

Moral Liberal

The Welfare State Needs Abolition, Not “Reform”

Doug Bandow

May 8, 2015

Conservatives should fight to repeal, not streamline, the bloated welfare state

The United States is effectively bankrupt. Economist Laurence Kotlikoff figures the government faces unfunded liabilities in excess of \$200 trillion. Making the programs run more efficiently would be helpful. But only transforming or eliminating such programs will save the republic. The left likes to paint conservatives as radical destroyers of the welfare state. If only.

Instead, some on the right have made peace with expansive government. Particularly notable is the movement of “reform conservatism.” The so-called “reformicons,” [notes Reason’s](#) Shikha Dalmia, “have ended up with a mix of old and new liberal ideas that thoroughly scale back the right’s long-running commitment to free markets and limited government.”

The point is not that attempts to improve the functioning of bloated, inefficient programs are bad. But they are inadequate.

Yes, government costs too much. Government also *does* too much. And that cannot be remedied by lowering administrative costs, eliminating waste, improving delivery, or even reducing perverse incentives.

The worst “reform conservatism” idea is to manipulate the state to support a particular “conservative” vision. Dalmia points out that many reformicons want to use the welfare state to strengthen institutions which they favor.

For instance, “just as George W. Bush’s compassionate conservatism proffered a series of special tax incentives to prop up religious institutions, reformicons want targeted tax breaks to strengthen middle-class families. Some want to restrict immigration and trade, just like unions of yore.”

Utah Sen. Mike Lee, for instance, criticizes conservatives who “have abandoned words like ‘together,’ ‘compassion,’ and ‘community’.” Although he warned against overreliance on the state, he still wants to use it for his own ends, proposing greater flexibility in allowing workers to choose between comp time and overtime — by imposing such a provision on private collective bargaining agreements.

Reformicon intellectuals and politicians argue for an expanded Earned Income Tax Credit for singles and increased deductions for dependents and tax credits for parents who stay at home. Some want more taxes on the wealthy, new employee-oriented public transportation, a preference for borrowing over deficit reduction, subsidies for hiring the unemployed, and punishment for colleges whose students welsh on their educational loans.

Senators Lee and Marco Rubio and Lee have introduced the “Economic Growth and Family Fairness Tax Reform Plan.” It offers some corporate and individual tax reductions but raises the rates on most everyone by lowering tax thresholds. The bill also increases the child credit, even for the well-to-do.

Alas, this differs little from liberal social engineering.

As Dalmia puts it: “Broad-based, neutral tax cuts to stimulate growth are out, markets are optional tools, the welfare state is cool, redistributive social engineering is the way forward, and class warfare is in.”

Reformicons don’t so much disagree as argue that they can do better than liberals. For instance, Yuval Levin of National Affairs contended that his movement relies on “experimentation and evaluation [and] will keep those programs that work and dump those that fail.”

What motivates this approach? After Barack Obama’s victory, Levin explained, he and other conservative thinkers “were trying to figure out what the hell this new world looked like.” They hoped to apply “the Judeo-Christian moral tradition to critical issues of public policy.”

Of course, the Judeo-Christian moral tradition didn’t arise with a focus on public policy. Jesus spoke at length on the relationship of men to God and each other, but largely avoided politics. He never advocated coercively applying his teachings — that the federal government should force men to love God and their neighbors, as long as the enforcement was efficient, for instance.

But politics drives reform conservatism. *Bloomberg’s* Ramesh Ponnuru contended that it’s a matter of necessity: “Times change and people need to change if they are going to remain relevant.”

Henry Olsen of the Ethics and Public Policy Center made a fulsome pitch for conservatives to embrace social benefits for “their” voters. After all, “Many of those working-class voters are located precisely in the two places a Republican presidential candidate needs to carry to win the White House.”

He concluded: “American conservatism at its best embraces Reagan’s thought, combining a love of liberty with an overriding love of all people. In the present crisis, antigovernment fundamentalism threatens to place the two at odds with one another, to fatal effect for conservatism and for the country.”

Expressing interest in reformicon ideas are GOP presidential contenders Rubio, Jeb Bush, and former Texas Gov. Rick Perry. Indiana's Mike Pence, another possible GOP candidate, recently expanded Medicaid, in a reform-oriented fashion.

Ohio's Gov. John Kasich (yet another potential contender), grew Medicaid *without* reform — claiming [God's direction](#). However, there's no evidence so far that technocratic “reform conservatism” is more politically attractive than simple conservatism.

Of course, no one should want policies that don't work. But that doesn't address the most important question: is the end itself justified? Efficient income redistribution doesn't make the process morally right, only less wasteful on its way to being wrong.

And such measures can create new problems. For instance, author Amity Shlaes and Matthew Denhart of the Calvin Coolidge Presidential Foundation warn that the Rubio-Lee plan would generate resentment by pitting individuals against families.

It also would sacrifice opportunities to spur economic growth by emphasizing group privileges over rate reductions for all. The two worry: “If the self-styled party of enterprise does not emphasize the individual, no one will.”

Big issues are at stake. The current economic system isn't working for all. Rubio asked the right question: “How can we get to the point where we're creating more middle-income and higher-income jobs, and how do we help people acquire the skills they need?”

Social engineering, even conservative social engineering, is not the answer.

The starting point for job creation remains what it always has been, making it easier and less costly to create businesses and jobs. Children need alternatives to the public school monopoly. Yes, the family is under pressure, but the best Washington can do is to do no harm.

For most issues the principal answer will come outside of politics, as Lee recognized: “Collective action doesn't only — or even usually — mean government action.”

Some reformicon ideas might make some conservatives appear more presentable to the public, but this approach will win few converts from committed statist. But reform conservatism fails to provide a coherent answer to the most important problems facing America.

Government is not just inefficient: it is doing the wrong things.

Doug Bandow is a senior fellow at the Cato Institute, specializing in foreign policy and civil liberties. He worked as special assistant to President Reagan and editor of the political magazine Inquiry. He writes regularly for leading publications such as Fortune magazine, National Interest, the Wall Street Journal, and the Washington Times. Bandow speaks frequently at academic conferences, on college campuses, and to business groups. Bandow has been a regular commentator on ABC, CBS, NBC, CNN, Fox News Channel, and MSNBC. He holds a J.D. from Stanford University.

