

Republished

12-7-85

DS137.D0

ON THE DRY SIDE HELPING THE POOR John Hyde

Adam Smith wrote "Benevolence may, perhaps be the sole principal action of a deity ...but so imperfect a creature as man...must often act from other motives." As the clamouring vested interests at the tax summit reminded us, imperfect man often acts from motives other than benevolence. In fact he seems Hell bent on getting his snout into someone else's trough. Further, at the risk of sounding like a fire and brimstone preacher from an age which held very different values, dare I observe that fallen man's demands are often a prescription for misery and a charter for mendicancy.

Aware of the roles played in life by innate ability and luck, I have to date been careful not to advocate policies in this column which would reduce any of the lowest living standards. Many, I think most, of society's problems could be overcome by not giving in to the self-centred greed which typified the tax summit. There are none the less some problems which cannot be overcome without detriment to some of those people who have least physical and mental resources. The tendency for benevolence to produce mendicants is the central dilemma facing those who design programs to care for the weak. It is an unpleasant fact which must be faced in any consideration of the burgeoning cost of welfare payments.

It is an axiom of economics that if the cost of anything is reduced people demand more of it. This, as much as we might wish it otherwise, is true of poverty - rational people organise their affairs to qualify for the pensions and other benefits. It is also true of the other partly discretionary conditions, like unemployment, sickness, disablement and care of a child, which qualify persons for welfare.

In 1974, one year after the supporting mothers' benefit was introduced, there were 26,236 beneficiaries. The number of beneficiaries grew each year, but by decreasing annual increments, to 59,365 in 1979. It could be that initially some single mothers were slow to claim. From 1979 the number of beneficiaries escalated sharply to 101,583 in 1981 and 144,680 in 1984.

The story with the supporting fathers' benefit is similar: 2354 in 1978 when the benefit was introduced, and 8909 in 1984.

The total outlay budgeted for this item in 1985/86 is \$1083 million, a 21% increase on last year and a sum now equal to 64% of the salaries we pay all our defence forces and 1.7% of total Federal Budget outlays.

Single parenthood is, I am sure, for many who experience it, a calamity. Yet just at the time when the human species has learned how to enjoy the pleasures of the bed without children, children who do not enjoy two willing parents to bear the financial and other costs associated with their upbringing have multiplied. I am sure that divorce is a calamity for many adults and for the over 50,000 children each year who experience the divorce of their parents, but the numbers keep rising. In the United States about 10% of the teenage population was born into single parent homes; this figure will (they are already born) rise to 17% by 1995. These children are concentrated in the poorest districts where the proportional contribution of the subsidies are greatest. In Harlem the illegitimacy rate is 80% of all births. Children born to single parents, many of whom are barely adult themselves, have bad employment records, crime records, drug records, education records. The evidence that single parents are less successful in the task of rearing children than are two parent families is overwhelming. The evidence of a mounting problem affecting not only the individuals concerned but all of society is also overwhelming.

Charles Murray's book 'Losing Ground' makes plain how, in the United States, the social indicators of unemployment, education, crime, family structure, and economic dependence have all gotten worse for the poor since the social reforms of the mid-1960s. There is no comparable study of Australia but there is no shortage of evidence that as we too more heavily subsidised social conditions like single parenthood we too have gotten more of these things. It is notable that poverty in parts of the world which do not subsidise single parenthood produces very low birth rates among single women.

We are properly offended by the reactionary twaddle that so often passes for moral discourse and we sensibly fear governments which claim competence to interfere with private behaviour. But those are not the relevant questions, which are, do we wish to subsidise some lifestyles at the expense of others, and are we wise to subsidise conditions which most of us regard as social ills? Should we bias people's choices in favour of mendicancy and if so how far down this path can we or should we go? In the case of single parents, notwithstanding the unfortunate side effect, we started on the subsidy path for a good reason. It is this: before the advent of single parents' benefits there were some single parents, some of whom, unaided, were unable to cope with life at a level that most people regard as tolerable; and some were unable to call on the assistance of responsible grandparents or other voluntarily provided help. Whatever our views of parents who carelessly beget children, or having begot them failed to accept all the responsibility for caring for them, we could have no quarrel with a babe born down on luck.

Had it been possible to direct the taxpayers' money to only those in real need, poverty caused by single parenthood, might have been alleviated at an easily acceptable cost. But the subsidies affected the decisions made by everybody concerned. Single mothers who could have coped demanded welfare; fewer couples chose marriage; fewer fathers accepted responsibility for the mothers and offspring; both potential parents gave less consideration to contraception; fewer mothers offered their babes for adoption; fewer grandparents felt responsibility for the child's and the mother's well-being.

If the present situation, or the trend, is unacceptable, then it is these private choices which must be subjected to influences which encourage the acceptance of individual responsibility. There is no way that this can be unless the parents themselves experience more of the cost of single parenthood - unless public benevolence is reduced. That will reduce the size of the problem but it will inevitably involve discomfort for some. Please, nobody suggest a welfare summit!