

The Conservative Case for a Guaranteed Basic Income

Creating a wage floor is an effective way to fight poverty—and it would reduce government spending and intrusion.



Swiss backers of a minimum income spread out coins in Bern.

Denis Balibouse/Reuters

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POLITICS

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Last week, [my colleague David Frum argued](#) that conservative welfare reformers

need to focus on simplification. As a young crop of conservative policymakers announce a range of proposals, there's some movement in that direction. Florida Senator Marco Rubio's plan would move most of America's existing welfare funding into a single "flex-fund" to be disbursed to the states. Wisconsin Representative Paul Ryan, partly inspired by the "universal credit" reforms of Britain's Conservative government, proposes allowing states to combine different forms of federal anti-poverty funding—food stamps, housing assistance, and more—into a single funding stream. In a recent speech about fighting poverty, Utah Senator Mike Lee [told the Heritage Foundation](#), "There's no reason the federal government should maintain 79 different means-tested programs."

Meanwhile, the intellectual wing of reform conservatism likes these plans because they reduce government and offer citizens more control, at least in theory. Yuval Levin, one of the authors of the reform-conservatism manifesto *Room to Grow*, [has praised Ryan's plan](#), saying it would "give people more resources and authority and greater freedom to find new and more effective ways up from poverty." [Liberal wonks](#), on the other hand, have claimed it's actually a paternalistic program at odds with the traditional Republican desire for less-intrusive government, since it relies on providers who make decisions for beneficiaries.

In any case, these ideas are circumscribed by traditional boundaries. Neither is a truly radical small-government idea alternative. But one idea that Frum highlighted is more radical: a guaranteed basic income, otherwise known as just giving people money.

The idea isn't new. As Frum notes, Friederich Hayek endorsed it. In 1962, the libertarian economist Milton Friedman advocated a minimum guaranteed income via a "negative income tax." In 1967, [Martin Luther King Jr. said](#), "The solution to poverty is to abolish it directly by a now widely discussed measure:

the guaranteed income.” Richard Nixon unsuccessfully tried to pass a version of Friedman’s plan a few years later, and his Democratic opponent in the 1972 presidential election, George McGovern, also suggested a guaranteed annual income.

More recently, in a 2006 book, conservative intellectual Charles Murray proposed eliminating all welfare transfer programs, including Social Security and Medicare, and substituting an annual \$10,000 cash grant to everyone 21 years and older. [The Alaska Permanent Fund](#), funded by investments from state oil revenues, sends annual dividend checks to the state’s residents. [Switzerland is voting on](#) an unconditional basic income later this year. (Though the fundamental basic-income guarantee involves an unconditional grant to every citizen, no matter their wealth or age, other versions wouldn’t cut checks to those in top tax brackets or those receiving Social Security.)

Apart from lifting millions out of poverty, the plans promote efficiency and a shrinking of the federal bureaucracy. No more [“79 means-tested programs.”](#) Creating a single point of access would also make many recipients’ lives easier. If they knew they had something to fall back on, workers could negotiate better wages and conditions, or go back to school, or quit a low-paying job to care for a child or aging relative. And with an unconditional basic income, workers wouldn’t have to worry about how making more money might lead to the loss of crucial benefits. In the *Financial Times*, Martin Wolf has contemplated a guaranteed income’s ability to [help society adjust to the disappearance of low-skill, low-wage jobs](#).

Is it feasible? It depends on the size and scope of the program, but [Danny Vinik crunched some numbers](#) at *Business Insider*: “In 2012, there were 179 million Americans between the ages of 21 and 65 (when Social Security would kick in). The poverty line was \$11,945. Thus, giving each working-age American a basic income equal to the poverty line would cost \$2.14 trillion.”

Cutting all federal and state benefits for low-income Americans would save around a trillion dollars per year, so there would still be a significant gap to be closed by revenue increases like higher taxes or closing existing loopholes. That doesn't seem likely, to say the least, in the current political environment. Alternatively, a guaranteed income could be means-tested, or just offered at a lower level. In *The Atlantic* last year, Matt Bruenig and Elizabeth Stoker argued policymakers could halve poverty by cutting a \$3,000 check to Americans of all ages.

Naturally, the idea is not without flaws. Some conservative critics contend a guaranteed income might create a society of layabouts by establishing a [disincentive to work](#) (although [the jury is out](#)). Others wonder [which immigrants would be eligible and when](#). But the most common conservative counterargument is that a guaranteed income [would destroy the progress against dependency and poverty effected](#) by the welfare-to-work reforms of the last two decades. (Whether that progress was [real](#), or [dependent on the broader economy](#), is a debate of its own.) Many liberal wonks are excited by the idea, but Democratic politicians are usually scared off by the political cost of advocating a new, large-scale redistribution or by the problems with scrapping existing welfare programs. After all, as Derek Thompson explains, [Social Security works pretty well](#). When Democratic Representative Bob Filner, [since disgraced](#), proposed a guaranteed income on a very small scale in 2006, he picked up only one cosponsor.

Yet the effort to create a reform conservatism and reconstitute the GOP as the “party of ideas” seems to demand contemplating legitimately radical new ideas on welfare reform. In the introduction to *Room To Grow*, Levin writes, “these ideas embody a conservative vision that sees public policy not as the manager of society but as an enabler of bottom-up incremental improvements.” Scott Winship, in a welfare-reform essay later in the same document, writes approvingly of Levin’s desire to provide an “alternative to the fundamentally

prescriptive, technocratic approach inherent in the logic of the liberal welfare state.” A guaranteed income, in any form, would tear that logic apart. Maybe conservative welfare reform still has some room to grow.

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Twitter 17K Followers. Politics. A Conservative Case for Universal Basic Income. August 2, 2018. 8 comments. As such, it ought to spur conservatives to see beyond their stubborn economic doctrines and acquaint themselves with the conservative case for UBI. UBI is in essence a radical form of social welfare. But conservatives take a gross misstep when they jump to the conclusion that UBI must therefore be an inherently left-wing idea. It is easy to see why this misconception has been allowed to spread. The very thought of showering individuals with unconditional money, regardless of their work situation, sets off alarm bells for fiscal conservatives, who find any initiative of this sort repellent. But