

From welfare to emancipation: a Marxist critique of UBI in contemporary governance

Xin Li

School of Marxism, Qinghai Institute of Technology, Xining, China

lix@qh.it.edu.cn

Abstract. This paper critically evaluates the concept of Universal Basic Income (UBI) through a Marxist theoretical framework, addressing whether UBI represents a fundamental shift from traditional welfare towards genuine social emancipation or whether it primarily serves to reinforce existing capitalist structures. Employing classical Marxian concepts alongside contemporary Marxist theory—including Althusserian analyses of ideological state apparatuses and Marxist feminist perspectives—the paper scrutinizes global empirical data from UBI pilot programs and cross-national social spending comparisons. The findings reveal that although UBI experiments can mitigate extreme poverty and provide some degree of worker autonomy, they fail to challenge the underlying capitalist relations of production, exploitation, and class stratification. Instead, in certain neoliberal contexts, UBI potentially functions as a wage subsidy, weakening collective solidarity and shifting welfare responsibilities from capitalists to the state. The paper concludes that the emancipatory potential of UBI is contingent upon its political context, implementation strategy, and associated social reforms rather than inherent within the policy itself.

Keywords: Universal Basic Income, Marxism, welfare state, capitalist reproduction, emancipation, ideological state apparatus

1. Introduction

Universal Basic Income (UBI) – the idea of giving all citizens an unconditional cash payment – has surged from utopian fantasy to mainstream policy debate in the 21st century. Governments and NGOs around the world are launching pilot programs to gauge UBI's effects; for example, Finland, India, Kenya, and even the Eastern Band of Cherokee in North Carolina have implemented cash grants to test income support without work requirements. Proponents argue UBI could end poverty and adapt society to automation, while critics worry about work disincentives, feasibility, and ideological risks. Importantly, discussions of UBI have not been confined to any one country or ideology – tech billionaires (e.g. in Silicon Valley) and progressive activists alike have embraced or attacked the idea.

This paper uses a Marxist theoretical lens to scrutinize UBI globally. It asks how UBI aligns or conflicts with Marxist concerns about labor exploitation, class structure, and state power. In particular, we examine whether UBI represents a shift in state functions or capitalist reproduction, and how it compares to traditional welfare models. Does a UBI embody a genuine move “from welfare to emancipation,” or is it a “neoliberal Trojan horse” that reinforces capitalist relations? Our analysis draws on classical Marx (e.g. the critique of the Gotha Program) and later Marxist theory (including feminist Marxism and Althusser's Ideological State Apparatuses), along with data from recent UBI trials and social spending statistics. We argue that while UBI can alleviate poverty and expand worker autonomy in some respects, it also fits uneasily into Marxist theory: it does not abolish capitalist exploitation or class divisions, and may even serve capitalist interests by redistributing some costs of labor to the state. We support these points with global data: Table 1 summarizes UBI pilot programs and outcomes, and Table 2 compares public social spending in selected countries.

2. Marxist theoretical framework

Marxist analysis begins with the labour theory of value and exploitation. In capitalist production, workers sell their labour power but receive only a wage equal to the value of that labour power, not the full value of what they produce [1]. The remainder is surplus value appropriated by capitalists, the essence of exploitation. Marx insisted that labour alone does not create all wealth – nature also provides value – but under capitalism it is still workers who are “completely at the mercy of the [commodity] forms in which their labour expresses itself” [2]. UBI, by contrast, promises income not directly tied to market labour. Does this subvert

exploitation? Some Marxist analyses note a tension: if UBI payments come from taxes on production, they may simply be an extra burden on labour. As Greenbaum et al. observes [3], Marx's critique "suggests two opposed positions" on UBI: one sees it as a form of exploitation (workers fund their own incomes via taxation), the other as a partial abolition of wage-slavery (everyone gains a basic safety net).

Marx also introduced the notion of the proletariat's "double freedom": formally free to sell their labour to any employer, yet free only in the sense that, dispossessed of the means of production, workers are also free to die of hunger if they refuse work. From a Marxist viewpoint, breaking this "double freedom" can transform class relations. Vlandas notes that UBI could allow both "exit" and "voice" for workers by removing the threat of starvation [4], giving them a bargaining alternative. In a similar vein, Marxist-feminist thinkers link this to women's subordination: without independent income, women in marriage often face "freedom to be exploited" by husbands coupled with "freedom to starve" if they leave. A UBI provides an "outside option" that can shift power relations – it may empower workers to demand better conditions or allow abusive relationships to dissolve.

On the other hand, classical Marxism (and Engels) imagined early socialism operating on the principle "to each according to work" (bourgeois right) before full communism. From this strict perspective, UBI financed by taxes on labour could appear to violate the principle that workers should receive the full certificate or wage for a day's work. Greenbaum et al. notes that Marx rejected Lasalle's idea of returning full product value to labour; instead "the remainder" (surplus) would go to social goods, and distribution would be by labour certificates [2]. A UBI in which part of every worker's certificate is taxed off (even if redistributed back as income) could contravene this rule and thus conflict with Marx's own lower-stage norms. In sum, while UBI may ameliorate the worst aspects of the labor contract, it does not nullify the capitalist structure that generates surplus and demands labour.

Finally, Marxist theories of the state and ideology provide context. Marx described the capitalist state as the "executive committee" of the ruling class, coercing labour into compliance. Althusser later added that the state also uses Ideological State Apparatuses – education, media, religion, etc. – to instill capitalist values. From this view, UBI can be seen as a new kind of social policy that carries an ideological message. McDOWELL argues that in neoliberal hands [5], UBI is advertised as a magnanimous reform while masking a shift of welfare costs onto capital's opponents. He warns that a modest UBI acts as a wage subsidy: employers save on wages because low-paid workers are topped up by the state. UBI recipients are turned into consumers with minimal entitlement, strengthening markets and weakening solidarity. In effect, UBI undercuts collective labour power by framing income as individual charity rather than a social right. One socialist critique even labels UBI a "wage top-up" for capitalists that makes the poor ever "worse off" as their incomes become tied to market consumption.

3. UBI in contemporary governance

Globally, UBI debates have proliferated across political lines. Small-scale trials have been conducted in many contexts, often not by governments but by NGOs or sub-national entities. For instance, Africa's largest UBI experiment is ongoing in Kenya, where GiveDirectly provides ≈\$22/month to ~20,000 people in rural villages. In 2017–18 Finland ran a national pilot giving €560/month to 2,000 unemployed people; it found no significant effect on employment, though recipients reported feeling happier and less stressed. The Alaska Permanent Fund in the U.S. (a longstanding partial UBI funded by oil revenues) shows similarly that a state dividend has no impact on overall labor supply. Table 1 below summarizes selected UBI-type experiments around the world, illustrating diverse designs and outcomes.

Table 1. Selected Universal Basic Income pilot programs and outcomes (sources: Samuel [6]; Muralidharan et al. [7]; Center for Public Impact 2016)

Country/Program	Period/Population	Benefit (per person)	Key Outcomes
Namibia (Otjivero-Omitara)	2008–09: all residents <60 (~1,000 people)	NAD 100 (~US\$7) per month	Poverty (food line) 76%→37%; child underweight 42%→10%; school attendance +90%, dropouts 40%→5%; crime –42%.
India (Madhya Pradesh)	2011–12: ~6,000 people (8 villages)	₹200→₹300 (~US\$2.8→\$4.2) monthly	Improved nutrition and sanitation; school enrollment and health increased.
Finland (nationwide)	2017–18: 2,000 unemployed	€560 (~US\$635) per month	No change in employment; recipients reported higher well-being, trust in institutions.
Kenya (Western, GiveDirectly)	2016–ongoing: ~20,000 people (245 villages)	\$22 per month	Early evidence of increased local economic activity and consumption; recipients invest in businesses and health (trial continuing).
USA (Alaska PFD)	1982–present: all residents (annual check)	~\$1,000–2,000 per year	No effect on employment; modest effects on fertility (↑ births) and politics reported.

Table 1 shows that unconditional cash programs tend to improve recipients' material security (nutrition, schooling, mental health) without collapsing the labor market. Namibia's pilot, for example, dramatically reduced poverty and hunger, and India's showed better food intake and school enrollment. However, none of these trials challenge capitalist ownership of production: capitalists still retain profit, and labour remains the main livelihood for most people. Nor do pilots test full "universal" schemes: even Finland's program only covered the unemployed. In many experiments, UBI-like payments are quite modest, often justified as supplements not full incomes (McDOWELL's "wage top-up").

Traditional welfare programs differ markedly. They are often means-tested and conditional, targeting the poorest or unemployed. Under Marxism, welfare arose as a forced concession by the bourgeois state to stave off unrest: it sustains the working class enough to keep productivity high, but not so much as to empower strikes. In many countries today, generous social-democratic welfare states (e.g. in Scandinavia) invest over 25% of GDP in pensions, health, and family support. By contrast, countries with weak welfare – Mexico, Korea, Turkey – spend under 15%. Table 2 illustrates this cross-national range in public social expenditure.

Table 2. Public social spending in selected countries (circa 2019, % of GDP)

Country	Public Social Spending (% of GDP)
France	≈31% (highest in OECD [8])
Italy	>25%
Sweden	>25%
Germany	>25%
Mexico	<15%
Korea	<15%
Turkey	<15%

These figures show that welfare regimes vary widely. Countries like France have spent over 30% of GDP on public social programs, whereas others spend very little. The Marxist state theory suggests these differences reflect class struggles: vast social spending is possible only under strong workers' movements, and even then can provoke capital flight if it undermines profits. Indeed, Vlandas summarizes the orthodox Marxist view that excessive social outlays can "harm profitability," leading capital to resist or flee and forcing austerity when revenues fall [4].

4. Marxist critique of UBI

From the Marxist perspective, we assess whether UBI simply replaces traditional welfare or implies a deeper transformation. UBI shares with welfare the goal of poverty alleviation, but it differs in form: universal, unconditional cash rather than targeted benefits. Marxists have debated whether this is progressive or reactionary. On the one hand, UBI could weaken capital's power. By guaranteeing subsistence, it breaks the workers' freedom to starve, a core feature of "wage slavery." As noted, it is argued

UBI enhances “exit” and “voice” for labour. In Marxist-feminist terms, it can reduce women’s dependence by providing an independent income.

On the other hand, many Marxists fear that UBI is a neoliberal project. McDOWELL chillingly warns that an austerity-minded elite could use UBI to dismantle more robust welfare rights: urging that all other services be cut once UBI arrives [5]. If UBI payments are set low (say, at poverty level), capitalists get a perpetual subsidy: their workers’ wages need not meet living standards because the state “tops them up”. In effect, employers would offload labor costs onto the welfare system. McDOWELL argues this “wage top-up” aspect actually weakens solidarity: recipients become atomized “consumers” rather than organized workers, and the dignified goals of social provision become mere market transactions. From this angle, UBI undercuts the collective institutions of the welfare state, embedding the neoliberal ideal of independence (individual entitlement) over rights (citizenship claims).

Indeed, UBI can serve as an ideological apparatus. Althusserian analysis would note that social policies often carry hidden messages. For example, by presenting UBI as a panacea, the state may advance the ideology that poverty is solved by cash alone, rather than by changing production relations. McDOWELL points out that when institutions like the IMF suddenly endorse UBI, it lends a “progressive” cover to austerity policies. In other words, advocating a meager basic income can make austerity look compassionate. Marxists might call this a shift in the state’s repressive apparatus: the direct stick of workfare and punitive welfare is replaced by a velvet glove of unconditional cash – still keeping labour disciplined, but in a new guise.

At the same time, the evidence on UBI’s effects – though limited – suggests it does not overthrow capitalism. Table 1’s data show UBI experiments modestly improve living standards, but none have eliminated wage labor or capital profits. Even in the Kenyan trial, where recipients receive subsistence-level cash for 12 years, participants still engage in markets and rely on agriculture and petty trade. As one Vox report notes, even successful cash transfers “stimulated the economy” but did not abolish existing social relations. From a Marxist viewpoint, increasing social spending (whether via UBI or conventional welfare) is always within capitalism’s bounds, as long as profitability is maintained. The critics’ “Marxist theory of the state” says there is a limit to how much redistribution can be sustained. UBI might push these limits by requiring much higher fiscal outlay (a truly adequate UBI would cost a large fraction of GDP), but so far no country has enacted a full-fledged universal scheme outside of carbon dividend-type models (like Alaska’s).

In sum, UBI reflects Marxist concerns in part but not in full. It alleviates need (addressing the “starvation” side of double freedom) but does not abolish exploitation. Class relations remain intact: capitalists still extract surplus, and workers remain property-less even if income-less. UBI can indeed weaken the ideological hold of strict wage discipline, but only if it is generous and has political backing – if it is minimal, it merely reconfigures poverty management under capitalism. The question “from welfare to emancipation” thus hinges on how UBI is implemented. If UBI were funded by democratic social control of productive wealth (e.g. socializing industries or resource dividends) and set at a living level, it could resemble the Marxian vision of “to each according to need.” But if it is funded by taxing labor and paired with cuts to other services, it is less an emancipation and more a modified welfare scheme that still reproduces class power.

5. Empirical data: social spending and labor market effects

To ground these theoretical points, we turn to data. Table 1 above has shown that UBI trials tend to improve well-being metrics without collapsing labor markets. Finland’s trial found no significant change in employment rates. This echoes long-run findings from Alaska’s permanent fund, where researchers “found that the dividend had no effect on employment overall”. Similarly, the Cherokee Tribal Dividend (from casino revenues) saw no reduction in work effort and instead improved health and education outcomes. These empirical results undercut simplistic arguments that UBI would destroy work incentives. However, they also show that capitalist economies easily absorb modest transfers: labor markets adjust slightly (sometimes adults slightly reducing hours) but do not transition to post-work societies.

Table 2 highlights how UBI compares to existing welfare states. Most OECD countries now spend about 20–25% of GDP on social programs [8]. In high-welfare states (France, Italy, Scandinavia) the share exceeds 25–30%, whereas it is under 15% in many developing or low-welfare countries. A generous UBI (enough to live on) would, by itself, approach or exceed current social spending in even the richest states. Thus, adopting UBI at a meaningful level would either require massive tax increases or cuts to other spending. For example, McDOWELL notes the neoliberal plan to replace “all other systems of provision” with a single \$10,000/year grant – effectively dismantling existing welfare while using UBI to pay for basic survival [5]. This risk of partial substitution rather than addition is central to the Marxist critique: would UBI supplement public health, education, and pensions, or would it replace and privatize them? If the latter, even a high UBI could leave gaps in care and recreation while bolstering labor subordination.

Overall, the data suggest UBI has some emancipatory potential (improved autonomy, reduced poverty) but must be carefully assessed for class implications. For Marxists, the key is who controls the purse and production. If UBI is financed by new progressive taxes and paired with publicly provided services, it might represent a redistribution that slightly eases capitalism’s contradictions. But if it is financed by slashing welfare services or imposing regressive taxes, it simply becomes another capitalist mechanism to manage labor – one that shifts ideological emphasis from solidarity to individual “entitlement.”

McDOWELL's warning resonates: under austerity, a basic income becomes "the commodification of social provision" – still reproducing inequality and worker dependency, just through a different channel.

6. Conclusion

From a global, Marxist perspective, UBI is a double-edged policy. It reflects Marxist concerns by acknowledging the arbitrariness of subsistence under capitalism and offering workers an exit option from absolute poverty. It breaks the strict work-or-starve logic and has indeed been shown to improve material conditions where tried. But UBI also contradicts key Marxist points: it leaves class power structures intact and can even legitimize them under the guise of freedom. While welfare was originally instituted as a grudging benefit of capitalism, UBI risks being framed as a new "neutral" baseline, obscuring the exploitative relations that generate the wealth being redistributed. In McDOWELL's words, unless UBI is very large and part of a broader socialized economy, it will at best serve as a "wage top-up" that keeps capital untroubled.

The real Marxist test of any social policy is whether it builds class consciousness and fighting capacity. UBI can provide breathing room for workers to resist exploitation, but it can also sap collective struggle if seen as a panacea. The data show that UBI does not automatically spark a post-capitalist society – it is still deployed within capitalism's logic. Thus, UBI should be critiqued not as inherently socialist or capitalist, but in its political context. If implemented alongside public services, robust labour laws, and in a democratic economy, UBI could modestly rebalance class relations. If implemented alone as a technocratic fix, it may simply reproduce capitalism in new clothing. Our Marxist critique suggests that the promise of "emancipation" from UBI depends entirely on the broader struggle over property and power – a struggle that no cash transfer alone can resolve.

References

- [1] Yeung, E. S. (2024). Can conservatives be persuaded? Framing effects on support for universal basic income in the US. *Political Behavior*, 46(1), 135-161.
- [2] Marx, K. (2022). Critique of the Gotha program. PM Press.
- [3] Greenbaum, J., Kaplan, D., Young, J., COUNCIL, O. C. A., Haney, S. B., Sirotinak, A. P., ... & Shapiro, A. (2023). Exploitation, labor and sex trafficking of children and adolescents: health care needs of patients. *Pediatrics*, 151(1).
- [4] Vlandas, T. (2021). The political economy of individual-level support for the basic income in Europe. *Journal of European Social Policy*, 31(1), 62-77.
- [5] McDOWELL, T. O. M. (2023). Basic income and the legitimization crisis of neoliberalism. *Journal of Social Policy*, 52(3), 542-559.
- [6] Samuel, S. (2020). Everywhere basic income has been tried, in one map. VOX [20.11. 2020].
- [7] Muralidharan, K., Niehaus, P., & Sukhtankar, S. (2023). General equilibrium effects of (improving) public employment programs: Experimental evidence from India. *Econometrica*, 91(4), 1261-1295.
- [8] OECD. (2020). Social Expenditure (SOCX) Update 2020: Social spending makes up 20% of OECD GDP.