



## **Basic income finds support on right as 'most transparent' form of redistribution**

**Free-market economists Milton Friedman and Friedrich Hayek supported the idea**

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One might assume that the Ontario Liberal government's pilot project to provide a guaranteed basic income would be roundly dismissed by those on the political and economic right as yet another government-led social welfare scheme doomed to failure.

But the policy has adherents among some free-market economists and libertarian thinkers who believe this type of program is the most efficient way to provide assistance to the poor.

"If you accept the idea that there's going to be some sort of redistribution taking place in our system, then you want to do it in the most transparent and efficient way possible," said Michael Tanner, a senior fellow at the Cato Institute. "And you want it to actually benefit people. And our current welfare system does neither."

In the U.S., all levels of government combined spend over \$1 trillion a year on at least 126 anti-poverty programs, Tanner wrote in a piece for the Cato Institute in 2015. Yet these programs, he said, are doing little "to help the poor get out of poverty or become self-sufficient."

"We spend a lot of money and get very little bang for the buck," he said.

On Monday, Ontario Premier Kathleen Wynne announced the province is launching a three-year pilot project to provide up to \$17,000 to 4,000 low-income residents of Hamilton, Lindsay and Thunder Bay. The current welfare system in Ontario is designed to provide financial relief to low-income individuals, provided they are attempting to look for work or will take part in activities to help them find a job.

The financial assistance from this pilot project, based on a report delivered by former Conservative senator Hugh Segal, would come with no strings attached.

## **'Certain minimum income for everyone'**

It's an idea that, in some form, was championed by Austrian economist Friedrich Hayek, who wrote about "the assurance of a certain minimum income for everyone, or sort of floor below which nobody need fall."

Noted free-market economist Milton Friedman also supported a guaranteed national income — he preferred to call it a negative income tax, meaning those whose income falls below a certain level would receive cash benefits.

"A negative income tax provides comprehensive reform which would do more efficiently and humanely what our present welfare system does so inefficiently and inhumanely," he said.

Those on the left see it as a move toward social justice, wrote conservative social scientist Charles Murray, an advocate of the policy, in 2016. But its libertarian supporters, he said, "see it as the least damaging way for the government to transfer wealth from some citizens to others."

To free-marketers, basic income is preferable to market intervention measures such as minimum wage hikes.

Interfering in the price system is just about "one of the worst things you can do in an economy," said Matt Zwolinski, founder and director of the University of San Diego's Center for Ethics, Economics and Public Policy.

"If you want to help the poor, then giving them cash is simply a much more direct and effective way of doing that than forcing employers to pay people more than the market value of their labour," he said.

Basic income has also been embraced by many Silicon Valley business leaders, who predict increasing automation and artificial intelligence will eliminate low-skilled jobs at an increasing rate. Self-driving vehicles, for example, could cost millions of jobs for those who make their living transporting goods or people.

The fear is that the government, to stem that job loss, could intervene by implementing anti-technology measures.

"[Basic guaranteed income] would take care of those low-skilled wages replaced by technology in a way that would not limit innovation and advancements in computing and robots," Zwolinski said.

## **Transition to 'unprecedented world'**

Murray agreed, writing that guaranteed basic income "will be an essential part of the transition to that unprecedented world."

It "would present the most disadvantaged among us with an open road to the middle class if they put their minds to it," he wrote.

And for some libertarians, who generally believe the government should keep its nose out of people's private business, a basic guaranteed income is preferable to other social welfare schemes.

"When you have social welfare programs that have work requirements or that provide in kind benefits rather than cash, all of that involves the state trying to make decisions for people about what's best for them," Zwolinski said.

But it's important, he said, not to overstate the enthusiasm that those on the right have for this policy.

"Most right-leaning folks, by and large, are still going to think of basic income programs precisely as you think they would, as another bloated government program."

And even among those supporters, there's a significant caveat: They believe this policy should replace existing welfare programs, and not be in addition to those already in the system.

### **'Sympathetic skeptic'**

Tanner said he's a "sympathetic skeptic" of the basic income. While he thinks the philosophical case is strong, the math is hard to make work.

"You can't provide basic minimum income for everyone."

Conservative commentator David Frum, who opposes the plan, said the program ignores something more fundamental, that people need work.

"And not just for money. They need work because without work life doesn't have purpose."

This basic income idea, he said, is very much an economists' idea.

"To an economist, a dollar is a dollar. How you get it doesn't matter."