The Indestructible Idea of the Basic Income

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Andy Stern is a former president of the Service Employees International Union. Charles Murray may be America's most prominent right-wing critic of the welfare state. So when they appeared onstage together in Washington, D.C., last fall to discuss the basic income—the idea of keeping people out of poverty by giving them regular unconditional cash payments—the most striking thing about the event was that they kept agreeing with each other.

It isn't necessarily surprising that Stern and Murray both back some version of the concept. It has supporters across the political spectrum, from Silicon Valley capitalists to academic communists. But this diverse support leads naturally to diverse versions of the proposal, not all of which are compatible with one another. Some people want to means-test the checks so that only Americans below a certain income threshold receive them; others want a fully universal program, given without exceptions. Some want to replace the existing welfare state; others want to tack a basic income onto it. There have been tons of suggestions for how to fund the payments and for how big they should be. When it comes to the basic income, superficial agreement is common but actual convergence can be fleeting.

In Stern's case, the central issue driving his interest in the idea is the turmoil he expects automation to bring to the economy. In the future, he and Lee Kravitz predict in their 2016 book *Raising the Floor*, tens of millions of jobs will disappear, leaving much of the country stuck with work that is "contingent, part-time, and driven largely by people's own motivation, creativity, and the ability to make a job out of 'nothing.'" A basic income, he hopes, would bring some economic security to their lives.

Read Murray's first detailed pitch for a guaranteed income, the 2006 book *In Our Hands*, and you won't see anything like that. Its chief concern is shifting power from government bureaucracies to civil society. It doesn't just propose a new transfer program; it calls for repealing every other transfer program. And automation isn't a part of its argument at all.

But onstage at the Cato Institute in D.C., Murray was as worried as Stern about technological job loss, warning that "we are going to be carving out millions of *white-collar* jobs, because artificial intelligence, after years of being overhyped, has finally come of age." Meanwhile, Stern signaled that he was open not just to replacing welfare programs for the disadvantaged but possibly even to rethinking Social Security, provided that people still have to contribute money to some sort of retirement system and that Americans who have already paid in don't get shortchanged. He drew the line at eliminating the government's health insurance programs—but the other guy on the stage agreed that health care was different. Under Murray's plan, citizens would be required to use part of their grant to buy health insurance, and insurance companies would be required to treat the population as a single pool.

The Murray/Stern convergence comes as the basic income is enjoying a wave of interest and enthusiasm. The concept comes up in debates over everything from unemployment to climate change. Pilot programs testing various versions of the idea are in the works everywhere from Oakland to Kenya, and last year Swiss voters considered a plan to introduce a guaranteed income nationwide. (They wound up rejecting the referendum overwhelmingly, with only 23 percent voting in favor. I didn't say *everyone* was enthusiastic.)

This isn't the first time the basic income or an idea like it has edged its way onto the agenda. It isn't even the first time we've seemed to see an ideological convergence. This patchwork of sometimes-overlapping movements with sometimes-overlapping proposals has a history that stretches back centuries.

It Usually Begins with Tom Paine

Just where you pinpoint the start of that history depends on how broadly you're willing to define *basic income*.

The idea's advocates have identified plenty of precursors to their proposals, but sometimes the connection can be a little tenuous. It's true, as they'll tell you, that in 1516 St. Thomas More suggested that society could reduce crime by "provid[ing] everyone with some means of livelihood." It's a bit of a leap from there to the plans being debated today.

But we have to start somewhere, and for two reasons 1795 is a good place to begin. That's the year Thomas Paine started to write his pamphlet *Agrarian Justice*. It's also the year some squires introduced a new system of relief to the English district of Speenhamland.

Agrarian Justice, which was ultimately published in 1797, posited that "the earth, in its natural, uncultivated state was…the common property of the human race." Therefore, Paine argued, each landowner "owes to the community a ground-rent" to compensate the dispossessed for their loss. From those fees, "the sum of fifteen pounds sterling" should be paid to everyone when they turn 21, with another "ten pounds per annum" paid after they've turned 50.

Joanna Andreasson Eighteenth-century England already had a welfare apparatus. Under the Poor Laws, different local governments devised different systems for distinguishing the "deserving" from the "undeserving" poor, and for extracting labor from able-bodied paupers. Paine was proposing something else: money for everyone just for being alive and of age, delivered as a matter of "justice, and not charity."

The squires of Speenhamland were less idealistic and more afraid. The cost of grain had skyrocketed in Britain, food riots were breaking out, and the landed classes were casting their eyes uneasily at the revolutionary violence in France. And so in May of 1795—just a few months before Paine began his pamphlet—the Speenhamland magistrates decided to adopt a new method of public assistance. Junking the old deserving/undeserving distinction, they would now ensure that all the poor in their village received an income, with the level of aid varying with the market price of bread.

The so-called Speenhamland system was soon adopted in other parishes. It persisted until 1834, when a royal commission declared it a failure. Parliament then adopted the New Poor Law, which required able-bodied paupers who wanted relief to be confined in tightly disciplined workhouses.

The commission's report on Speenhamland painted a picture of indolence and immorality, accusing the system of discouraging men from working and encouraging women to have children out of wedlock. The royal report also suggested that the system subsidized low wages, making it more a ceiling than a floor for poor people's incomes. Since then, several scholars have challenged the commission's conclusions, noting that its data were not collected very scientifically, that many effects attributed to the system actually preceded it, and—perhaps most notably—that the Speenhamland approach wasn't actually all that widespread. (Different districts had continued to give relief in different ways.) But those critiques are a relatively recent development. In between, the commission's conclusions influenced figures ranging from Marx to Mises.

Neither the system in Paine's pamphlet nor the system in Berkshire County was a full-fledged basic income. But between the radical calling for a new allocation of power and the insiders afraid their power would be overturned, the 1790s anticipated a lot of arguments to come.

From Huey Long to Timothy Leary

Several similar proposals circulated in the ensuing centuries. The economist Henry George, famous for arguing that government should be funded by a single tax on land, thought that any "surplus revenue might be divided per capita." The philosopher Bertrand Russell suggested that "a certain small income, sufficient for necessaries, should be secured to all." The engineer C.H. Douglas proposed a "national dividend" as part of his economic philosophy of "social credit." Douglas' doctrine was briefly in vogue among modernist intellectuals, with advocates ranging from the anarchist art critic Herbert Read to the fascist poet Ezra Pound.

Pound's favorite governor, the Louisiana populist Huey Long, launched a Share Our Wealth campaign during the Depression; its planks included a guaranteed annual income of $2,500 per family (and confiscatory taxes on incomes over $1 million). In the early '40s, the literary socialists H.G. Wells and George Bernard Shaw proposed a basic income of $3,200 to $4,800 a year. (When *The Tuscaloosa News* reported this, it presented the idea to its American audience as "a sort of intellectual Huey Long Share-the-Wealth plan for Great Britain.") And there were others, from the English Quakers who called their proposal a "state bonus" to the market socialists who endorsed a "social dividend."

Some of these thinkers hailed from the left, but many did not; or at least they weren't a part of the conventional left. There is a current of thought that's deeply skeptical of both the statist forms of socialism and the monopolistic forms of capitalism, and which often fixates on quirky policy ideas—George's land tax, Douglas' monetary scheme—that aim to tame concentrated economic power without concentrating power in the government instead. The basic income fits snugly in that tradition, especially when the payments are presented not as a form of relief but as dividends to the owners of society's resources.

Bobby Kennedy derided the idea of a universal basic income as "a massive new extension of welfare." But by the end of the 1960s, it had fans everywhere from the Black Panthers to the Nixon administration.

Those third-way ideas tend to take hold in two places that aren't usually associated together: avant-garde intellectual circles and populist movements. Social credit, for instance, made a strange transit from the modernists' salons to the prairies of western Canada, where the Depression left voters eager to try something new. In 1935, the Albertan electorate swept a party based on the philosophy into power; the new premier, radio evangelist William Aberhart, pledged to distribute dividends of $25 a month. This turned out to be more easily promised than delivered, and in 1937, frustrated Social Credit Party backbenchers revolted over the government's failure to issue the checks. They won the political battle but lost the policy war. (Two decades later, flush with energy wealth, a Social Credit government finally distributed "oil dividends" to Albertans in 1957 and 1958. A Tory government reprised the idea in 2006, this time calling the oil-fueled checks a "prosperity bonus.")

Yet another version of the idea took hold among free market economists. In the 1940s, Milton Friedman and George Stigler started exploring the concept of a negative income tax. The idea here, in Stigler's words, was to "extend the personal income tax to the lowest income brackets with negative rates in these brackets." By making sure "the negative rates are appropriately graduated," he added, "we may still retain some measure of incentive for a family to increase its income." Stigler thought this would be a good way to give a hand to low-wage workers without the market-distorting effects of a minimum wage. By 1962, Friedman was proposing it as a substitute for virtually the entire welfare state—or as he put it, "the present rag bag of measures directed at the same end."

By then a push was coming from still another direction. Convinced that automation was on the verge of driving unemployment to unsustainable levels, several social scientists argued that a guaranteed income could cure the crisis. If you're familiar with modern worries about what artificial intelligence and self-driving trucks will do to the job market, the rhetoric of the early '60s will sound familiar. "The coming replacement of man's skills by the machine's skills will destroy many jobs and render useless the work experience of vast numbers now employed," the futurist Robert Theobald argued in his 1963 book *Free Men and Free Markets*. Since only the most skilled workers will enjoy the "possibility of obtaining employment in one of the restricted number of new fields," he feared we were headed for "the *complete* breakdown of our present socioeconomic system."

Theobald's ideas inspired the Ad Hoc Committee on the Triple Revolution, whose 1964 manifesto declared that "the combination of the electronic computer and the automated self-regulating machine" was breaking "the traditional link between jobs and incomes." The solution, it concluded, was an "unqualified right to an income" that would "take the place of the patchwork of welfare measures." That part may not sound so different from Friedman's proposal, but the document also called for government planning and for a transition program that featured public works, public housing, public coal plants, and other interventions in areas that Friedman would leave to the market. The statement was signed by a collection of left-leaning intellectuals, from Linus Pauling to Tom Hayden, and it left enough of a mark on the culture to inspire everything from a Martin Luther King sermon to a Philip José Farmer science fiction story.

In another quarter of the left, activists formed the National Welfare Rights Organization in 1966. One of their chief complaints was the intrusiveness and humiliation built into America's welfare bureaucracies; they too soon called for replacing the existing transfer programs with a guaranteed income.

Yet another version of the concept picked up fans in the counterculture. When the LSD evangelist Timothy Leary ran for governor of California in 1969, he declared that the state "should be run like a successful business enterprise. Instead of extorting taxes from the citizens a well-run state should return a profit. Anyone smart enough to live in California should be paid a dividend."

Needless to say, not everyone liked such notions. When Eugene McCarthy called for a guaranteed income in the 1968 presidential primaries, his rival Bobby Kennedy derided the proposal as "a massive new extension of welfare," declaring that the proper "answer to the welfare crisis is work, jobs, self-sufficiency, and family integrity." Shortly after the election, a Gallup poll showed 62 percent of the public rejecting the concept of a guaranteed income.

Nonetheless, by the end of the decade the idea had fans everywhere from the Black Panthers to the Nixon administration. That's quite a convergence. But convergence doesn't always last.

A Moment in the Sun

Those converging forces might not have agreed on everything, but they were listening to one another. When Ralph Helstein of the United Packinghouse Workers read Friedman's proposal for a negative income tax, he thought to himself: "That's it. This conservative has provided us with a way to get guaranteed income." When the Ripon Society, a liberal Republican group, endorsed the negative income tax in 1967, it cited Robert Theobald along with Friedman. And when John Price—one of the Ripon Society's founders—brought the idea to Nixon's attention one evening in 1968, he had convergence on his mind. According to Daniel Patrick Moynihan's *The Politics of a Guaranteed Income*, Price "proposed, at a dinner meeting with Nixon, that the negative income tax and the volunteer army were the two issues that might unite the liberal and conservative wings of the Republican party."

Moynihan, who despite being a Democrat had gotten a job on the White House staff, folded a version of the negative income tax into a proposal he called the Family Security System. When he presented his plan to the president in 1969, Nixon asked if it would "get rid of social workers." The aide replied that it would wipe them out, and Nixon took the news with pleasure.

Moynihan's blueprint wended its way through the West Wing, evolving as different aides and interest groups encountered it. (One Nixon advisor opposed to the plan, the Randian economist Martin Anderson, put together a memo for his boss titled "A Short History of a 'Family Security System.'" It was a critique of Speenhamland.) Wary of phrases like *guaranteed minimum income*, Nixon took to calling the bill "workfare"—though the legislation did, in fact, leave some space to draw a check from the government without working. The final bill, now dubbed the Family Assistance Program (FAP), was a jerry-rigged mix of liberal and conservative ideas held together by a president who was no more idealistic than the Speenhamland squires had been.

The convergence didn't hold. The National Welfare Rights Organization wouldn't back the plan, in part because it included work requirements. Milton Friedman opposed it too, on the grounds that it maintained too many of the programs and poverty-trap incentives that the guaranteed income was supposed to replace. ("The bill in its present form," he wrote in *Newsweek*, "is a striking example of how to spoil a good idea.") In theory, a negative income tax could appeal to the left because it stopped trying to tell poor people what to do, to the right because it displaced dysfunctional welfare bureaucracies, and to libertarians for both reasons. But the FAP didn't do either one.

The bill did pass the House in 1970 by a vote of 243–155, and in 1971 it passed again with an even more lopsided margin. But each time it ran aground in the Senate. In the 1972 election, Nixon's opponent, George McGovern, called for guaranteeing every American a "demogrant" of $1,000; Nixon found it expedient to attack the proposal, and McGovern retreated rather rapidly. Other versions of the basic-income idea were floated in the Ford and Carter years, with little success.

Since 1982, thanks to the state's decision to invest the proceeds from the Prudhoe Bay oil boom, Alaskans have received a check for hundreds and occasionally thousands of dollars each year.

In the meantime, several field experiments attempted to test the concept's effects in the real world. The Office of Economic Opportunity launched the first in New Jersey and Pennsylvania in 1968. That urban effort was soon joined by the Rural Income Maintenance Experiment, or RIME, conducted in Iowa and North Carolina. Those were followed by the Seattle Income Maintenance Experiment, also known as SIME; the Denver Income Maintenance Experiment, also known as DIME; and the Gary Income Maintenance Experiment, whose creators tried to avoid calling it GIME. (It looked too much like "gimme.") Separately, in Canada, researchers ran the "Mincome" experiment in Manitoba; it included a unique effort in which every family in a town, the 10,000-head burgh of Dauphin, was invited to receive the money.

In Canada, the experiment was cut off early and the records were stuck into storage; no one even attempted to draw conclusions from the data at the time. Later analysis suggested that recipients came away from the experiment in better health and that they didn't reduce their workload very much.

The U.S. experiments, meanwhile, were widely considered failures. This was partly because they showed some work disincentives, but that wasn't the biggest problem: Pretty much everyone expected there to be *some* impact on how many hours people worked, and the effect was much smaller than the idea's opponents had predicted. In Seattle and Denver—the efforts that got the most attention—employed men spent up to 10 percent less time working. The numbers for women were higher, but Congress didn't necessarily object if more women were opting to stay at home.

What *did* make Congress uncomfortable was the idea that those women might opt to leave their husbands. Yet in Seattle and Denver (though not the others), the experiments appeared to raise divorce rates by 40 to 60 percent. In the late '80s this figure would be sharply challenged, as a pair of economists at the University of Wisconsin re-analyzed the data and concluded that any permanent difference in divorce rates that could be traced to the program was less than 5 percent. But in the late '70s, the news ensured that Jimmy Carter's variation on the negative income tax would not pass. Daniel Patrick Moynihan, now a senator, noisily recanted his support for the idea. "Were we wrong about a guaranteed income!" he wrote to William F. Buckley. "Seemingly, it is calamitous."

The only piece of policy passed in all this time that had more than a faint connection to a basic income was the earned income tax credit, a 1975 measure inspired by the negative income tax. (It was proposed by Sen. Russell Long, son of Share-Our-Wealth Huey.) It didn't replace any other programs, and the unemployed didn't qualify to get it, so it fell far short of Friedman's proposal, let alone the plans pushed on the left.

You can also arguably find traces of the basic-income idea in the Supplemental Security Income, a system for the disabled that passed easily in 1972. In practical terms, this was yet another addition to the maze of federal welfare programs. Still, it had legislative roots in the FAP—and as the historian Brian Steensland notes in his 2008 book *The Failed Welfare Revolution*, it was "the first federally recognized minimum income guarantee for any category of persons."

As the Reagan era began, the government seemed to lose all interest in the concept. No longer plausible as legislation, the basic income was back to being a utopian thought experiment. Or at least that's the conventional historical wisdom. Looking back from 2013, the liberal site *Remapping Debate* declared that the idea died because "market devotees drowned out those who continued to believe that government has a vital role to play. …By Ronald Reagan's election in 1980, the country in which [a guaranteed income] had seemed mainstream a decade earlier looked considerably different."

Except that such a program *was* adopted in the Reagan years. What's more, it passed in a state with a Republican governor, it got an important assist from the market devotees of the Libertarian Party, and it was a lot more radical than Nixon's scheme. It had more in common with a different notion from 1969: Timothy Leary's seemingly wild suggestion that a state should stop charging taxes and start paying dividends.

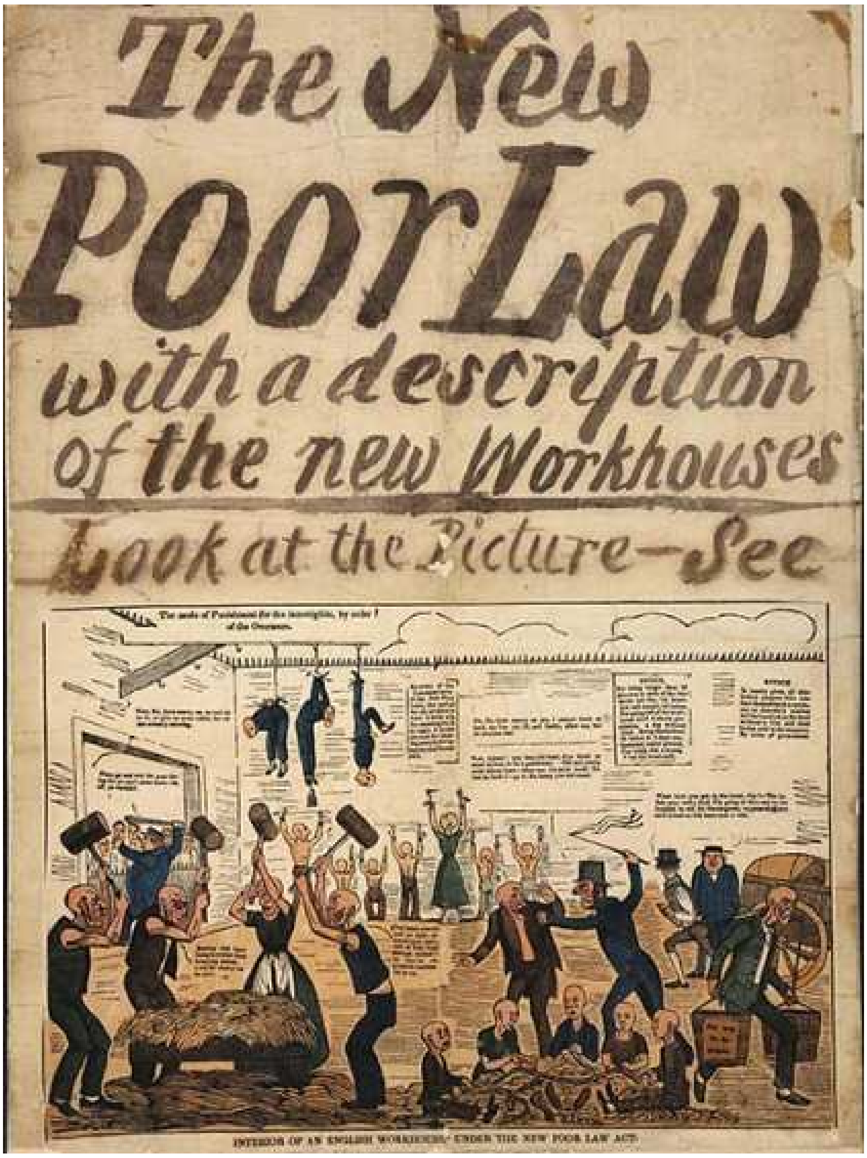
A Moment in the Midnight Sun

When Alaska started raking in money from the Prudhoe Bay oil boom, officials there decided to invest the money rather than blow it all at once. So in 1976 the state decided to channel a share of its resource revenue into an investment pool called the Alaska Permanent Fund. A debate quickly began: What should the government do with the fund's earnings?

Arlon Tussing, an energy economist at the University of Alaska, had proposed an idea shortly after the oil was found. "The only way to guarantee that the money does any good to most of us," he told *Time* in 1970, "is to hand it out to the people. The state should form an investment company, something like a mutual fund, and distribute the stock to Alaskans." Tussing was an ideological maverick—one of his friends called him a "mix of Leon Trotsky and Milton Friedman"—and the coalition that formed around his proposal was also a mixture. Terry Gardner, a Democrat, was the first legislator to formally propose it. Jay Hammond, a Republican, was the governor who championed and signed it. And it got significant legislative support from Dick Randolph, who in those days was one of the Libertarian Party's two representatives in the Alaska House.

The Libertarian Party supported the dividends partly on the grounds that sending the money to individual citizens was preferable to letting officials spend it, and partly as a second-best option as long as privatization was off the table. "The reason we have a Permanent Fund in the first place is that with all of the subsurface wealth, the royalty income goes to the government," points out Randolph, who left the legislature in the '80s and now works in insurance. "There is very little private property up here—and even what private property there is, unless it was homesteaded before statehood, you don't own the subsurface rights." As long as that restriction was written into the law, he figured that this "money that should be in the people's hands anyway" might as well be distributed as dividends.

Almost simultaneously, thanks largely to the Libertarians, the state repealed its income tax. Since it doesn't levy a sales tax either, Alaska is the closest approximation we have to Leary's dream of a dividend-paying state that doesn't charge you anything to settle there—unless, of course, you're an oil company.



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Since 1982, Alaskans have received a check for hundreds and occasionally thousands of dollars each year. The fund remains on decent footing, though the state government is not: Alaska has been running a big deficit for the last few years, and political pressure has been building to either pass a tax or dip into the fund's earnings to make up the difference. Not surprisingly, Randolph would rather cut spending instead. (The discovery in March of approximately 1.2 billion barrels' worth of new oil in the North Slope may allow the state to delay whatever reckoning is to come.)

While the Alaska Permanent Fund is the biggest example of a political unit treating its citizens as stockholders, it isn't the only one. The state's Native Americans are organized into regional and village corporations, and those companies pay out dividends as well, though the checks are usually substantially smaller than the payments from the statewide fund. And of the nearly 240 Indian tribes in the U.S. that run gambling operations, about half regularly distribute profits to their members.

Global Experiments

Versions of the basic income have been proposed and occasionally enacted in other countries as well. Mongolia flirted with an Alaska-style scheme from 2010 to 2012, sending all its citizens a share of the money made from a mining boom, but then it decided to replace the system with one that directed its benefits to children. The Chinese city of Macau, a former Portuguese colony that retained some autonomy when it was handed back to Beijing in 1999, adopted a "Wealth Partaking Scheme" in 2008 that in some ways resembles a citizens' dividend: The government distributes annual payouts meant to "share the economic fruits" with the residents. It is unlike the Permanent Fund dividends or the Indian casino checks in that the authorities set the amount they'll pay rather arbitrarily; there's no guarantee that they'll even continue the program from year to year.

A more substantial reform was adopted in Iran. In 2010, the government in Tehran decided to phase out its controls on the prices of several goods, including electricity, water, bread, and especially fuel. To compensate for the ensuing increases in the cost of living, it decided to replace those price subsidies with direct cash payments to the people. Initially these checks were to be means-tested, but that produced public dissatisfaction over who did or didn't qualify for the money, so the country's rulers decided to go ahead and send the payments to anyone who wanted them. They thus essentially stumbled into a universal basic income after setting out to do something else.

That wasn't the only way they stumbled. The authorities eased several market-distorting subsidies, but they didn't eliminate them. (The price of gasoline is still below the market rate.) Meanwhile, they wound up committing to much higher payouts than they had initially expected. Soon they were asking wealthier Iranians to opt out of the program voluntarily; last fall they bit the bullet and adopted a means test that removed about a third of the country's population from the rolls. Replacing regulations with cash is an interesting idea, but Iran's example is not an inspiring one.

The biggest international shift toward something like a basic income hasn't been confined to a specific country or city. It's a movement within the aid community.

Global aid has traditionally focused on in-kind assistance: sending meals or medicine, helping build houses or schools, and so on. This can lead to all kinds of unfortunate side effects, as when free food from abroad undercuts local farmers. There is also a recurring mismatch between what the planners in aid agencies think a community needs and what the people on the ground actually want. And so, since the turn of the century, a cheaper, more flexible, and less paternalistic approach has become more popular: Just send people cash instead.

Initially, this took the form of so-called "conditional cash transfers," in which the recipients get money as long as they agree to certain stipulations, such as vaccinating their kids or sending them to school. Several Latin American countries had moved their social welfare systems in that direction since the '90s, and the new programs seemed to work better than the previous approaches. Elements of the aid community adopted their own versions of the idea, arguing that the needy know their needs better than outsiders do. Sure enough, the money was sometimes spent in useful ways that had not occurred to aid agencies—on mattresses, for example, or bicycle parts.

To be clear: Most aid agencies and nongovernmental organizations have *not* moved in this direction. A 2015 report from the Center for Global Development estimated that only about 6 percent of international humanitarian assistance takes the form of cash or vouchers. That's up from less than 1 percent in 2004, but it's still a small portion.

But while most NGOs still approach conditional cash transfers warily, a dissenting segment of the aid industry has moved on to an even simpler idea: *conditionless* cash transfers. The leading player here is GiveDirectly, a U.S.-based group buoyed both by the research showing cash transfers' effectiveness and by the rise of mobile payments, which have made it much easier to send people money without passing through political or bureaucratic middlemen. Follow-up research on GiveDirectly's efforts in western Kenya showed that the recipients used the money to build assets, invest in small businesses, and purchase more food; contrary to some cynical expectations, and in line with other studies of cash-based aid, there was no boost in spending on alcohol, tobacco, or gambling.

Right now the system asks whether someone is poor enough to qualify for housing assistance, health assistance, food assistance, etc. What if it just asked if someone should qualify for assistance, period?

Having moved from conditional to conditionless cash payments, GiveDirectly's directors started thinking about taking another step and experimenting with a full-fledged basic income—not just payments to a village's neediest families, but a long-term income for everyone in town, one set high enough for people to live on it. Other aid groups had already conducted experiments along these lines in India and Namibia; the results appeared to be favorable, but these studies were too short-term to draw firm conclusions from them, and the Namibian experiment had the additional problem of not being randomized.

And so GiveDirectly devised a randomized control trial—sort of a privately funded Kenyan sequel to the SIME/DIME experiments. In one set of villages, every adult will receive monthly payments equivalent to 75 cents a day for two years. In another set of villages, every adult will receive such payments for 12 years. In yet another set of villages, the adults will receive a single lump-sum payment equivalent to what the two-year group will be receiving. The fourth set of villages is the control group, so they don't get any money at all.

The aim here, GiveDirectly's Ian Bassin explains, is "to isolate the effects of what most people consider a 'basic income'—that is, a permanent payment over time—from something resembling more traditional temporary supports. For example, when someone knows they have a long-term, guaranteed floor below which they cannot fall, do they take more risks like starting a business or going back to school? And does that security produce greater overall returns?"

The current plan is for about 40 villages to go on the 12-year plan, 80 to go on the two-year plan, 80 to get the lump sums, and 100 to be in the control group. To answer the first question that probably popped into your minds: No, a villager can't change which deal he's getting by moving from one town to another. Once enrollment has started in a village, no new arrivals can take advantage of the payments there. Conversely, if you're already enrolled in the program, you still get the money if you leave town. After all, one potential outcome the researchers are looking for is whether people will use their payments to move someplace with greater opportunity.

The group expects the experiment to cost about $30 million, and they have thus far raised more than $24 million toward that. (The lump-sum payments are being funded separately, with the money coming from GiveDirectly's ongoing efforts in Kenya. They expect the costs there to be a little higher than $6 million, which is within the program's usual annual budget.) One village in the 12-year group is already receiving funds—sort of a test case to work out any logistical kinks in advance. If all goes according to plan, the rest will start receiving their money this year.

Convergence (Again)

GiveDirectly's project isn't the only basic-income pilot in the works. The governments of Finland, Ontario, San Francisco, and several Dutch cities have experiments either underway or on the horizon. Y Combinator, the firm run by the venture capitalist Sam Altman, is planning a privately funded effort in Oakland. The German entrepreneur Martin Bohmeyer has been crowdfunding yearlong no-strings-attached incomes for dozens of randomly chosen winners.

Then there's Scott Santens, a writer who's been using the crowdfunding platform Patreon to generate his own "basic income," shooting for $1,000 a month. In practical terms, it's not entirely clear what the difference is between Santens and any other fellow with a Patreon account, other than that Santens calls his proceeds a basic income and writes about the basic income a lot. But the fact that his pitch actually attracts donations speaks to just how fashionable the concept has become. Over the past half decade or so, there has been a renaissance of interest in the idea.

As in the 1960s, the interest is coming from many different directions. Center-left wonks perceive the basic income as a more market-friendly approach to welfare policy. Radicals hail it as an alternative to the "neoliberalism" they associate with those same wonks, imagining a day when work is detached from income and we live in a world of postscarcity abundance. Silicon Valley figures hope it will help us survive the upheaval to be unleashed when artificial intelligence wreaks havoc on labor markets. Libertarians see it as a way to simplify the welfare maze into a cheaper and less intrusive single program.

It has even entered the climate debate. In the 1990s, the environmentalist Peter Barnes proposed a "Sky Trust," based on the notion that the atmosphere is common property; companies would have to buy carbon emission rights, and the money would then be distributed to the people in a system he modeled on Alaska's dividends. This version of the cap-and-trade idea picked up some steam on the Bush-era left, with articles touting it in such progressive outlets as *Yes!* and *In These Times*. Meanwhile, proposals for a carbon tax routinely include a provision to rebate the proceeds to citizens. In February, the conservative Climate Leadership Council called for a gradually increasing carbon tax, with all of the money collected then sent to Americans as quarterly dividend checks, direct deposits, or IRA contributions. (When British Columbia adopted a carbon tax in 2008, the provincial government actually issued what it called "climate action dividends." But this was a one-time gimmick, not an ongoing feature of British Columbian life.)

Different as these currents may be, they're often aware of each other. Silicon Valley has been a center of support for GiveDirectly. Peter Barnes has been flirting with social credit ideas about "debt-free money." Andy Stern likes the idea of carbon dividends. And the Climate Leadership Council's carbon-tax proposal was co-authored by George Shultz, who was one of the most vocal proponents of the negative income tax inside the Nixon administration.

Perhaps these tribes will manage to band together and pass something. "It's going to take coalitions to get anything done," Stern told me after he spoke at Cato last year. "Being in Charles Koch's institution in the Friedrich Hayek hall is not a place where I feel, 'Boy, I have a lot of things in common here.' But I'm willing, because I think it's necessary to find allies wherever you can."

But convergence, you'll recall, can be fleeting. It's hard to imagine Congress and the White House passing a sweeping basic-income plan in the current political environment. This is especially true of the plans most likely to attract libertarian support—the ones that supplant rather than supplement the existing system. Replacing the entire welfare state in one fell swoop is a tall order, especially if you want to include popular middle-class entitlements as part of the deal. And if you're thinking of following Stigler's suggestion and eliminating minimum wages as well, you may find yourself pretty lonely.

For all the recent buzz about a basic income, the recent trend in welfare spending has been *away* from conditionless cash transfers. Temporary Assistance for Needy Families, the country's chief program for assisting the poor, used to devote a majority of its money to direct cash assistance. Now the number is just over 25 percent. According to an analysis by the Center on Budget and Policy Priorities, the remainder is funding everything from abstinence education to drug treatment.

And for all the agreement among the political tribes, there are wide splits within them too. Some figures on the left see the basic income as a form of "pity-charity liberalism" and want to focus instead on strengthening unions and creating jobs. Many libertarians dislike even Friedman's version of the idea, arguing that it won't displace the rest of the welfare state for long: Other programs could still creep back, leaving us with an even costlier system than before. And environmentalists have never been united on the best way to reduce the species' carbon footprint. Even if all the strange bedfellows agreed on a plan, they'd still have to contend with dissension from their usual bedmates.

The Incrementalist Approach

Yet the forecast isn't hopeless for basic-income fans. For one thing, there's the possibility that some other nation might take the plunge, adopting either a full-fledged basic income or a policy that resembles one. Last year, for example, Prime Minister Theresa May raised the possibility that Britain might start issuing shale gas dividends. A move like that could change the debate in other countries.

Beyond that, there are at least two ways the idea could progress incrementally here at home even if Washington is unwilling to enact a vast reconstruction of the relief system.

First: We might see a sequel to the Permanent Fund. From time to time a state will find itself awash in riches from natural resources. Some voices will suggest that the government not spend the new money at once but put some away for a rainy day. Some fraction of those voices will suggest it create a sovereign wealth fund to invest the windfall. And some fraction of that fraction will want the fund to pay dividends.

Now, there are all sorts of potential problems with government-run investment portfolios, as anyone who has followed California's pension troubles can tell you. If you're wary about mismanagement, you'll be wary about states playing the market; they won't all invest as conservatively as Alaska has.

Still, several states have such funds already—the most recent additions to the list are North Dakota and West Virginia—and the number may well grow. None has followed Juneau's example and started paying dividends, but it is hardly unimaginable that someone else will eventually adopt an Alaska-style system.

Second: Congress might not be about to pass a basic income, but it can pass reforms that make the welfare state more *like* a basic income without adding a new entitlement to the mix. More specifically, it can cashify and combine programs.

By *cashify*, I mean taking a subsidy with strings attached—food stamps, Section 8 housing vouchers, anything like that—and instead simply send money to the people who qualify for it, letting them choose how to spend it. In other words, Congress can turn vouchers into conditionless cash grants. If it wants to really slash some bureaucracy, it can replace actual government services with cash grants, too.

The more programs you cashify, the more programs you can combine. Right now the system is set up to ask whether someone is poor enough to qualify for housing assistance, for health assistance, for food assistance, and so on. What if it just asked if someone is poor enough to qualify for assistance, period?

Those programs might not converge all the way to a basic income, but they could at least become simpler, less intrusive, and less expensive. They might even stay that way. Occasionally a convergence can last.