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Alternative or a Step in the Right  
Direction to a Post-Capitalist Society?**

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## **Universal Basic Income: A Standalone Alternative or a Step in the Right Direction to a Post-Capitalist Society?**

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Universal Basic Income (UBI) appears to offer some potential solutions in relation to the capitalist induced social inequalities within contemporary society. This paper discusses the core values and objectives of a UBI and compares them with the values of neoliberal capitalism. The paper also examines UBI's strengths and weaknesses, proposing and opposing arguments, and inspects instances where UBI programs have been implemented or tested previously. As a result of this, the paper finally proposes an answer to whether a UBI would be a sufficient standalone alternative in subduing the ills of neoliberal capitalism, or if it would need a necessary set of complimentary alternatives in order to effectively contribute to a post-capitalist society.

**Keywords:** Universal Basic Income, Post-capitalist Alternatives, Neoliberalism, Capitalism, Transformative Movements, Economic Policy

### **Introduction**

Under the current neoliberal capitalist model, there is a substantial rate of socio-economic inequalities and injustices, and with this there is simultaneously a vast range of potential alternatives that target these issues. These range from overarching ideology and economic shifts to smaller policy changes. Among these alternatives, the socially democratic alternative of a Universal Basic Income (UBI) appears to offer some potential solutions in relation to the capitalist induced social inequalities within contemporary society. This paper discusses the core values and objectives of a UBI and compares them with the values of neoliberal capitalism.

The paper also examines UBI's strengths and weaknesses, proposing and opposing arguments, and inspects instances where UBI programs have been implemented or tested previously. As a result of this, the paper finally proposes

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an answer to whether a UBI would be a sufficient standalone alternative in subduing the ills of neoliberal capitalism, or if it would need a necessary set of complimentary alternatives in order to effectively contribute to a post-capitalist society. As such, through examining these factors, this essay will contribute to the current public debates about the viability of UBI in undermining capitalist hierarchies or at least in decreasing the socio-economic inequalities capitalism perpetuates.

### **UBI: Core values, arguments, strengths and weaknesses**

It is important to stress that while there are different variations of income benefits, the UBI's core value is placed in its universality and by extension is often conceptualised as unconditional. The action seems simple – an unconditional flat-rate cash transfer that would ideally be sufficient in meeting basic needs and keeping individuals above the poverty line (Dimick 2017; Rogers 2017; Stephens 2017; Wright 2015). The scope of a UBI is conceptualised in the name - universal - and as such this solidifies a core strategy of UBI in that it is given to every adult (Dimick 2017, p. 474; Wright 2015, p. 435), and in some proposals even children at a lower flat-rate (Stephens 2017, p. 31) void of any preconditions. This is particularly transformative in comparison to typical welfare payments, as many of the current welfare policies under capitalism are means-tested, which, as Rogers (2017, p. 23) states, are “degrading” as they stigmatise and restrict the poor. Through this particular strategy and principle of universality and unconditionality, the UBI's main objective is to ultimately eliminate poverty. However, the alternative has also been frequently framed as a safety net and solution to what some characterise as inevitable unemployment as a result of technological progress and innovation (Abrahamain 2018, p. 45; Dimick 2017, p. 476; Rodgers 2017, p. 14).

The examination of UBI in this paper will not delve into the fears of an apparent “apocalypse of technological unemployment” (Dimick 2017, p. 476), but instead will focus on the social justice value of the UBI and the current precarity of the working sector. Furthermore, while some position a UBI as a policy often glossed as “paying people for being alive” (Battistoni 2017, p. 52), others emphasise that “human dignity, income certainty, and the right to a share of the wealth and income from societal production are the essence of the UBI” (Stephens 2019, p. 33). It is also important to note that the objective of the UBI is not to be a substitute for welfare, but that it is rooted in the principle of giving individuals the freedom to say no to the harsh working conditions and economic disparities capitalism creates (Klein 2018). As such, this demonstrates how a UBI, in its most basic understanding, would start to undermine the hierarchy of capitalism as it is rooted in giving people options and security in an otherwise unequal system.

Moreover, a UBI becomes systematically different to the practice of neoliberal capitalism in both subtle and overt ways but can simultaneously promote the objectives of neoliberal capitalism. As previously stated, the idea of a UBI's universality contrasts that of typical capitalism, which is based on hierarchy. Although, if we look further, we can see how a UBI undermines the capitalist idea of economic accumulation because even though “the rich receive

transfers, basic income will not make the rich richer” (Dimick 2017, p. 480) and this idea completely undermines the typical practice of neoliberal capitalism.

Dimick (2017, p. 480) suggests that this would be the case considering the current tax-and-benefit system, which would result in the relatively to exceedingly rich “paying both for their own basic income as well as that of the poor” – thus decreasing the chances for larger unequal economic accumulation. Furthermore, Klein (2018, p. 76) suggests that extreme wealth should be perceived as something socially created, rather than as something belonging to lone individuals, and so those within society have “a right to an inheritance of wealth that we all socially generate”. Therefore, within a system that perpetuates an extreme divide in wealth, a UBI becomes a mechanism to radically rebalance injustices brought forth by individualist capitalist thinking - and from this UBI contributes to a larger systematic shift from capitalism as it directly undermines the notion of individual capitalist gain.

However, there are aspects of the UBI which could potentially act in favour of neoliberal capitalism. For example, it has been suggested that a UBI reduces government regulation and bureaucracy, and its administration is almost cost-free (Davies 2017, p. 445; Yang 2018, p. 28). This is due to the need for less detailed administration requirements than are employed under current welfare systems which support neoliberal ideas through reduced government regulation. This then extends to UBI unconsciously supporting the market, since “free money lets consumers stay consumers” (Abrahamain 2018, p. 48). This suggests that if individuals possess the resources to invest in consumerism, ultimately a UBI benefits neoliberals as well as the individuals and corporations who profit from the consumption of goods and products, thus solidifying the idea that there are some similarities in who benefits from a UBI in comparison to neoliberal capitalism. Additionally, a UBI’s objective could ironically fulfil the values and objectives of neoliberalism in relation to encouraging the free market by providing consumers with the economic resources to participate in said market. Therefore, while a UBI’s main objective is to alleviate poverty rates, the alternative can also be perceived as a means of upholding the market and processes of consumerism rather than strictly reducing socio-economic disparities.

Furthermore, it is essential to acknowledge both the strengths and weaknesses of a UBI, along with the arguments proposing and opposing the alternative. For example, Bonciu (2018, p. 92) supports a UBI on the basis that it will have a significant impact on economic growth and development. Within Boncieu’s (2018, p. 92) study, three areas are proposed where individuals are expected to spend their basic income: (1) essential goods and services; (2) education; and (3) starting small businesses - resulting in an increased demand in the economy. This, in conjunction with the notion of security, agency, and choice in the working sector is assumed to contribute to lifting the social standard of living and therefore become the main strengths displayed by proponents of the UBI.

However, this alternative has its weaknesses and oppositions even according to scholars that are in favour of a UBI. Rogers (2017, p. 21), for instance, suggests that a UBI could be disastrous, especially if this income was not offered to “green card holders, guest workers or “irregular” immigrants”. In this

case, these workers could become exploited as the cheaper labour option and by extension would become susceptible to harsh working conditions, which would result in the maintenance of the underclass and an exacerbation of social inequalities.

Abrahamain (2018, p. 48) suggests that a UBI can potentially “reinforce social and racial divisions by throwing money at a problem without addressing its causes”, which highlights another weakness of a UBI in relation to amending the social injustices of capitalism and in possibly upholding social hierarchy. This is reiterated by Dimick (2017, p. 477) who states that “there is more to equality than simply the distribution of income.” For example, providing money to individuals in highly policed areas will not lower the rate of arbitrary police searches and violence (Abrahamain 2018, p. 48). This can be illustrated through black people being seven times “more likely to be killed by police in Oklahoma than Georgia” and how “fewer than one in three black people killed by police in America in 2014 were suspected of a violent crime and allegedly armed” (Mapping Police Violence 2019).

These instances do not consider a person’s income or wealth when being exposed to police violence, and so simply providing money to those who are systematically and socially disadvantaged does not correct the larger issues at hand. Additionally, a basic income will not ensure access to other resources such as health and education (Rogers 2017, p. 21). However, the presented weaknesses are not a definitive result of a UBI, and the strengths of the alternative may offer a viable step forward within the context of improving socio-economic inequalities.

Moreover, in order to truly understand if a UBI is a feasible solution to the crises of capitalism in relation to social injustices, we must further understand the specificities of what these injustices are. Wright (2015, p. 433) suggests that there are many injustices created by capitalism; the inherently undemocratic features of private ownership, damages to the environment because of profit-maximising corporations, and capitalism’s tendency to “undermine human flourishing” through the promotion of hyper-competitive individualism and consumerism. The latter notion becomes particularly interesting if we relate it to the nature of work within neoliberal capitalist systems, which can also be perceived as a capitalist induced crisis.

Klein (2018, p. 72) suggests that the structural failures of capitalism are largely contributing factors to the precarity of the current working sector. Due to this insecurity and uncertainty of work, it potentially leads to the poor being forced to work in terrible and unjust jobs – much like many (undocumented) immigrants previously discussed - in order to get by (Rogers 2017, p. 23). This creates the hierarchy that is such a foundational facet of capitalism. For example, Amazon hires thousands of workers who are paid low wages and are required to work at a furious pace (Rodgers 2017, p. 15). Amazon also uses analytics to keep wages low through barcode scanners that track workers efficiency and as such “the company does not have to pay workers as well to keep them motivated” (Rodgers 2017, p. 18). From this, social subordination and inequality is manifested within the working sector and ultimately extends into other aspects of social life.

Scholars such as Klein (2018, p. 75) and Wright (2015, p. 436) highlight that a UBI can provide people with the power and freedom to say ‘no’ to particularly capitalist ideas of work and labour. For example, those working in low-skilled and low-paid occupations gain an increased sense of empowerment and security as a UBI provides them with an alternative option. Therefore, since “capitalisms inability to provide a means of making a decent living for the over 7 billion people currently alive is one of its most glaring defects” (Battistoni 2017, p. 53), a UBI becomes both a reasonable and ultimately realistic alternative in correcting this aspect of social inequality.

### UBI case studies

While to some, a UBI seems unachievable and unaffordable (Cowan 2017; Major 2016), there have been various geographically scattered examples of implemented UBIs that have had an array of positive achievements. Battistoni (2017, p. 61) highlights that a UBI has become a recent fad in NGO development – demonstrating a shift from typical top-down, asset-based approaches to development projects - with UBI pilot projects being rolled out in a number of countries including Kenya, Uganda and Namibia. For example, the NGO *Give Directly* provides cash transfers to Kenyan citizens in rural villages (Give Directly 2019) as well as the *Basic Income Grant (BIG) Pilot Project* in Otijvero – Omitara, Namibia (BIG Coalition 2014; Widerquist 2018). These programs can be executed with some limitations and disparities, for example, *Give Directly’s* experiment in 295 villages was split into different types of basic income payments that varied greatly. 44 villages received monthly payments for 12 years while 80 villages received the same amount for only 2 years and 71 villages received a ‘lump sum’ payment. (Give Directly 2019).

Limitations in NGO projects can also be displayed through how the BIG project is only offered to residents below sixty years of age (Widerquist 2018, para. 1). Despite these limitations, their implementation does highlight how a UBI can assist with poverty alleviation and the related effects of poverty; for example, underweight children dropped from 42% to 17%, school dropout rates lowered from 30-40% to only 5% and poverty-related and economic crime decreased by 20% since the implementation of the BIG project (Widerquist 2018, para. 3-11). This demonstrates how current NGO implementations of UBI schemes support the notion of a UBI having positive outcomes in reducing poverty standards in small scale examples.

Contrasting to this NGO type implementation of a UBI in smaller countries and areas it is interesting to look at the much larger program of the *Alaska Permanent Fund*, which has been paying the residents of Alaska dividends for 37 years (Yang 2018; Battistoni 2017). In fact, Alaska currently has the second-lowest rate of income inequality in America (Yang 2018, p. 27), and this is greatly attributed to the UBI program which in itself is a significant achievement. Yang (2018, p. 27), details that each resident of Alaska have received a dividend between \$1000 and \$2000 annually. Subsequently, achievements of this program have included an increase in infant weight at birth

due to better nutrition, and the generation of up to 7000 jobs because of increased economic activity.

This program has withstood multiple changes in government and has maintained its popularity to the point where 64% of Alaskan respondents said they would “accept higher taxes if necessary, to fund the dividend” (Yang 2018, p. 27). This example demonstrates a multitude of positive outcomes resulting from a UBI and shows that it is economically and socially achievable.

Furthermore, researchers from the *Roosevelt Institute* concluded in 2017 that a UBI of \$1000 a month provided to all US citizens would accelerate growth within the US economy by “an additional 12.56% over an eight-year period” (Bonciu 2018, p. 92). This notion, alongside the example of the *Alaska Permanent Fund*, which is possibly “the closest thing to a basic income program existing in the world today” (Battistoni 2017, p. 52), demonstrates the positive outcomes, achievements, and power that a UBI could bring, especially in amending socio-economic inequalities.

Finally, through examining the above notions, ideas and examples we can see that while a UBI could significantly improve some branches of social inequalities, it would most likely not be able to replace the system of neoliberal capitalism by itself. Since a UBI is not an overarching alternative to the entire capitalist political-economic system, it would more accurately be characterised as a facet within a broader alternative system. Rogers (2017) specifies that from a socially democratic view “basic income would be only part of the solution to economic and social inequalities” (p. 15) and that it would be of little good “unless coupled with other efforts to ensure broadly dispersed power” (p. 23).

### **The necessity of adopting an integrative approach to alternatives**

One specific complementary alternative that is proposed alongside the UBI idea is the job guarantee policy initiative and as Hosseini et al (2017) suggests, integrating complementary alternative policy approaches can result in more effective responses to the crises of today’s capitalism. Within such integrative frameworks, a UBI, as stated previously, would serve to reduce poverty and decouple individual worth from the notion of paid work and labour, and a job guarantee would ensure that when individuals participate in work “it’s for decent pay and good benefits” (Covert 2018, p. 35).

Besides, a UBI can help value unpaid and emotional labour that is frequently and disproportionately experienced by women at home, while a job guarantee ensures that those who continue to work (because a UBI would not eliminate work) would not have to work in inadequate conditions or receive low pay from private jobs as they could get work in the public sector (Covert 2018, p. 35). This, in turn, restructures the ways in which the poor specifically would experience work and labour and the way individual worth would be decoupled from income and work, all while contributing to the improvement in the standard of living. While the two policies work well together, other potential complementary measures could include a radically redistributive tax system, revamped public sectors (Klein 2018; Rogers 2017), as well as the social change of removing the stigma from the poor and reconstructing the social perceptions

of government handouts which would significantly affect the structure of social hierarchies.

Although a UBI has proven strengths and positive outcomes, it is still limited when implemented on its own. If executed alone, it could serve to exacerbate social inequalities and bring substantial social setbacks. As stated before, a UBI can potentially be perceived as throwing money at a problem without addressing its root causes, and so “rather than putting our faith in simplistic technical fixes to the capitalist economy, we must build our understanding of [it]” (Battistoni 2017, p. 60) as to actually provide a feasible and decent alternative. Critical attention would need to be given to societal attitudes, as there would need to be a drastic shift in socio-cultural ideas about the poor, handouts, and about who deserves what in society. This would further position a UBI as not simply an economic fix, but as a social one, which is potentially harder to achieve on a widespread scale and could create more social inequalities and discrimination. Within this understanding it becomes clear that a UBI will not be able to completely overthrow or transform the capitalist system alone, but instead should be perceived as an important facet to a broader set of reforms that, if executed correctly, would ultimately be able to replace global capitalism. ***As such, a UBI is a post-capitalist alternative that is neither inherently perfect nor flawed, but rather one of potential.***

## Conclusion

Through comparing the UBI’s core values and objectives to that of neoliberal capitalism, examining arguments proposing and opposing the UBI, and through highlighting examples of implemented UBI programs, it becomes evident ***that a UBI is more a practice or program that would be incorporated within a larger scale ideology rather than a transformative ideology in itself.***

This results in a UBI being unlikely to replace capitalism on its own, and as stated previously, should be perceived as an important facet to a broader set of reforms. However, in relation to subduing the ills of capitalist induced inequality, a UBI does prove helpful, especially in its potential to alleviate poverty rates. Although these socio-economic inequalities require more attention than just money, this proves that a correctly implemented UBI on a global scale would need complementary alternatives, reforms, and policies in order to make a change. However, we can understand from the various current examples of UBI’s in action, from NGO projects to larger-scale examples like Alaska, that a UBI would make a positive change towards alleviating poverty and its corresponding effects. In considering this, we can conclude that a UBI can indeed be a step in the right direction toward a post-capitalist society; if it is carefully devised and implemented, in conformity with other counter-neoliberal policies.

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