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Geopolitics and the UBI

In assessing the geopolitics of basic income, our departure point is that there is a stark contrast in social protection realities between the wealthy social democracies of the global North and the developing countries of the Global South. For this analysis, we characterise this contrast at a relatively high level of abstraction, understanding that there are, of course, important differences and nuances between countries within these two 'blocs'.

The Global North is characterised by a deeply entrenched social protection architecture, particularly in the social democracies, where we see near-comprehensive social protection from the cradle to the grave. This is combined with a well-established social contract, covering a variety of labour market and social policy areas. A comprehensive net of social assistance and social insurance has been established, with technically 'full employment' or relatively low unemployment in most social democracies, although this is less and less the case, as these societies undergo economic stress, and the social protection architecture is increasingly under attack.

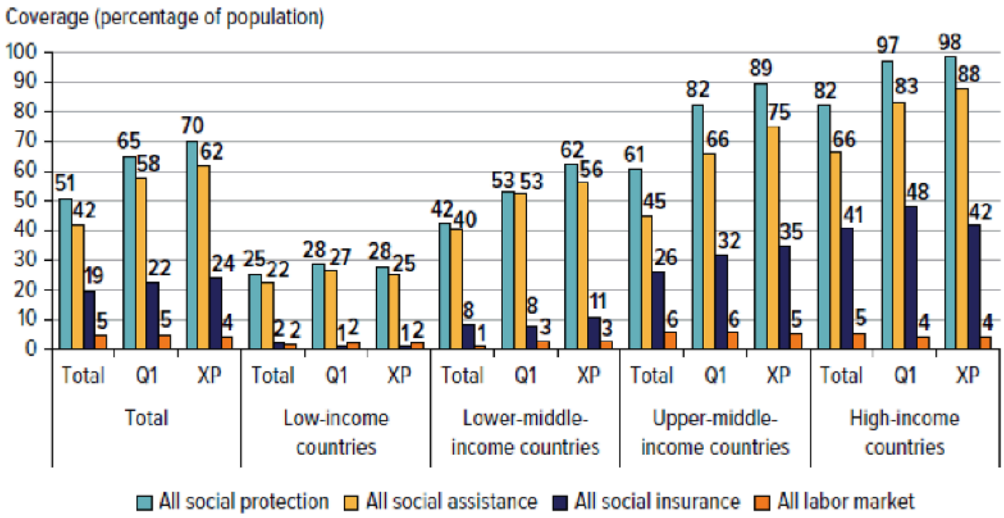
On the other hand, poverty targeting and grant conditionalities in these states have increased with austerity economics. But the basic structure- child, disability, unemployment, and old age income support- funded by a combination of social assistance and social insurance, remains largely in place. However, profit crises, growing wealth concentration, changing technology, precarity and platform work, for example, are undermining the basis of this historical social accommodation. While the social democratic contract is not yet overthrown, it is arguably in its death throes. So social protection advocates are fighting a defensive battle to defend these social democratic gains.

Social protection realities in the global South are very different. These societies are, in general, characterised by high levels of precarity, informality, underemployment, and unemployment. Social protection depends largely on inadequate levels of social assistance via direct fiscal transfers, with very limited social insurance. This is because low levels of formal employment mean that there is little basis for most workers to contribute to their own social insurance. For example, the Unemployment Insurance Fund (UIF) in South Africa covers less than 7% of the unemployed, and then only temporarily. The coverage of the unemployed in Brazil is less than 18%.

The patchwork of social protection in developing countries is combined with extreme poverty targeting, following the World Bank approach, which identifies the extreme poor as the main focus of social assistance, leading to massive exclusion of target populations. Development Pathways research on exclusion 'errors' shows that exclusion ranges from just over 40% in Brazil to up to 90% in some countries.

But there are not only huge gaps in coverage- the *level* of income support is also very low. The value of social assistance is below the Food Poverty Line (FPL) in many countries, meaning that it is not even providing the most basic level of subsistence, including in South Africa, where the Child Support Grant (CSG) is around two-thirds of the FPL, and the adult grant is less than half of the FPL.

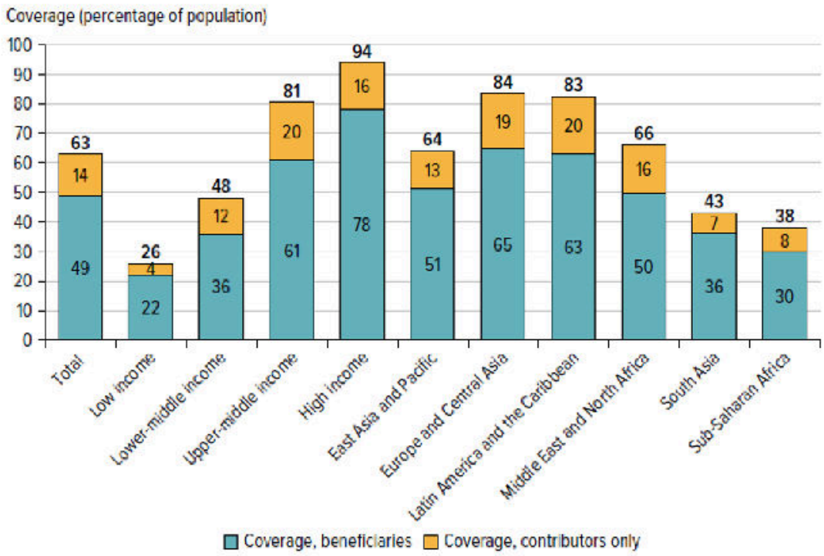
FIGURE 2.2 Social Assistance Has the Greatest Coverage



Q1 = poorest 20 percent; XP = extreme poor (those living on less than $2.15 a day at purchasing power parity).

Contrast this with the coverage and level of social assistance in the Global North: according to the World Bank's *State of Social Protection Report 2025: The 2-Billion-Person Challenge*, 97% of the poorest 20% in upper-income countries are covered by Social Protection, compared to low-income countries, where only 28% of these groups are covered.

FIGURE 2.3 Large Social Protection Coverage Gaps Persist Even When Contributors to Social Insurance Are Counted



Now, with austerity cutbacks, even these low levels of protection in the Global South are under attack. For example, in South Africa:

- An adult income transfer - the Social Relief of Distress Grant or SRD Grant, introduced in Covid (working age adults were previously not covered by social assistance) reaches about 8 million people, down from 11 million at its peak. Around 8 million are now excluded because of conditionalities introduced to slash the number of beneficiaries.
- This grant is intended to form the basis for a system of basic income. While this is formal government policy, it has now been stalled, despite pressure from civil society, which has had to focus on defending and expanding the SRD grant.
- The SRD grant is under attack by the National Treasury, and multiple measures are used to exclude beneficiaries, with the Treasury wanting to shut the programme down altogether.
- The Institute for Economic Justice (IEJ) and our partners successfully launched a court case in which the court found that these exclusionary measures are unlawful and unconstitutional.
- Now Treasury has extended many of these exclusionary provisions to other grant beneficiaries (children, the elderly, and the disabled).
- The IEJ and its allies are about to launch a second court case challenging these measures.

It is therefore a constant battle to protect the limited social assistance framework that has been established, let alone transitioning to a system of basic income, although this remains the goal strongly advanced by social protection advocates in South Africa and other areas in the Global South.

Increasingly, a variety of techniques and technologies are being used to exclude social assistance beneficiaries. In particular, governments are using digital application modalities under the cover of combating fraud, as well as trying to impose job conditionalities on grant recipients- a thinly disguised exclusion mechanism in societies where employment is not available for most.

The current state of social protection architecture

In essence, global social protection architecture retains its colonial roots. Upbeat takes on the global expansion of social protection are not supported by the evidence. In reality, the system is highly fragmented, exclusionary, and sporadic in its coverage, with extremely low values particularly in the global South.

The World Bank's social protection report acknowledges that on the current trajectory, the extreme poor (let alone all poor people) will not be covered by social protection in the next 2 decades:

> "it will take… (until 2043) for those living in extreme poverty to be fully covered by social protection programs and … (until 2045) for the poorest 20 percent of households in low- and middle-income countries to be covered. The situation is particularly dire in low-income countries, where, despite substantial increases in coverage, social protection systems reach only one in four people, on average. Even in lower-middle-income countries, social protection systems fail to reach more than half the population."
>
> "If the expansion of the last decade were to continue at the same rate, access to social protection benefits among those living in extreme poverty would increase by only about 1 percent per year. At that pace, it would take until 2043 for those living in extreme poverty to be fully covered and until 2045 for the poorest 20 percent of households to be fully covered."

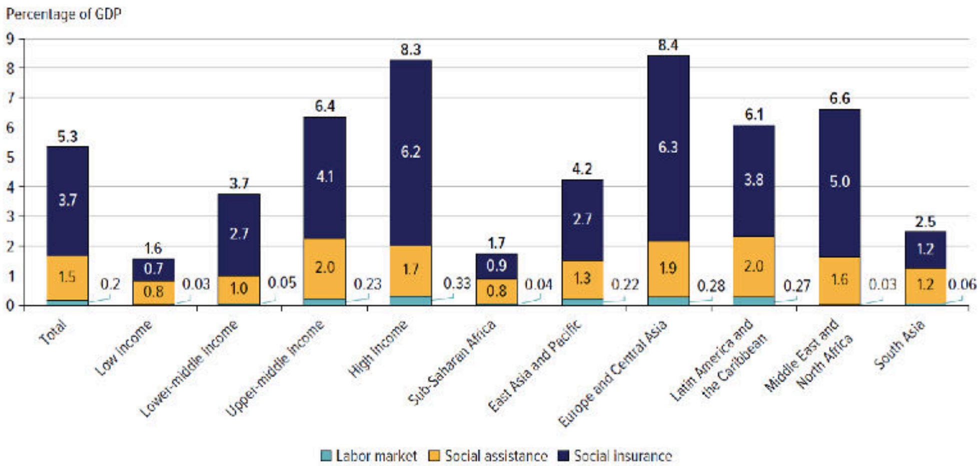
The World Bank report above only reflects the coverage gaps. While extremely important, this doesn't address the *excessively low value* of social assistance in the global South, often below the FPL, unable to play the role of significant income support, or to generate economic multipliers on the required scale.

The system is broken.

The political economy of social protection

The social democratic fiscus has historically been, in essence, colonial in character- funded by, and based on economies extracting surplus from developing countries, and occupying dominant positions in global value chains. Even under austerity, and despite growing wealth concentration and financial crises, states in the Global North have continued (under pressure from unions and social movements) to maintain a form of universal social protection. These societies enjoy a relatively high level of social protection as a proportion of GDP, as well as in absolute terms. According to the World Bank, social protection spending as a share of GDP is 5.3 times higher in HICs than in LICs. The absolute per capita spending gap is pronounced, with HICs spending 85.8 times more than LICs.

FIGURE 2.11 Social Protection Spending Is Substantial but Does Not Meet Needs, Particularly in Low-Income Countries



Source: Original figure for this publication using Atlas of Social Protection Indicators of Resilience and Equity (ASPIRE) administrative data (https://www.worldbank.org/aspire).
Note: Figure is based on a total of 72 observations, which include 59 low- and middle-income countries and 13 high-income countries monitored by ASPIRE. Data correspond to 2022. Aggregated indicators have been calculated using simple cross-country averages. For sample size, as well as methodology for estimations, please refer to Tesliuc and Fonteñez (2025). Unlike that for social assistance, social insurance expenditure does not represent government spending alone but also includes contributions made by pension system participants during their working years.

Despite this, social protection systems are increasingly becoming a target of attacks, with spending cutbacks and growing exclusions- this has recently been seen in the US and UK, but beneficiaries in the stronger European social democracies are also confronting these challenges. This is likely to intensify.

Some of the debates that have emerged between social protection experts (outside of the basic income movement) in the global North and South show that the fight for basic income takes on a distinctly different meaning in these very different contexts, despite important commonalities.

The former tend to focus on defending the social democratic state in the North, with some improvement and expansion, and are often sceptical about the notion of universal social protection being established on a global level. This scepticism takes various forms- on the right of the spectrum, a view that this is unaffordable, or can only be pitched at an excessively low level; and amongst progressives, the fear that public services will be compromised by the introduction of basic income, because of the harsh experiences of austerity states.

For many in the Global South, universal social protection remains a pipe dream, given the characteristics of their societies, including:

- Deindustrialised, resource extractive economies.
- Hollowed out states in many instances.
- A fiscal base compromised by the high cost of debt, international financial outflows, tax evasion, and elite capture.
- Difficulties faced in protecting their economies from global economic volatility.

Prospects for UBI

In assessing the prospects for UBI in this complex global environment, it helps to apply the Gramsci dictum: *pessimism of the intellect, optimism of the will.* This captures the notion that while material conditions make achieving UBI extremely difficult in the immediate term, conditions created by multiple crises open the space to make realisation of basic income a real possibility, including through social mobilisation.

What needs to be done to realise a UBI at a global level? Fundamentally, a global shift in economic power relations is needed. This requires measures to address the concentration of economic wealth within the global North and economic power relations between the North and South, to redistribute and release the required resources.

Those who say we can't afford a UBI are in a sense correct: we can't afford it within the limits of the current economic paradigm, which combines enormous wealth concentration with austerity. It is not only the right that argues that UBI is unaffordable. Some progressive advocates in countries where important advances have been made, eg Brazil, Mexico, and South Africa, also take the view that the systems of social protection are either not fiscally sustainable or believe that they will not be retained or expanded given current fiscal and economic logics.

Where are the resources going to come from to achieve universal social protection at a global level that goes beyond poverty targeting in the North and extreme poverty targeting in the South? This requires radical measures to regulate and redirect the economic surplus currently being channelled into the hands of a small group of billionaires and corporations, and into financial speculation.

Such redistributive measures could include: a serious global minimum tax regime (significantly above the 15% OECD minimum tax); measures to act against and outlaw international tax evasion and 'havens'; a cap placed on extreme wealth via tax and legislated measures to enforce an 'extreme wealth line'[1]; measures to forgive, bring down and regulate the cost of debt particularly for global South countries; measures to ensure fairer prices are paid for commodities and critical minerals, combined with requirements introduced for beneficiation; and the introduction of a Financial Transactions Tax.

Such a set of measures would represent an ambitious reform agenda that would support the feasibility of the UBI campaign. There is a real danger that in their absence, the UBI campaign will be seriously constrained- limited to a defensive posture, and facing tensions in the struggle for UBI (such as around the issue of public services vs UBI; the different approaches between campaigns in the developed and developing world for example).

[1] The extreme wealth line has been proposed in research commissioned by the Patriotic Millionaires, a progressive group of wealthy people based in the US, in collaboration with New Economics Foundation

However, this is not to suggest that no progress can be made on UBI until these reforms are introduced.

While the above menu of transformational reforms is needed to enable a transition to UBI, in the *immediate* term, the basic income movement faces the challenge of:

- Defending existing income support. We are seeing challenges to the social protection system, for example, in the UK and the US; we have described how fiscal policy is rolling back social assistance in South Africa; in Brazil, analysts have argued - despite the government's commitment to expanding social protection - that fiscal rules will ultimately lead to the reduction of social assistance.
- Campaigning for meaningful reform to existing systems, raising the value of income transfers, and extending the net of income support, as a platform to fight for basic income. In South Africa, broad social support has been achieved for expanding and improving the SRD grant, to lay the basis for progressive realisation of a UBI. In both Brazil and South Africa, the leading parties have committed in principle to finalising pathways to basic income, but this will not be achieved without a significant ramping up of popular pressure. The ascendance of a champion of basic income to the Presidency of South Korea is also an encouraging development, as well as the reported introduction of a basic income Bill in Colombia.

Interestingly, two of the three countries where UBI has been placed on the national agenda are from the Global South, with the third regarded as a recently developed state. The countries that are front-runners to be the first to establish a national Basic Income system are Brazil, South Korea, and South Africa.

However, despite advances in these and some other countries, progress is very partial and tentative. As outlined above, the failure to combat austerity and rising inequality will lead to social protection being increasingly squeezed, resulting in:

- Trade-offs between social protection and public services, and
- A deepening of poverty targeting, conditionalities and exclusionary provisioning.

None of the required structural interventions will be achieved merely via policy proposals, no matter how good these may be. The above proposals all confront powerful entrenched interests, who will not concede without sustained social pressure. Serious progress will only be made with a global intensification of the campaign, as well as connecting to critical constituencies who may not have fully embraced our call so far, such as large parts of the trade union movement.

Geopolitics and the UBI

The geopolitics of today, while containing many dangers, also presents significant opportunities for the UBI movement. There is a growing acceptance that the current order, characterised by multiple crises, growing wealth concentration coupled with rising inequality, and climate destruction, for example, is unsustainable, and that there is a need for radical alternatives. Opinion polls in the centres of economic power, as well as in Global South countries, show an emerging global consensus in this respect.

The search for alternatives is coupled with a decline in the economic hegemony of the US; the emergence of a potentially new economic logic reflected in multipolarity, with the rise of new economic centres; and a push to re-establish multilateralism on a new basis; all of which create the potential for reconfiguring the global political economy in a progressive direction.

But this is far from guaranteed. The rise of right-wing populism, xenophobia, and fascism shows the dangers inherent in this moment. The material basis of these movements is linked in significant part to people’s economic insecurity. In this respect, the fight for basic income could be an important element of a response to counter rising fascist tendencies.

The implications of the above are that the fight for universal basic income needs to be connected to the fight for economic justice at a global level. This requires a strong narrative and strategic shift, infusing the campaign for a UBI with radical redistributive politics that connect it to global economic justice struggles.

In advancing the arguments for UBI, and building broad social support for it, we need to show its important role in development, including its ability to promote inclusion, and a powerful economic stimulus. Research by academics at São Paulo University has shown that income transfers have large economic multipliers, particularly in developing and highly unequal societies.

President Lula, speaking in South Africa on the benefits of social assistance and minimum wages, put this simply, but powerfully. He stated that when the Brazilian government put income into the hands of the poor and workers, the 'giant wheel of the economy started turning'.

This alternative narrative by the basic income movement can thus assert the economic and developmental logic of basic income, to counter the popular notion that it is purely welfarist in character.

It is also helpful to explore the complementarity between basic income and other interventions, including those relating to the labour market and industrial strategies. The powerful impact of complementary interventions has been demonstrated in Mexico - recent research on measures to expand social assistance and substantially increase the national minimum wage (tripling the minimum wage from $4.75 to $15 per day) has shown dramatic anti-poverty impacts. As a result of these interventions, “a full 13.4 million fewer people lived in poverty… (in 2024) than in 2018 — a 26 percent decline over six years — according to a just-released report by the country’s statistics bureau.”

In line with this approach, it is useful to offer a holistic strategy that aims to *raise household income* and contain the cost of living. This can be done through combining:

- decent income from work, through promoting living wages, reducing wage differentials and raising the national minimum wage;
- implementing a universal basic income floor that guarantees a level of income, regardless of economic cycles, involvement in care work, precarity, and climate or technology impacts;
- guarantees for the universal provision and affordability of public services; and
- control of prices, particularly of essential foods, and the public provision of certain staples.