

RIMMER

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The public funding of multiculturalism is out of control. The program has no generally accepted goal. No-one can say what the expenditure achieves or even how much, in aggregate, individuals or groups receive from the many overlapping programs. Yet there is perverse logic in the way that the hundreds of millions of dollars of taxpayers' money are being parcelled out each year.

The fact that some ethnic groups have been consistently favoured over others, who on the face of the evidence seem to be equally worthy, displays a pattern. Multicultural-preferment is neither random nor targeted at those in need. Instead, it is based on the ability to promise votes and lobby. Perhaps it is also based on ethnic origin. The way that grants are selected is thus as disturbing as the waste the grants entail.

When the government prefers some (New) Australians over others, and the reason is not, like sickness or old age, one that the government is prepared to advertise, the government violates an implicit condition upon which it holds its authority: namely, that it will deal equally with all Australians. Nevertheless, that is how governments often behave. Multiculturalism is unusual only in the use of ethnic origin to determine preferment.

AIPP Policy Paper No. 15, 'Fiscal Anarchy: The Public Funding of Multiculturalism' by Stephen Rimmer shows that in 1985-86 the multiculturalism payments made by the Victorian Government alone to Greeks add up to \$1213 for every new arrival or \$5.39 for every member of the large Greek ethnic group in that State. At the same time, it spent only \$515 per Italian new arrival or \$0.98 per member of the Italian ethnic community. Turks and Lebanese did six times better than Indo-Chinese when considering grants to new arrivals and nearly twice as well when comparing their Australian populations. Notwithstanding the jokes about money wasted on eisteddfods, the German community got only \$0.16. Our migrants are, of course, equal---hasn't Mr Hawke told us so? It seems, however, that some are more equal than others.

Stephen Rimmer writes specifically about multiculturalism, but by example he indicts the whole government way of doing things. Had he instead researched, say, drought aid for farmers, I think he would have uncovered a similar scandal. I choose drought aid deliberately, because some of the hypocrites, who in my political days lobbied me hardest for it, are not only opposed to government funding of multiculturalism but are opposed to the very existence of a diversity of cultures in Australia.

Rimmer demonstrates the vagueness of multiculturalism, but perhaps it is no vaguer than droughts---I have seen some remarkably fat sheep in so-called drought-declared areas.

He points to fiscal ignorance. Ethnic groups get their funds from Federal, State and Local governments through many channels and the multicultural lobby has deliberately acted to blur the distinctions between welfare and ethno-specific political vote-buying. Similarly, farmers get their drought subsidies in many ways from both State and Federal budgets and the farmers' lobby also has deliberately blurred the distinctions between rural-specific vote-buying and welfare.

Well-organised ethnic groups---those who represent the people who are least likely to need aid---tend to be most successful in obtaining grants. Similarly, well-organised farmer groups have insured that wealthy farmers get more drought aid than less well-off farmers.

The money goes to those in the swim. When low yields are caused by drought the government helps out. But when low yields are caused by, say, a heart attack during seeding, they do not. Greek clubs, but not Greeks, get subsidies and this corporatist tendency enhances the status of industry and ethnic 'leaders'. Politicians believe that these elites can deliver the rural and ethnic votes.

Multiculturalism is a program dear to hypocritical socialists on the left. Simply by cataloguing what is happening, Stephen Rimmer condemns it. Multicultural funding is indeed indefensible, but so are many programs dear to hypocritical socialists on the right. Mr Rimmer's monograph has most to teach us if we understand that it is, at bottom, a case study of government in action.

People who benefit from government privileges often say that economists have a blind faith in markets. They miss the point, which is that market economists have a singular lack of faith in governments. Economists know that, since finite resources must be shared around, people must choose an allocating mechanism. The chosen mechanism should be trusted, lead to a good approximation of the allocation that maximises aggregate well-being, and encourage initiative. They are, however, aware of the imperfectibility of all human institutions.

The polar alternatives are to have the government ration and assign everything, including people, and to allow

voluntary exchange of everything. Textbooks sometimes idealise markets for exposition purposes so that they allocate resources perfectly. Such markets are said to be frictionless and they don't exist.

Similarly one can idealise governments by assuming they have perfect knowledge of each and every want and by assuming costless administration. Needless to say, frictionless government does not exist either. There is, however, another problem which governments suffer that markets do not. It is the possibility that politicians might not be perfectly benign---that is, that they might not want perfectly efficient and perfectly just outcomes. It is to this last problem that the perverse pattern of multiculturalism spending draws our attention.

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