

Job losses from trade restrictions typically outnumber job gains in the protected industries, and last year the Tax Foundation predicted 79,000 lost jobs over the long run from some of Trump's proposals, though it will take economists some time to work out the numbers on what actually happened, given the numerous waves of restrictions that have been implemented and how frequently they are delayed or canceled as new agreements are reached. Estimates thus far indicate that—even ignoring any jobs lost—each protected job is costing nearly a million dollars a year.

A possible bright spot, though, is Trump's renegotiation of NAFTA, in which the administration secured new rules for automobiles and digital goods. The International Trade Commission finds that the new agreement will modestly boost GDP and employment (by 0.35 percent and 0.12 percent respectively)—but only in the long run, and only assuming it's ratified, which may prove difficult in a sharply divided Congress.

On trade, however, as on regulation and taxes, Trump can connect policy changes to economic success even if the experts don't agree. Such arguments work because voters respond to how the economy is doing, not to what professional policy analysts say about why.

The state of the economy is an enormous predictor of a president's reelection chances. One statistical model, from the political scientist Alan I. Abramowitz, correctly predicts the winner of every election featuring an incumbent president from 1948 through 2012 using nothing but economic growth, the president's approval rating, and whether the president's party has controlled the White House for longer than one term—and in that model, “every one point in real GDP growth is associated with an increase of almost 20 electoral votes.” On a similar note, a recent Goldman Sachs analysis cast Trump as a narrow 2020 favorite, despite his low approval ratings, thanks to the strong economy and the advantages of incumbency.

Have Trump's actions substantially boosted the economy? Relative to what Clinton might have done, maybe; in and of themselves, probably not, though they might have bigger effects in the future. But he took actions, and the economy soared, and perhaps that's all that matters to voters. NR

Idleness Is Lonely

A UBI would be bad for workers and undermine the dignity of work

BY MATTHEW CONTINETTI

UNIVERSAL basic income (UBI) made its national debut on June 27, when businessman Andrew Yang appeared alongside nine other candidates for the second night of the Democratic primary debate. Yang used his two minutes and 50 seconds of speaking time to pitch this economic miracle cure.

To hear Yang tell it, his “Freedom Dividend” would heal an ailing United States by granting an unconditional payment of \$12,000 per year to every adult American. The results would be astonishing. “We’d save money on things like incarceration, homelessness services, emergency-room health care,” he said, “and just the value gains of having a stronger, healthier, mentally healthier population would increase GDP by \$700 billion.” Later, he added that a UBI would help combat climate change. He didn't explain how.

The idea of a guaranteed income has been around in some form for a long time. Milton Friedman proposed a negative income tax in his 1962 book *Capitalism and Freedom*. Daniel Patrick Moynihan convinced Richard Nixon to call for a family-assistance plan that would have established an income floor for poor families with children, though it also would have established incentives to work. The plan was defeated in Congress in 1970. Charles Murray outlined his own plan in his 2006 book *In Our Hands*. Libertarians see a UBI as a substitute for the welfare state, while liberals see it as a supplement.

Yang's proposal is a mix. Unlike Friedman and Murray, he wouldn't replace all cash transfers and entitlements, including Medicare, Medicaid, and Social Security. But he does say he'd pay for the UBI “by consolidating some welfare programs and implement-

ing a Value Added Tax (VAT) of 10%.” Current beneficiaries “would be given a choice between their current benefits or \$1,000 cash unconditionally—most would prefer cash with no restriction.” He might want to rethink that assumption: Average Social Security and disability benefits are in each case greater than Yang's Freedom Dividend.

Yang's plans are ambitious. They're also expensive: He supports Medicare for All with a private-insurance option and, in addition to the VAT, would tax capital gains and dividends at the same rates as earned income. He'd also tax financial transactions. And charge a “carbon fee” of \$40 per ton.

But the true cost of Yang's proposals wouldn't be revealed in budget statements, statistical tables, and growth projections. The problem with a UBI is that it would overturn the nature of the American welfare state and attack the dignity of work.

The American safety net has been woven to cushion individuals who cannot provide for themselves. It's been understood since the New Deal that able-bodied American adults, men in particular, ought to find a job. But the federal government will assist, at least on a temporary basis, if and when they cannot, and especially if children are present in the home.

“With the exception of programs to support the aged and the disabled, assistance is tied to work or to the consumption of necessities such as food, housing, or medical care,” writes Isabel Sawhill in *The Forgotten Americans* (2018). “Our two largest antipoverty programs are the Supplemental Nutrition Assistance Program (SNAP) and the Earned Income Tax Credit (EITC). The first is earmarked for food and the second is conditional on work.”

A UBI would remove these conditions. It would sever the connection between looking for work and receiving financial assistance. Sure, you could be among the working poor and receive a Freedom Dividend. But you could also spend your days playing Fortnite in your parents' basement. The money arrives automatically. No strings attached.

Why would we want to disincentivize work when slightly more than 10 million disabled workers and their dependents receive benefits and the adult-male



labor-force-participation rate has been stuck at around 69 percent for five years? Why would we gamble on an expensive social program that could have harmful effects on the size and nature of the work force when America is already suffering from the weakening of family, community, faith, and vocation?

Yang denies that his program would have such negative effects. His website links to a September 2016 study, conducted by economists from MIT and Harvard, that found “no systematic evidence that cash transfer programs discourage work.” But this paper studied controlled experiments in developing countries. Its lessons for America are not clear. An experiment in Stockton, Calif., where some residents receive \$500 per month, won’t conclude until August 2020. What we do know is that when benefits shrink and requirements tighten, individuals are induced to join

Perhaps. Or perhaps they will forgo meaningfulness in favor of the bare minimum of security.

Depending on the size of your household, the Freedom Dividend puts you at about the federal poverty line, before the additional transfers Yang supports. One tenth of the population already lives at the poverty line. If you lived in a rural or small community, or had some other source of income such as a small inheritance, a UBI might make the difference, allowing you not to work. In any case, as soon as a UBI became law, pressure groups would call for expanded benefits.

Yang’s very language highlights the noneconomic benefits of work. Even the most unskilled labor possesses dignity because of the human being who performs it. Nor is employment just a means to a paycheck. Work delivers “experiences.” It provides instruction,

Andrew Yang says a UBI would be a substitute for disability without the disincentive to work. ‘A universal basic income would provide similar support without the incentive to stay on disability,’ he wrote.

the labor force. This was the case with the 1996 welfare-reform act, for example.

We know, too, that when the Social Security administration began cracking down on abuse of the disability-insurance program, enrollment plunged. Yang says a UBI would be a substitute for disability without the disincentive to work. “A universal basic income would provide similar support without the incentive to stay on disability,” he wrote last January in *The Hill*. True. The incentive to stay on disability wouldn’t be there. But the attraction of remaining on the UBI would.

Yang says his UBI is too stingy to affect labor-force participation. “In our plan, each adult would receive only \$12,000 a year,” he writes on his website. “This is barely enough to live on in many places and certainly not enough to afford much in the way of experiences and advancement. To get ahead meaningfully, people will still need to get out there and work.”

education, and “advancement.” And it’s meaningful. Having a job gives you a reason to get out of bed in the morning. It embeds you in a community. You learn skills, make connections, and relate to others face to face.

Americans enjoy work. Arthur Brooks has noted that, according to the General Social Survey, more than 80 percent of Americans are very, completely, or fairly satisfied with their vocation. “This is not about money,” Brooks writes. “The secret to happiness through work is earned success—the belief you are creating value with your life in the lives of others. Americans who feel successful in the workplace are twice as likely to say that they’re happy overall.”

In an aging society where fewer people get married, more people live alone, and religious attendance is falling, an office is more than a place of business. It may be the only space Americans still share with their fellow citizens. Don’t give them a reason to stay home. NR

Get the Skills To Pay the Bills

Spreadsheets and conference rooms do not a good job make

BY KEVIN D. WILLIAMSON

THERE are two big problems in the blue-collar job market: One is that there are a lot of people without jobs, and the other is that there are a lot of jobs without people.

A longtime construction professional tells a story about a colleague. Call him “Daniel.” As a young man from a family without a lot of money, Daniel was invited to spend the weekend with a friend, whose family turned out to own a really beautiful boat. He was impressed and asked his friend the most natural question in the world to a young man in his position: What does your father do for a living, that you have such a wonderful boat? The answer, which came without a hint of self-consciousness, was: *construction*. His friend was from a family of builders, and the people around him who were successful—who had money and respect—were mostly in construction and the building trades. Some of them were big-time contractors, some of them had little drywall operations and the like. That made an impression, and Daniel grew up to work as a manager for a major U.S. commercial-construction firm, overseeing jobs with budgets running more than \$100 million.

It’s a good life. But what parent says: *I want my kid to grow up to be a construction worker?* Or a mason? Or a master plumber? Daniel was lucky to live in a community in which the kind of work he would go on to do was not only known to pay well but also came with a measure of social status. There was for him no question of stigma attached to that kind of work—which is, tragically, not the universal condition in these United States, in which we think that “good job” is a synonym for “plays with spreadsheets” and “goes to a lot of meetings in air-conditioned conference rooms.” In truth, those jobs are the ones that are the most vulnerable in an age of globalization: You can outsource your data analysis to very smart guys in India who will work for