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I Have Seen the Future of a Republican Party That Is No Longer Insane

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This week, the Niskanen Center, a libertarian-leaning Washington think tank, held a conference on the future of the Republican Party, called “Starting Over: The Center-Right After Trump.” In my one opportunity to offer a comment, I helpfully suggested that the Republican Party as currently constituted needed (this is a direct quote) “to die in a fire.” The surprising thing is that many of the attendees in the room, including people who work at the Niskanen Center itself, told me afterward that they agree.

Economist William Niskanen worked for the Reagan administration, and then proceeded to chair the Cato Institute, a redoubt of the firm anti-government verities that define conservative economic thought. Toward the end of his life, though, Niskanen began to express some doubts about the efficacy of supply-side economics, the unquestioned foundation of the Republican domestic platform. Cutting taxes without cutting spending, Niskanen observed, simply hadn’t worked. The small-government movement needed to “convince voters to reduce their demand for the services financed by federal spending,” he wrote. “Until that time, some increase in federal taxes appears to be a necessary part of a fiscal policy to balance the budget.”

Niskanen’s observation that tax rates needed to reflect actual rather than desired spending levels is banal to right-of-center economists in almost any country. But it was (and is) absolute heresy on the Republican right, which has elevated anti-tax absolutism into a theological principle. The Niskanen Center, founded in 2015, four years after Niskanen’s death, drew upon his heresies as a basis for an unconventional and less dogmatic approach to libertarian economics. And in the Trump era, its heretical tendencies have blossomed. Rather than going along with Trump, or waiting him out so things can go back to normal, Niskanen has used the shock of his ascension to rethink the ideas that brought the American right to this point. The center has developed something that for more than a generation has been almost totally nonexistent in American politics: a right-of-center program that is detached from the conservative movement.

Niskanen’s scholars have criticized the failures of conservative policy you might expect — climate science skepticism, the Republican health-care plan— a heterodox center-right think tank to criticize. But Niskanen has gone beyond point-by-point rebuttals and has developed a broad and deep argument with the movement’s core assumptions.

Last year, Will Wilkinson argued against “small-government monomania” and in favor of a social safety net to “increase the public’s tolerance for the dislocations of a dynamic free-market economy,” and identified libertarianism with hostility to democracy, resulting in persistent Republican efforts “to find ways to keep Democrats from voting, and to minimize the electoral impact of the Democratic ballots that are cast.” Brink Lindsey attacked “the notion that downward redistribution picks the pockets of makers and doles it out to layabout takers.”

These are frontal assaults on the basic orientation of the libertarian political project. By recognizing the value of social transfers as a backstop to a free-market system, and acknowledging that the right’s obsession with the protection of property has made it hostile to democracy itself, they forced themselves to rethink not only the methods but also the goals of libertarian politics.

Wilkinson, late last year, stepped away from libertarianism, acknowledging that according to libertarians’ own data, countries with larger welfare states also had more freedom. This revealed “a pretty major intellectual mistake lurking within the ideal-theoretic version of libertarianism that the most prominent institutions of the ‘freedom movement’ were built to promote.”

Jerry Taylor went a step farther. During his previous time at the Cato Institute, he had seen libertarians refusing to accept climate science, because it implied the existence of a problem that would require more government to solve. Versions of this pathology were everywhere. “Over and over again, libertarian friends and colleagues were engaged in fierce, uncompromising debate about empirical matters that had *nothing to do* with libertarian principles or commitments,” he wrote. “Is the Keynesian multiplier consequential? Is Thomas Piketty correct that returns to capital are greater than the rate of growth? Do tax cuts pay for themselves?” The answer had to support the anti-government agenda. Taylor concluded that strong ideological precommitments were themselves the problem. “I have abandoned that libertarian project,” he wrote recently, “because I have come to abandon ideology.”

But this is not to say Taylor or his colleagues have given up on a public philosophy. Instead, they have tried to map out a program for maximizing human freedom that follows the facts. This week, following its conference, the Niskanen Center published its manifesto, signed by four of its senior staff. Titled “The Center Can Hold: Public Policy for an Age of Extremes,” it synthesizes two years of heresies into an impressively coherent approach to governing.

While defending the benefits of creative destruction and free trade, which permit new business ideas to replace old ones, Niskanen’s paper concedes that the simple small-government vision fails to capture important facts about political and economic life. Merely ending de jure racial discrimination does not wipe away a racial caste system that permeates multiple institutions in American life. “You can get very strong intergenerational transmission of subordinate status,” the paper importantly allows, “even in the absence of contemporary unjust acts.” The libertarian dream of a meritocratic capitalist system has to account for massive inequality that was originally produced by brute force, which requires “a strong presumption for widespread opportunity and an openness to redistribution.”

In theory, it argues, market forces do a better job than central planners. In reality, though, most of the regulations conservatives target are those that advance legitimate social objectives — protecting health, safety and the environment — and impose costs on existing firms. The regulations most in need of scaling back are those imposed by state and local governments, and

which protect incumbent owners of businesses and land. That is, regulations can be either good or bad, but in general, Republicans are attacking the good ones while leaving the bad ones in place.

Judging by Niskanen's overview of the landscape, it is difficult to identify any aspect of public policy in which the Republican Party is making the world a better place. And this is both the most thrilling and discouraging thing about its critique. The Niskanen Center is not playing the influence game, jostling to bring a slogan or campaign plank to the attention of the next Republican candidate. It is operating from the starting point of what a well-functioning right-of-center party ought to stand for, rather than how the current one can be tweaked.

The pathological character of the Republican Party is the most important problem in American politics. It has taken decades to develop to its current deformed state, and will not be solved quickly. There is no way to imagine the current incarnation of the GOP getting to the place Niskanen envisions any time soon. Niskanen's manifesto contains multiple points of overlap with the prevailing orientation of the Democratic Party, and almost none with the prevailing orientation of the Republican Party. One can imagine a future in which the Democrats move toward socialism, opening a void in the center for the ideas espoused by Niskanen to take hold in something that perhaps shares the name, but otherwise none of the important ideological traits, of today's Republican Party.

That distant point probably lies years, even decades, away. It can only happen after today's Republican Party is destroyed, rendered incapable of wielding power at the national level, and its governing philosophy discredited completely. The Niskanen Center is the one institution planning for what can follow after the cleansing fire.