



In Our Hands: A Plan to Replace the Welfare State

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America's population is wealthier than any in history. Every year, the American government redistributes more than a trillion dollars of that wealth to provide for retirement, health care, and the alleviation of poverty. We still have millions of people without comfortable retirements, without adequate health care, and living in poverty. Only a government can spend so much money so ineffectually. The solution is to give the money to the people. This is the Plan, a radical new approach to social policy that defies any partisan label. Murray suggests eliminating all welfare transfer programs at the federal, state, and local levels and substituting an annual \$10,000 cash grant to everyone age twenty-one or older. In Our Hands describes the financial feasibility of the Plan and its effects on retirement, health care, poverty, marriage and family, work, neighborhoods and civil society.

In Our Hands: A Plan to Replace the Welfare State Details

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From Reader Review In Our Hands: A Plan to Replace the Welfare State for online ebook

Pat Mckay says

Good explanation of universal basic income concept, and pitfall avoidance.

Tobias Wolf says

It is by no means bad but the author lacks a certain rigor. We don't get very much information on empirical experiments based on comparable concepts and in general the amount of literature discussed was at least to me disappointing. Furthermore the financial aspects of the policy were not that useful and could be even called lazy as Murray just assumes that not much would change from the current fiscal situation once the basic income grant is implemented whilst ignoring the consequences this could have on tax returns as the tax code is drastically affected by the authors proposals. Still recommendable to everyone who wants a nice list of conservative arguments for a BIG.

Ericka says

A simplistic, white, middle-class, heterosexual plan to replace welfare. Reinforces the myths of the causes of poverty. Does not take into account real world issues and cost of living.

Otto Lehto says

Murray's proposal - "The Plan", or as he more familiarly calls it in the 2nd edition, the "UBI" - represents a conservative and libertarian version of the argument for a Universal Basic Income. It is conservative, because it emphasizes the importance of family values, local communities and even religion, but it is libertarian, because it emphasizes the free choice of individuals, including the poor. It is an updated version of Friedman's Negative Income Tax (NIT) plan - which Murray seems to misrepresent a little bit in order to make his own version seem superior (an unfortunate trait that mirrors Murray's general lack of knowledge and proper acquaintance about UBI research).

It differs from most leftist and progressive versions of UBI in that he wants "to replace" rather than improve the welfare state. Murray wants to bundle billions of dollars of welfare spending - broadly conceived, also including health care spending, farm subsidies and corporate welfare - and divvy it all out in cash to all citizens of the United States above the age of 21. All supplementary transfers to "favoured groups" would then be abolished via a constitutional amendment to that effect.

Such a wholesale destruction of the regulatory-redistributive welfare state and the attempt to propose constitutional limits on discretionary spending has predictably raised the ire of most progressive proponents of UBI. Some of their criticism is justified: I do not see how the abolition of child allowances and support for child care is sustainable from the point of view of the welfare of the child. A compulsory private health care insurance, which forms the only "paternalistic" part of Murray's plan (which otherwise, and for the most part,

just gives people no-strings-attached cash up to \$10,000 a year), is a pretty good idea, but countries that already have single-payer systems, like Canada or the United Kingdom, would not necessarily benefit from a move to such a system.

What the progressive proponents of a UBI fail to acknowledge, however, is the potentially transformative potential of Murray's plan. It could really make the lives of poor people much better. Yes, some marginal groups might be materially less well-off after the abolition of supplementary transfers, but the dynamic effects of the change could more than make up for that. Under the progressives' own variants, the inherently oppressive power structures of the welfare state would be kept in place, thus enslaving future generations of poor people into abject poverty. The abolition of special interest politics and the empowerment of poor people via the endowment of material resources and moral responsibility for their own lives would signal a seismic shift in public policy.

The main problem with Murray's proposal is NOT the extent of his libertarianism (on this everybody who cares about improving the prospects of the poor should rationally coalesce around after thinking about the issue for long enough). No, the main problem is that many of his calculations are rather crude and his projections of both static and dynamic effects are quite arbitrary. While he shows quite convincingly that a UBI would be affordable and sustainable, many of his other promises are too Utopian in the sense of not based on solid data or a careful analysis of the pros and cons. These include his unfounded optimistic claims about how a libertarian UBI could foster better family norms, improved living standards for most sectors of the society, the rebirth of civil society and the pursuit of transcendental meaning in a world of post-scarcity abundance.

I believe that we need a libertarian UBI pretty close to what Murray is proposing, because if we only implement UBI as a supplement to existing transfers, we will fail to foster the sort of innovations in business and technology that we need in order to eliminate poverty out of existence. And if we allow the special interest racket of the redistributive state to continue its sorry existence, we will fail to advance a saner political environment. As long as we encourage wanton and merciless looting of the federal and state budgets through a zero-sum game of "winner takes it all" politics, the cooperative possibilities inherent in an advanced society will be kept back through human selfishness. Unless we restrain the Leviathan through constitutional rules, we shall be devoured by its jaws.

Murray's main point is that UBI is affordable and a major improvement over the current system. On this many people across the political spectrum can agree. Where they are likely to disagree is in the extent to which the UBI should replace the rest of the functions of the welfare state. I would personally take either version of UBI over the current system. But even people who are skeptical of market-based and community-based solutions would benefit from reading Murray's alternative, which provides a coherent and powerful plea for a new social pact that leaves nobody behind - and indeed opens up possibilities for a Utopian transformation of humanity for centuries to come.

Tim says

Into to Universal Basic Income

My libertarian brain is still holding on to the concept that taxation is theft but UBI seems to offer a viable alternative to the mess we currently use to exploit the poor.

Bojan Tunguz says

Charles Murray is well known author of popular yet controversial social science books (see for instance *Losing Ground: American Social Policy, 1950-1980*, 10th Anniversary Edition, *Bell Curve: Intelligence and Class Structure in American Life* (A Free Press Paperbacks Book), *Human Accomplishment: The Pursuit of Excellence in the Arts and Sciences, 800 B.C. to 1950*). He is an engaging writer and all of his books are replete with hard data and precise quantitative analysis. A large deal of what makes his ideas so controversial is the fact that they are backed precisely with this kind of objective and precise analysis, that often flies in the face of common wisdom of the times. This book too, although much slimmer and less exhaustive than the abovementioned ones, falls in that category. It's premise is simple: abolish all social wealth redistribution programs and in their place institute an annual allowance of \$10,000 for all US citizens 21 and older who make less than \$25,000 annually. This in fact would be a Negative Income Tax (NIT), something that has been proposed by many economists over the years. The proposal is rooted in Murray's newfound acceptance of the fact that a full-blown abandonment of all social programs is politically completely unfeasible, and his desire to make an alternative wealth redistribution scheme that would minimize many social ills that such schemes usually bring along.

Most of this book is dedicated to arguments that explore the feasibility of this new scheme, as well as providing the theoretical evidence that the scheme would in fact bring the desired outcomes. The biggest underlying assumption is that the US economy is finally large and strong enough to actually implement this plan. The other, related, assumption is that the US economy as reflected in the stock market will continue its long-term growth at the same rate it has been growing between 1800 and 2000. The recent economic crisis may or may not undermine the first assumption: on one hand there is certainly less wealth to be redistributed as compared to just a few years ago, but on the other hand the various government redistribution schemes have been larger than anything ever seen. Using a much more streamlined redistribution program has never seemed more desirable. As for the second assumption, some recent scholarship has shown that the data from the early 19th century stock values is at best not comprehensive enough. The claim of two centuries of continuous growth all of a sudden doesn't seem as convincing. However, even in the case that the US does not continue to grow its economy at the historically high rates, this only weakens but does not demolish Murray's main arguments. For in fact all other wealth redistribution schemes are even more vulnerable to the vicissitudes of future economic growth.

Overall, this is a provocative and engaging book, a kind that we have come to expect from Charles Murray. It outlines a worthy and feasible social policy that may very well be the best option that we have right now. However, I suspect that its impact on the actual policy on the ground will be largely indirect for time to come.

Vance says

Murray makes the case for the Plan, which is known as the Universal Basic Income (UBI). He explains the Plan in detail and goes through a number of potential issues with it. In general, the Plan would give everyone a certain amount of money per year (possibly \$10,000) that would increase annually based on the cost of living. This would replace all other government transfer (welfare) programs.

Although the book provides a brief overview that hits on multiple key topics, I'm not sold on the idea. There was much throughout the book that Murray did some handwaiving to avoid calculating what the costs and benefits would be.

Ultimately, I think if we could end all government transfer programs and replace it with a UBI, then it would

be of value and possibly a much better system. Economic research has shown for a long time that an individual maximizes their desires when they receive cash compared with in-kind benefits like food stamps.

However, I think it is practically impossible in the political sphere to eliminate all transfer programs because of the public choice argument that politicians are rent-seeking to be reelected. There are too many lobbyists and votes at stake in the current system to end it.

Regardless, there are many government transfer programs that should be privatized, like Social Security, and reformed to give cash instead of in-kind benefits, like food stamps.

I also think that the disincentives to work with the Plan would be high and there are other economic distortions in place from this Plan that could be more costly than the failed welfare system we have today. What I like about the Plan, and the book, is that it thinks outside the box. Too often we are stuck trying to reform current failed programs without considering other alternatives.

With that in mind, another issue I have with the Plan, is that it assumes that individuals need some sort of government support. I would not make that argument, whether technology substitutes labor. As long as free market capitalism is practiced, human ingenuity can accomplish amazing things. There is so much that we can't imagine that will happen in the future. Why would we turn to government, which is really turning to taxpayers, that will simply be a redistribution of income. Moreover, consumer prices will rise at a similar pace as the amount of increase in the Plan's amount because of artificially increased demand from products just because the government determines an arbitrary initial amount and increase over time.

Bottom line, I enjoyed reading the short book that provides a nice overview of the Plan (UBI). However, I'm not sold on the plan and think we should expend our resources on reducing the size and scope of government rather than putting in place another government program such as this.

Rick says

Although interesting & provocative--if not original--"In Our Hands" relies on unrealistic assumptions. For one detailed review see: <http://www.larrydewitt.net/HNN/Murray....>
Some thoughts are worth pursuing if not the grandiose conclusion.

Jeffrey says

Murray's idea for a Universal Basic Income fascinates me. This book is compelling. There are some brilliant people whom I really respect (Thomas Sowell for one) that utterly disagree with Murray's ideas here. I would love to find an extensive debate on this issue between Sowell and Murray. I am not sure my brain could stand the presence of that much intellectual dynamite.

Tyler says

The world's economic systems now face unprecedented changes. We're producing more and more efficiently,

we're automating work, and producing enormous wealth. But that wealth is getting more and more concentrated, while the various government welfare programs try to keep up. Of course economies have changed before, but new products and services have always brought with them the need for human capital.

What if this time it's different? What if we can produce everything we want without putting every able American to work for 40 hours a week? Charles Murray's little book here is at least a partial answer to that question. His solution isn't intuitive and I'll leave it to him to explain, but the idea is intriguing: scrap the current welfare state and replace it with "universal basic income" for all. I wish he had addressed the idea of shortening the work week as well, but there's plenty here to think about.

Jon Dickinson says

Extremely wishful thinking and poorly constructed arguments. Full of misrepresentations of Milton Friedman well, selectively choosing specific quotes by Friedman to support the author's premise that île at the same time ignoring the rest of Friedman's statement which rebuts the authors premise. Milton and Thomas Sowell both have written a wide plethora debunking this second-rate economist.

Valerie R says

Zzzzzzzzzzzzz

Tim says

I published a book review on this in the NY Sun:

<http://www.nysun.com/arts/10000-solut...>

In a random sample of 1,000 Americans, the number living in or near poverty is 216, according to the latest Census estimates. Thirty years ago, the number was also 216. The near-poverty rate dips and surges during every business cycle, but the uncomfortable fact is that poverty persists, despite a slathering of government dollars on the problem.

What Mr. Murray calls the Plan "converts all transfer payments to a single cash payment for everyone age twenty-one and older." Everyone.

If paying \$10,000 to every American adult every year seems like insanity, you are not thinking like an economist. To understand real insanity, at least from the perspective of one who believes human beings act rationally, you need only consider the status quo of the last half century, in which people have been paid to be poor, paid to be single and pregnant, paid to be unemployed, and paid when they experience a handful of other negative situations. The notion of compensating the ends of dysfunctional means is the height of irrationality.

Pete says

In Our Hands: A Plan to Replace the Welfare State (2006) by Charles Murray describes an actual, costed out Universal Basic Income (UBI). Murray is a controversial scholar but this book does actually have figures and describes how a UBI could work.

UBI has currently had a resurgence of popularity due mainly to the fear the robots and automation are believed by some to be about to dramatically reduce employment. It has supporters on both the left and right. However, people appear to be talking about very different things in terms of levels of a UBI and also tend to be very vague at best about costing such a proposal out.

In the book Murray costs out a UBI for every adult over 21 at 10K that also has a supplement of 3K paid toward a catastrophic emergency medical fund. That is, the UBI would be under the current US poverty threshold. It's not a lot. Murray goes on to suggest that people on this kind of level of money could then save 2K a year that could be used for old age. It's worth noting that working beyond the UBI would result in none of it being taken back and the effective marginal tax rate would be zero.

At 60K of income the UBI would start to decrease and reduce eventually to zero. So it's not quite a UBI but it is reasonable.

Murray then goes on to describe various scenarios for various people on the UBI.

The book did make me realise that the US has various odd programs like food stamps that many other countries, like Australia, do not and that may be part of the appeal of simplifying social payments.

The book didn't convince me that a UBI is a good idea but it did have a serious attempt at costing and describing how a UBI could work. It isn't the UBI of some people's dreams of, say 25K a year, but it is costed out. The book is very short, reasonably well written and is worth reading for anyone interested in a serious proposal for a UBI.

Ted Ryan says

I disagree at a foundational level on the idea of a Universal Basic Income (UBI) but I was still interested in hearing the argument for it. Murray presents his case fairly well and I am glad to have read it. As a rating it is 1 star for the horrible idea of UBI and 5 stars for the presentation.
