour intensive work to automated and highly skilled technical jobs. High poverty and severe inequality are legacies from the racist apartheid regime and economic structure. These have caught the country in a “crisis of waged work that dates back decades” and to which various national development strategies have been implemented and have failed in addressing the country’s issues (Marais, 2022:40). The unemployment crisis is stark. Of the unemployed, 71% had been unemployed for an extended amount of time, from as long as a year (important is the fact that the Unemployment Insurance Fund (UIF) pays recently formally employed workers for a maximum of 12 months to a maximum value of R17 712[10]) and for some 34%, as long as 5 years (Marais, 2022:41).

This kind of socio-economic conundrum that South Africa finds itself in, reflects the crisis of the labour market as articulated by sociologist Claus Offe, in his discussion of the labour contract in modern societies.

Commitment to a ‘job creation’ conception of ameliorating South Africa’s poor economic growth, poverty and inequality crises is incompatible, Barchiesi (2007:561) argues, with the prevailing reality in South Africa where one is more likely to receive an income from government assistance than from formal employment (Ferguson, 2015:15). While the government of South Africa has actively worked on securing access to social assistance for vulnerable groups including, women, children, the elderly and disabled, there is no mechanism to allow working-age people to retreat from the labour market and still live a decent life.

The Department of Social Development argues that government has pursued alternative policy interventions but especially preferred the public works scheme, the Expanded Public Works Programme (EPWP) (DSD, 2020:5-6). The EPWP is a state-run public works programme “aimed at providing poverty and income relief through temporary work for the unemployed”, run by the Department of Public Works and Infrastructure (Government of South Africa, 2018). Besides being central to government’s poverty alleviation objectives, the programme acts as an “avenue for labour absorption and income transfers to poor households” in particular (ibid.). The national EPWP website says that the EPWP was borne out of the agreements and

[10] The average salary in South Africa is R23 982 per month, according to Statistics South Africa (Q4, 2021).

objectives agreed at the 2003 Growth and Development Summit (GDS) of former President Thabo Mbeki as part of the initiative towards 'More jobs, better jobs decent work for all' (EPWP, 2018).

The construction industry figures prominently in the EPWP, and labour-intensive activities are promoted, to create as many jobs as possible. The label of 'jobs' is something of a misnomer according to Scully and Moyo (2022). They argue that the EPWP creates highly precarious work that is temporary, paid far below the national minimum wage level and does not provide access for participants to social security measures such as the Unemployment Insurance Fund. They highlight the contradictory role of the state which is politically committed to job creation but creates precarious work that is unable to contribute to a decent living, failing then to achieve its stated aim (ibid.:1-2). EPWP documents refer to work as 'work opportunities' not jobs, although when President Ramaphosa refers to job creation figures in the State of the Nation Address, a large portion of these are EPWP 'jobs' which are not really jobs at all.

This research report argues that in South Africa there is a preference for labour markets (through Offe's labour contract) to organise society. This is especially true for the able-bodied working age population, with the Taylor Commission observing that social policy was influenced by the belief that "those in the labour force can support themselves through work" as much twenty years ago (Taylor Commission, 2002:15). The labour market both organises and disciplines the workforce by 'placing' people into social and productive roles and granting wages. The labour market also empowers individuals because its allocation of purpose is the main site for inclusion and recognition in capitalist systems. What is interesting about the EPWP is that it is structured not as a labour market replacement for low skilled, young, unemployed people but is carefully constrained so as not to interfere with the formal labour market itself. It offers none of the solutions to the production and distribution problems of social order. As Scully and Moyo (2022:7) note, the EPWP work opportunities are short-term, 3–6-month work placements paid at exceptionally low wages and as of 2021, EPWP wages are 55% of the national minimum wage. EPWP labour is even more precarious when the selection process of candidates is reviewed, where contracts are *awarded* to 'community members', chosen by the local ward councillor (ibid.:9-11). Application processes are difficult to trace.[11]

In terms of the tenets of the Constitution and the right to access social security, the provision of pseudo-jobs such as through the EPWP does not seem adequate for securing basic conditions of living. Additionally, the condition of unemployment is actually the norm, leaving much of the population without a means to secure a basic living, even where the Constitution has enshrined their protection from destitution. The fact that no social assistance mechanism bar the Disability Support Grant and ad-hoc Social Relief from Distress assistance exists for young and unemployed people speaks to a fracture with the promises of the social contract – and social

[11] These are insights from a Basic Income Grant workshop I attended at the Southern Centre for Inequality Studies in November 2022, where Prof Scully presented some findings from this paper and the empirical process. I am grateful to Dr Hannah Dawson for including me in the workshop.

compact – to meet every South Africa's basic needs. This failure is potentially dangerous for the stability of the state.

The main idea in Barchiesi (2007) and Ferguson (2015) is that the social order under waged labour is not the widespread 'normal' social condition in South Africa. A response by the government to the realities of the crisis facing South Africa is needed along Offe's (2009) lines of creating a space for the unemployed and poor to still experience social inclusion, social life, and decent life, even without a labour market derived income. This research report argues that a basic income grant is thus necessary in order for the state satisfy its moral obligations to provide social assistance.

The Department of Social Development (DSD) released, in November of 2020, a discussion paper on income support for the unemployed aged between 18 and 59 years old. In it, the department largely acknowledges the state's constitutional obligation to provide access to social assistance to each citizen, highlighting 'progressive realisation' (DSD, 2020:4). They say that the Basic Income Grant (BIG henceforth) has the potential to "[foster] greater equality and [provide] South Africa with their constitutional right to access income protection", directly linking the BIG to the document which most appropriately expresses South Africa's social contract.

The department notes the significant pressure imposed on the state to make headway in the progressive realisation of income security by the COVID-19 pandemic. The state has shown its "capability and will to be able to support" the unemployed population, through the COVID-19 SRD grant and acknowledges, the department says, the need for social protection for this vulnerable group (DSD, 2020:11). The ANC's Policy Conference argues along similar lines pointing out that since children, the elderly and the disabled are protected from poverty, "the focus must be on the 18-59 age group who are unable to support themselves" as the BIG will provide 'cushioning' against hunger and poverty (ANC, 2022:106).

The state consistently reiterates its fiscal constraints. In the State of the Nation Address, President Ramaphosa argued that even though the COVID-19 SRD Grant had substantial impact on dire poverty exacerbated by the pandemic, South Africa faces 'extreme' fiscal constraints which "would hurt the poor worst of all through the deterioration of the basic services on which they rely" (SONA, 2022). Indeed, in the recent Medium-Term Budget Policy Statement by National Treasury, government spending on education, health and criminal justice was revised down and an extension on the COVID-19 SRD Grant announced until March 2024. The DSD is not naïve to these challenges and the necessity of getting the public onboard with such a project. In the Income Support discussion paper, the department argues for consideration of a progressive age expansion approach to a basic income grant introduction. They identify the 18-24 and 50-59 age groups as the most vulnerable. Targeting and then eventually extending income support to the 25-49 group may ease the stress placed on the fiscal space for a measure that would reach millions (DSD, 2020:54). Rather than a commitment, the "*ambition* to establish a minimum level of support" for the most vulnerable remains for the state (SONA, 2022, *emphasis added*).

Then in September 2022, two internal PowerPoint presentations were leaked to the internet, which detailed government's current policy considerations for basic income. The Presidency's presentation was called 'Putting South Africa to Work: An integrated approach for the Working Age Unemployed', dated to July 2022. The aim of the presentation was to work through an "employment-first approach" to supporting the unemployed, putting at the centre of policymaking the job creation rhetoric discussed above. In fact, the "employment-first approach" is posed in contrast to "simply expanding grants", showcasing a clear policy position from the government, as this was the first point to the presentation (The Presidency, 2022:2).

The Presidency accurately recounts a polycrisis without naming it so, stating that the "status quo will not self-correct: a "big push" is required to achieve a higher equilibrium" for the economy (The Presidency, 2022:4). Expanding social protection is meant only to provide more time to create employment, thus "state intervention is required in the meantime" through some social assistance measure (ibid.:12). The core focus "must be on creating jobs, both through stimulating private sector employment and through direct public funding for employment interventions" (ibid.).

The commitment to job creation is striking in the Presidency's proposal, given the clear rearticulation of the poverty and unemployment crisis substantiated by many state-sponsored investigations into why the economy will not grow and jobs are not being created. This is also striking against the backdrop of the many growth and development national strategies launched and abandoned since 1994. The Presidency says that the "only solution to unemployment in the long term is to achieve higher and more inclusive economic growth" but do not really articulate how this growth will be achieved (The Presidency, 2022:15).

The Presidency's policy options for continuing the SRD Grant include:

1. Continue the SRD Grant targeted at those aged 18-59 who are unemployed, not receiving other state support (including public employment) and fall below the food poverty line of R624 per month. This is unconditional.
2. Replace the SRD Grant with a Jobseekers Grant of a similar value (around R350). Recipients will have to register on an integrated database to support matching to skills training, counselling and job searching.
3. A Jobseekers grant and Caregivers grant. The Jobseekers Grant will have the same criteria as Option 2, but recipients are required to be available for work and accept opportunities that are available to them (in public employment or training). Those aged 18-24 must enrol in school or second-chance matric curricula if they do not have a Matric Certificate. Caregivers are those who are unemployed and not able to work due to their care commitments. Caregivers do not need to be available for work but their income plus their spouse's income should fall below the food poverty line means test. Children under care are required to attend school until 18 years of age.
4. A Minimum Income Guarantee of R350. This is available to those without other forms of state support and recipients must be available for work and take these opportunities unless they are Caregivers.

The Jobseekers Grant is clearly intended not to interfere with the formal labour market just as the EPWP functions in practice. Besides being set very low at R350, the grant's conditions are rooted in a false reality where work for inexperienced people with minimal qualifications is sought after. The low value of the grant ignores the depth of poverty where the Minister of Social Development, Lindiwe Zulu stated that the COVID SRD grant was used primarily to buy basic foods and helped to reduce the number of households below the poverty line from 20.6% to 18.8% (Zulu, 2021). The requirement to join the EPWP is problematic not just because it subjects candidates to physical "drudgery" (Scully and Moyo, 2022:7) but also because if recipients refuse EPWP work, they effectively lose their Jobseekers Grant to use for other job seeking activities. Once enrolled in the EPWP, the low wages may be higher than the value of the grant but are still far below minimum wage, raising questions about 'decent work'.

The Basic Income Grant has the potential to afford the unemployed the opportunity to reject unsafe and unsatisfactory work while maintaining subsistence. The Jobseekers Grant undermines this potential. In any event, the EPWP work opportunities are temporary and thus searching for permanent work (which can place and protect an individual through the labour market mechanism) does not stop. A cycle of unemployment and temporary work grows out of this policy mechanism. Of course, one cannot receive the Jobseekers Grant and an EPWP wage concurrently[12], so securing better employment post-EPWP is made unnecessarily difficult. The COVID-19 SRD Grant currently caters to the basic needs of over 10.5 million people, and these are also the intended targets for the new Jobseekers and Caregivers grants.

The Treasury's leaked PowerPoint called the Jobseekers and Caregivers grants "an acceptable compromise" to a permanent COVID-19 SRD Grant (Treasury, 2022:3). Again, they argue that a "substantial cost risk" will rise from a new grant for the working age population, further entrenching South Africa as "effectively an unsustainable welfare state, with no clear path towards job-rich growth", whatever job-rich growth means for a country where millions are unemployed but face the additional challenges of historical barriers to access quality education, health care and post-school training (Treasury, 2022:19). As of October 2022, the state has extended the COVID-19 SRD Grant until March 2024. It is important to note that the now extended COVID-19 SRD Grant no longer relies on the Disaster Management Act No. 57 of 2002 for its survival. It is unclear what the future holds for a basic income measure in South Africa, when measured against the current policy options being considered by the state. As the Institute for Economic Justice notes, the Treasury's proposals serve to limit the avenues for the introduction of a basic income grant through effectively institutionalising a transformed version of the COVID-19

[12] The way the proposals are worded implies that the Jobseekers Grant is only applicable to those *looking* for work and registered on the integrated database *until* they are matched with a job opportunity from the database or become employed elsewhere. The state continues to view the temporary work of the EPWP as a 'job'. For further analysis of these proposals see, Institute of Economic Justice (2022) 'Memo On Treasury And Presidency Proposals To Replace The Srd Grant'. Available at: https://www.iej.org.za/wp-content/uploads/2022/09/Final-Memo-on-proposals-to-replace-the-SRD-grant.pdf

SRD grant now tied to job seeking in a stagnant economic climate or care work, for which recipients' eligibility is reliant on their spouse being equally as poor as them (IEJ, 2022).

From the DSD's 2020 discussion paper, it seems most likely that an incremental basic income in both scope and value might materialise. According to the department, "a conventional BIG will not be feasible in the short term and it will be best to work towards such by building on the existing system of social transfers" which do not formally include social assistance for the working age unemployed, however the department may have been referring to the COVID-19 SRD Grant and its extension (DSD, 2020:6). Current Finance Minister Enoch Godongwana has recognised the need for the 'permanence' of a basic income-like social grant mechanism, arguing that especially in an election year the ANC-led government is under "no illusion" that the COVID-19 SRD grant in its current form cannot simply be dropped without an adequate replacement (Ensor, 2023). Indeed, the grant is in the 2023 budget, although frozen at the R350 level which has less buying power for recipients today than in 2020, at its introduction. The Social Development Department's drive to work towards a basic income grant through existing infrastructure is in line with the constitutional caveat of 'progressive realisation' and the ANC's policy resolutions taken in December of 2022 which urge the state to continue providing the grant as plans are developed to institute a basic income grant at the food poverty line of around R663 per month (ANC, 2023). The government has not publicly denied the right to social assistance for 18-59 years olds and seems – at least by the fact that there are actual policy options – to be working on feasible ways to realise this in the post-COVID world.

5. Conclusion

I have done the following in this research report. The research report outlined some initial perceived connections among the concepts and ideas that I aimed to clarify throughout the report. The COVID-19 pandemic and the short time since the world has lifted lockdowns, social distancing and the mandating of personal protection equipment has caused the state to re-emerge as a protector and guarantor of income security and health and safety across the globe. Beyond the health regulations communicated from states to their populations, social protection mechanisms were implemented at a speed and scale not yet seen in our modern history.

The research objective of this report was to formulate a coherent account of the nexus between the social contract and the basic income mechanism, to advance a moral argument for the implementation of the basic income grant, especially in the South African context. The report began with a brief history of social contract theory. Social contract theory is concerned with the legitimacy of state authority and describes what functions states are obliged to exercise, in order to maintain its legitimacy to people. Chapter 2 provides an overview of the concept of the social contract and the various conceptions of it before indicating a preference for Rawls's social contract theory. Its most pertinent components for the research objectives of this research report were elaborated, namely the thought experiment known as the veil of ignorance, the original position as well as Rawls's Principles of Justice.

The end of this chapter brings Rawls's social contract theory into more direct contact with the South African debate around the basic income grant as it explores in what ways the BIG may figure into a Rawlsian social contract, based on fairness, justice, and a drive to limit inequality. The chapter the closes with the South African experience of the social contract concept and expands on the idea of a social compact, drawing a distinction between the two concepts and how they figure into South African society.

In Chapter 3, I continued the normative task of establishing the state's moral obligation to provide basic income support through a discussion of the South African Constitution as an attempt to legally bind an expression of the social contract in South Africa. The aim of this chapter was to draw out the South African government's obligations to provide comprehensive social assistance for all South Africans given that access to social assistance is guaranteed for all in Section 27 (C) (1) of the Constitution with reference to documents and statements from the government. Here, I found that the state's constitutional obligations are well acknowledged by the government and the department which deals with social welfare, the Department of Social Development. In terms of how this may be generalised for other country case studies, a social contract in this constitution form is common enough to be able to draw out other government's constitutional obligations to provide either access to social assistance or a level of mandated social assistance to citizens. However, the fiscal issues which constrain the National Treasury of South Africa directly oppose the moral and political imperative to secure income for all South Africans but especially those in need. This issue of fiscal

constraint can be found in other countries as well, particularly in Africa where less than 17.4 percent of the continent is covered by some form of social protection (ILOSTAT, 2021).

This chapter also focused on another tacit contract, the labour contract of political sociologist Claus Offe. The labour contract concept allowed the paper to show the central role of labour in social life. Employment both places people (by categorizing them and assigning them productive functions which also establish social groups) and protects them (through distributing to them resources which include income and protection against risks to their share of the distribution), according to Offe (1984, 2009). This section of the chapter also elaborated on how this labour contract was breaking down and argues how a policy mechanism like a basic income grant could avoid a total breakdown of society (or the total breakdown of the social contract in practice).

My aim through the paper has been to offer a clarification on how the concepts of the social contract and basic income grant may be related, as well as how these play out in the South African situation. In the 'Reflections' section of the research report, I dealt with what I believe to be the biggest pressures on the social compact described in Chapter 3, the triple problems of unemployment, poverty, and resultant inequality. Here, I looked closely at Scully and Moyo (2022) and their research on the Expanded Public Works Programme (EPWP), one of the most important job creation programmes of the state. Drawn out of this evaluation of the EPWP is the government's commitment to job creation. The authors argue that the EPWP does not create 'real' jobs but temporary employment in physically demanding industries despite the inclusion of EPWP 'jobs' in job creation figures each year. There is a contradiction, I have argued, between the government's obligation to protect people 'who cannot look after themselves' from destitution and the kind of temporary and physically taxing work the state has tried to create in the EPWP. The research report reflected that while the moral obligation to provide social assistance is recognised in South Africa's constitution and its social and economic policies targeting socio-economic development, these have been inadequate to address South Africa's unemployment and poverty problems, which persist. This supports the findings of the research report, which argues that a basic income grant mechanism is necessary for the state to satisfy its moral obligations, especially as a job-centred policy approach is structurally unviable.

The last section of 'Reflections' briefly reviewed the government of South Africa's current policy considerations for the future of a basic income grant from the foundations laid recently by the COVID-19 SRD grant. The two PowerPoint presentations from within the Presidency and the National Treasury that were leaked to social justice organisation groundWork in 2022 were discussed, to assess the government's ongoing plans for basic income or some other form of expanding the social assistance system. The main issue with the proposals analysed was that the Treasury and Presidency remain tied to an ideology of work that centres wage labour as the chief means of inclusion in society. This means that the debate around basic income has not progressed much since Barchiesi reviewed it in 2007 where he observed a 'job creation rhetoric' that permeated policy considerations.

Basic income is a highly contentious issue. As a radical policy instrument, it has the capabilities to alter fundamentally the standard of living of millions of people across different countries with different economic situations just as it can rewrite our understanding of social policy, decent work, and social order. This debate is important for the South African context because we exist in the acute scenario where government has taken on the task of managing of social ills (unemployment, poverty, and inequality) and social protection (for almost all vulnerable groups).

As McKinnon (2020:7) argues, it is important for states to review the effectiveness of their social security systems and the aim of this paper has been to reconceptualise elements of the debate through the lens of social contract theory to perhaps re-evaluate how government has attempted to fulfil its constitutional obligations, especially in the post-COVID context of rebuilding 'for better'.

In these chapters, the research report has explored a contractarian approach to the debate around the introduction of the basic income grant in general and for South Africa. In doing so, it was necessary to ascertain what obligations the South African constitution contains for the government in terms of providing access to social assistance. The Constitution was also conceptualised as a formalised expression of the social contract. The report finds that the proposals for the introduction of some form of income support are conceptually limited, narrowly cognisant of the state's moral obligation to provide basic income and ultimately tied to a reality of employment and work which is incompatible with the economic crisis in South Africa

Thus, this research report's contribution to knowledge is in its articulation of the ways in which the philosophical and abstract social contract engages with the practical policy option of a basic income grant.

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