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Tech wizards like the idea of universal basic income. Maybe that's proof the rest of us should be wary

Gil Smart

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A few months ago in this space, <u>I raised the issue of universal basic income</u>, the idea that the government would provide every citizen with a certain amount of free money every year.

To conservatives, it sounds like the welfare state on steroids. But the idea's actually gaining support in an unlikely place — libertarian-leaning Silicon Valley.

In <u>a fascinating piece in Vice magazine last week</u>, Nathan Schneider detailed how the tech world's wunderkinds love the idea of a universal basic income. The tech economy, these entrepreneurs say, will leave a lot of people behind: Technology, robots, will replace ever-more human workers, who will have few other options for earning a decent living. Once it happens, asked one New York-based venture capitalist, "How do you avoid a massive bifurcation of society into those who have wealth and those who don't?"

The answer: Government provides a set amount to everyone.

But don't think Silicon Valley's advocacy boils down to feel-good altruism. Writes Schneider: "Chris Hawkins, a 30-year-old investor who made his money building software that automates office work ... has taken to blogging about basic income, which he looks to as a bureaucracy killer. 'Shut down government programs as you fund redistribution,' he told me. Mothball public housing, food assistance, Medicaid, and the rest, and replace them with a single check. It turns out that the tech investors promoting basic income, by and large, aren't proposing to fund the payouts themselves; they'd prefer that the needy foot the bill for everyone else."

In other words, universal basic income would be a welfare-state means of destroying the welfare state.

And, indeed, were duplicative programs eliminated along with their attendant bureaucracies and costs, it stands to reason that the universal basic income provided could be fairly substantial, without raising tax rates.

If workaday conservatives thought of it this way, they may get behind the idea — though they may have to hold their collective nose to do so.

Indeed, it appears as if the groundwork is being laid to make the idea more palatable. As Schneider writes, "The Cato Institute, Charles Koch's think tank for corporate-friendly libertarianism, published a series of essays last August debating the pros and cons of basic income. That same week, an article appeared in The Atlantic making a 'conservative case for a guaranteed basic income.' It suggested that basic income is actually a logical extension of Paul Ryan's scheme to replace federal welfare programs with cash grants to states."

To be fair, tech wizards like the idea for another reason, too: They think it would free citizens to be creative, to tinker. It would be "venture capital for the people," and may create "the society of rogue entrepreneurs that tech culture has in mind."

Or it may free people to go surfing.

But what I wonder is this:

Depending on how a universal basic income was doled out — and accepting that the elimination of some existing government programs would be the necessary political trade-off in order to achieve it — what would happen to those who won't or can't moderate the way they spend it?

In other words, imagine that a basic universal income provided, say, \$25,000 annually to every American adult; that's a random figure, though Switzerland last year voted on (and rejected) a referendum that would have provided even more, about \$2,800 per month/\$33,600 annually to every citizen.

So let's say you get a lump sum of \$25,000 from the government at the beginning of the year. What happens if, come June or July, the money runs out?

And if the money runs out, what happens when those welfare state programs that once might have lent a hand have been mothballed?

So you can understand why libertarians might like this. Under this scenario, it's all about "personal choices" and personal responsibility; you spend your money wisely, you're in good shape. If you blow it, though, you're out of luck — and any consequences you face are deserved.

In other words, universal basic income becomes a conservative morality play.

Liberals who have supported the idea have done so on the basis of fairness; to provide everyone with the same lump sum is egalitarian, it's fair.

Funny, then, that some might support it because it would be anything but.