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.

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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Yet a basic income would prompt all kinds of good behaviour at the grassroots level, too. For starters, it would encourage people to work, because any money they make they can keep, up to a modestly high level. It would also encourage people to hold other people accountable. He gives the example of a guy living off his girlfriend. Now he has an income stream. She says, how about kicking in some money? It’s likely that one way or another their relationship will change for the better. Now that people know everybody has an income, they’ll demand more of each other. Needless to say, not every conservative is convinced that a universal income is a great idea. The idea of redistribution on such a scale gives them a rash. Nor does the math yet. Basic income, also called universal basic income (UBI), citizen’s income, citizen’s basic income, basic income guarantee, basic living stipend, guaranteed annual income, or universal demogrant, is a theoretical governmental public program for a periodic payment delivered to all on an individual basis without a means test or work requirement. Basic income can be implemented nationally, regionally, or locally. Universal Basic Income: A Utopian Idea Whose Time May Finally Have Arrived. Universal basic income: a 500-year-old idea with a new kick. By Matt Vella. April 13, 2017 6:18 AM EDT. Sometimes, all it really takes to change the course of history is a bit of dusting. More recently, the concept has often made odd bedfellows: Martin Luther King Jr. endorsed the idea, as did conservative economists Milton Friedman and Friedrich Hayek. Starting in the late 1960s, the Nixon Administration studied the idea and tried unsuccessfully to get a basic-income benefit through Congress. (According to Rutgers historian James Livingston, the two men who oversaw a fact-finding pilot then known as the New Jersey Graduated Work Incentive Experiment were named Dick Cheney and Donald Rumsfeld.)