

Will a UBI Save Capitalism—or End It?

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In a time when artificial intelligence threatens to automate entire industries, housing costs outpace stagnant wages, and millions live on or underneath the poverty line, the question is no longer whether or not the government should intervene, but how? The idea of a Universal Basic Income (UBI) is increasingly being considered as a policy in mainstream political debate. A UBI is a recurring, unconditional cash payment provided by the government to every adult citizen. Proponents believe that a UBI could reduce poverty and economic inequality, while critics argue that a UBI would be a disincentive to America's labor force and that its implementation would be both unrealistic and unsustainable. A UBI is legally feasible to implement, but the success of a UBI will largely depend on administrative design.

The concept of a Universal Basic Income (UBI) has roots in early philosophical and economic thought, but its modern discussion was brought along by increasing unemployment and economic inequality. As of 2025, only two countries have fully implemented a UBI system: Mongolia and Iran. The UBI programs in these countries are nearly entirely universal, and are funded by royalties and revenues generated from the mining and fueling industry, respectively. While these universal payments are both politically and socially popular, they prove unsustainable without a long-term funding source. Countries like Finland have created pilot programs, where unemployed individuals receive monthly payments. The result of this was a positive effect on employment and higher levels of life satisfaction. In general, a UBI could reduce poverty and help to simplify welfare systems. Critics, however, caution that a UBI would be unrealistically expensive to implement and would divert funds away from more targeted

welfare programs. A UBI might also demotivate Americans from joining the workforce, which would be extremely detrimental to the nation's productivity and economy.

Historically, federal benefits have taken place in many forms. During the COVID-19 Pandemic, the federal government passed a series of emergency legislation, like the CARES Act and the American Rescue Plan Act, that provided direct stimulus payments to eligible individuals and families. These stimulus checks demonstrate the government's ability to administer mass payments both quickly and effectively. There were no work requirements to these checks, and they were largely administered based on income level. The fact that these payments were not challenged constitutionally underscores the legality of the implementation of a UBI.

Some contend that a UBI lacks the targetedness of programs like Medicaid and TANF. While the aim of a universal basic income would be to reduce poverty and economic disparities, its universal quality makes it so that it fails to specifically target individuals with the greatest needs. Despite this, its universality reduces the stigma associated with receiving benefits from targeted programs. According to Harvard Kennedy School, around 20-50% of households that are eligible for programs, including but not limited to Medicaid, TANF, and Supplemental Nutrition Assistance Program (SNAP), do not use them. This vast majority can be largely attributed to the stigma associated with seeking these benefits. If a universal basic income were established, there would be no stigma surrounding it due to its universality.

As for its legality, there is no federal law that either mandates or prohibits UBI on the national level. 16 states and DC have launched basic income programs (pilot programs) that give their residents monetary aid without needing to meet any requirements. These are often launched in partnership with private organizations such as the Meyer Foundation, and they help to test the effectiveness of the concept. Most of these programs are public-private partnerships, utilizing a

combination of government funds and private resources. However, a vast portion of general basic income programs are privately run and funded, escaping the jurisdiction of the government. On the other hand, several states such as South Dakota and Idaho have opted for legislation that prevents local governments from establishing any forms of UBI in fear that it will deter individuals from joining the workforce—a valid argument. Thus, the broad implementation of a UBI is controversial, and its overarching effects are still unknown.

While worries regarding costs and work disincentives are valid concerns, these overlook the broader potential economic and social impacts of a UBI. Stanford University found that most UBI pilot participants did not significantly reduce their work hours and even used the income to invest in further education or small business ventures. Rather than disincentivizing work, a UBI could offer a cushion for entrepreneurs and individuals transitioning into new industries. In this era of developing artificial intelligence and automation, people are losing their jobs left and right; this can be seen through things like self-checkout machines and chatbots. A UBI could help prepare Americans to recover from the inevitable job losses that will happen in the next couple of decades, especially in low and mid-skill job markets.

From a constitutional perspective, a UBI does not raise any inherent violations of the U.S. Constitution. The government is granted the authority to provide for the economic well-being of its citizens. Under the 16th Amendment, Congress has the authority to levy income taxes, providing a source of funding for a national UBI program. As aforementioned, the stimulus checks that have been issued in times of crisis in the past were deemed constitutional and were passed with ease. These payments share many characteristics with a UBI, affirming the fact that a UBI is legal to implement.

Introducing a UBI to America could bring many benefits. It would simplify the welfare system by providing basic, universal benefits. It would help to provide cushioning for Americans who are unemployed or will soon lose their jobs to AI. Not only that, but this money could go towards productive measures such as small business ventures and higher education. A UBI could reduce economic inequality and help support Americans who fall below the poverty line. While there are many benefits to a UBI, it is important to consider its flaws. Many argue that a UBI is an ideal that is far too expensive to sustain. Others believe that a UBI would reduce productivity in America. Even so, the implementation of a UBI is perfectly constitutional and could prove incredibly beneficial. Whether the U.S. chooses to implement a UBI or not, it is important to find another solution to the vast economic disparities that have been created by the nation's current system.

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