

Beyond the Welfare State

Susan Windybank talks to Charles Murray

Dismantling the postwar welfare state would reveal a whole set of choices in a world without a governmental welfare system.

Charles Murray is one of America's leading social scientists. His 1984 book, *Losing Ground: American Social Policy 1950-1980*, is widely considered one of the most important and influential books on social policy written in the last 20 years. This was followed in 1994 by *The Bell Curve: Intelligence and Class Structure in American Life* (with Richard J. Herrnstein), *What It Means To Be A Libertarian* (1997), and *In Pursuit of Happiness and Good Government* (1998). He is presently at work on a new book with the working title, *Truth and Beauty: An Inquiry into the Nature and Causes of Human Accomplishment*.

Born and raised in Newton, Iowa, with a BA in history from Harvard and a PhD in political science from MIT, Dr Murray spent six years in Thailand, first as a Peace Corps volunteer, then as a researcher. From 1974-1981, he worked for the American Institutes for Research (AIR), eventually becoming Chief Scientist. He then joined the Manhattan Institute (1981-1990). Since 1990 he has been affiliated with the American Enterprise Institute.

Susan Windybank: It's been nearly 20 years since *Losing Ground*, in which you set out to address an apparent puzzle: why was poverty still a problem in 1970 and just as bad a problem in 1980 after the US had spent billions on anti-poverty programmes. What went wrong, and what's changed since then?

Charles Murray: *Losing Ground* concentrated on a very narrow period of time: the social reforms of the 1960s.

It said in effect that things went wrong across the board. That was the era when welfare benefits increased in value enormously, when the raw number of people in prison went down even though crime was going through the roof. The United States changed the way the world worked as it looked to young people, especially poor young people. Welfare provided short-term financial rewards, which had long-term consequences across the fields of education, marital behaviour and crime. These consequences became most evident in what we now call the underclass. The biggest indicator of this underclass and the magnitude of the problem is the percentage of children born to unmarried mothers. That was the major argument in *Losing Ground*.

As for what's changed since then, well, in terms of crime, the United States is now famous for imprisoning two million people. That started in the 1980s. At just about the time that I was writing, the imprisonment rates were going up and they have continued to go up since then.

In welfare you have an interesting combination of some things that have changed a whole lot and other things that have not changed. The thing that's changed in the United States with welfare is the major reform act of 1996, preceded in the early part of the 1990s by a whole bunch of initiatives, which drastically encouraged women to get work and, in that sense, changed the reality facing a poor woman as to whether welfare is going to be a long-term, easy-to-get option.

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The results have been quite dramatic. We've had a 50% drop in the welfare rolls in the United States since 1996. Although the economy has played a role in this, it is still a big change.

It was in the 1960s, however, that the really fundamental change occurred: that a young woman who was pregnant could reasonably say to herself, 'I can raise this baby without a husband'. That hasn't really changed. It's true that we've gotten women out to work instead of being on welfare and we've also supplemented their Earned Income Tax Credit for doing so. But you still have in place a whole bunch of collateral benefits like Medicaid that pays for health insurance for poor women and their children, public housing, food stamps. So if the question is does a young woman in the 1990s have a reason to say, 'I can support this baby without getting married', the answer is yes. She still can. That hasn't really changed.

SW: It's clear that social policy can undermine or destroy the social norms and values that regulate personal behaviour—for instance, the stigma that used to surround illegitimacy and sex before marriage—but can it re-create them?

CM: There are some things that social policy can destroy, but you cannot reverse the process. As in the case of most destructions, once it's destroyed, putting it back together is another problem. There is a line used in criticism of me about how the corpse with the knife sticking in it is dead, but pulling out the knife is not going to cause the corpse to spring back to life. I agree with that to some extent. And a good example of this is crime.

The social stigma about crime is intimately linked with the fear of punishment; the old saying crime doesn't pay was a very important adjunct to saying crime is wrong. And it is correct that now the risk of going to prison is once again about as high as it was in the 1950s. Yet in the 1950s we had a certain risk of going to prison that was rather high, but we had a very small prison population. And now we over two million people in prison. Using social policy to push the social norms and expectations back to where they were once—and I'm mixing my metaphors—is very hard once the toothpaste is out of the tube. Similarly, about the stigma

regarding out-of-wedlock births. It's very hard for me to see how anything short of a complete withdrawal of the social welfare system for single mothers accompanied by a statement that the reason we're doing this is that it's deeply destructive for single women to have babies is the only way to restore stigma, and that's a long, long way off the political agenda.

SW: Why don't these single young women use widely available and effective contraception such as the pill?

CM: In the United States it is not the case that young women are getting pregnant and looking in horror at that fact and saying what can I possibly do about it. A very large proportion of these babies is wanted. In the United States in low income communities it is the case that a lot of times the boyfriend really wants his girlfriend to have a baby because that validates him as a man, which is a perversion of what it means to be a father in the way that I understand what it

means to be a father. And it is of course a cliché, but it's also true that sometimes poor young women really want a little child to love. So why aren't they using contraceptives? They don't want to. They don't mind having the children.

SW: And then there are people—for example, some Hollywood stars—who almost seem to see children as a kind of fashion accessory.

CM: That's well put. Or if they aren't having children that way, they are doing it like Jodie Foster who has very publicly let it be known that she has gone to a sperm bank and gotten the sperm of a tall, high IQ, dark-haired man and is now having a second child. And that doesn't help because it is very widely known. I don't know to what extent people take their cues from role models, but there is really no countervailing attractive public figure who is saying this is wrong.

ON DISMANTLING THE WELFARE SYSTEM

SW: You have pointed out that libertarians can derail the Left's greatest rhetorical advantage: its claim of

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having a monopoly on caring about the worst-off in society. President Bush's social policy agenda—'compassionate conservatism'—would appear to do just that. What does 'compassionate conservatism' mean to you?

CM: I wrote the foreword for Owen Marvin Olasky's first book, *The Tragedy of American Compassion*, because I thought that Marvin was doing exactly what was necessary in talking about these issues. For years, the debate over social problems has been portrayed as one between people who care, the Left, and people who just want to save money on their taxes, the Right. Conservatives have acquiesced in that stereotype, which has not only been politically foolish but factually wrong about how conservatives (the ones I know, anyway), think about human problems. So in principle I am very pleased with this attempt to counter the Left's monopoly on the public perception of caring. The downside is that somehow it has not been able to counter adequately the sarcasm of the Left, which is 'they say they are compassionate, but they don't want to do anything'—'do anything' meaning more government money. And so you have Bush and others saying the right things in response to that. But I think there is a broader problem on the Right of people feeling uncomfortable about taking that posture. For whatever reasons, I don't think the notion has quite been sold yet.

SW: President Bush favours devolving some government welfare services to faith-based organisations. There have been similar moves here in Australia. But many commentators fear that by taking government money, faith-based groups or private welfare associations will eventually become just as bureaucratic as government. Is their apprehension justified? And, if so, how can this be avoided?

CM: I've been lukewarm about Bush's policy initiatives for just that reason. If the policy consists only of getting the government out of the way, letting faith-based organisations freely do their work, fine. But taking government money would be a disaster for faith-based organisations.

SW: Given that it is easier for people to part with a few tax dollars to fund welfare, thereby feeling good, than to advocate tough positions, how do you think problem of welfare dependency will ever be overcome? Is the only way to end welfare to go cold turkey and scrap the whole system, as some libertarians suggest?

CM: The first thing that I would do if I was President of the United States, and if I had the power to dictate, would *not* be to scrap the whole social welfare system on day one. What I would like to see happen is for one state somewhere to scrap the whole thing, a state that has a history of active, private, religious organisations and see what happens there, and also let the rest of the nation see what happens there. Because what I predict is that a) there would be a dramatic effect on births.

If that doesn't happen, of course, then nobody else is going to be interested in trying it anyway. I also predict that b) there will not be babies starving on the streets. A single woman in a world in which there is no longer a social welfare system, but a world of 21st century affluence, is not faced with the necessity of camping out on the streets and holding a baby in her arms. And c) if she wants to keep the baby—well, if she is willing to keep her baby in the face of that kind of adversity she has a couple of things going for her. One is she is self-selective. Women who go

ahead and decide to do that in the absence of a social welfare system are precisely the single women who probably should be keeping their babies. They want to really badly, and that is usually accompanied by not just a big desire for a little child to love, but the woman has family, she has friends, she knows the biological father. The point is that there is a whole set of choices in a world without a governmental welfare system.

SW: We published an article in the Autumn 2001 issue of *Policy* that made the case for the replacement of the entire welfare system with the old Friedmanite idea of a negative income tax (NIT). The feedback was mixed, with some expressing horror that the article advocated making higher cash payments to the statistically poor. What is your view on the NIT?

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CM: Well, suppose that there is this trade-off. Suppose that a deal could be struck with the Left saying we will bring everybody in the entire country above the poverty line and let's say that poverty line has been defined in a way with which the Left agrees. That's our part of the bargain. Everybody will have a cash income adequate to meet their needs. Your part of the bargain is to dismantle the institutions of the welfare state, the bureaucracies. Well, if the deal could be struck, if we could dismantle this very intrusive, expensive, unlovely welfare state apparatus, it would certainly have the effect of shrinking vastly the size of government and it's affordable.

The problem has always been with the NIT that it would create work disincentives. As national wealth increases, that disincentive, which undoubtedly exists, would become less worrisome. We could afford it in the United States.

It's sort of like my support for national school vouchers, which has got me into trouble with some libertarians. I specify that I support national school vouchers only if there are no strings attached to the use of that voucher, which is fine in theory—but the fact is that the government would start to attach strings within a few years. My friends quite rightly think that's a valid objection and I think it's also valid to say that after the first year following the introduction of the NIT, and it turns out that some people have squandered their NIT payments and are destitute, we have to worry about the government trying to reinvent social programmes to layer on top of the NIT. In that sense, the opponents of the NIT have a very hard practical objection to the NIT that I find persuasive.

ON GOVERNMENT

SW: As the world becomes more complex, some people are calling for more government intervention/regulation rather than less—though those same people would probably say they don't trust government. At the same time, there is a whole younger generation coming up that have become used to a range of choices, diffused authority and decentralised technology like the internet. Do you think libertarian ideas will catch on with them?

CM: I think that we have out in front of us a constantly expanding reality test that works in our favour. When you phone a government agency you know that you will get a completely different set of responses than when you call, say, the garage to have the car serviced. You know that with the government agency you will get an answering machine not a person, with the 'hold on and we'll have a person with you in a minute' kind of response. You know after you've left your message on the answering machine, it won't be answered, and you'll have to call again. And you can just go down the list. Even if you go to the websites of government, they aren't nearly as good as the websites of private industry. I think that you are looking at a real source of fresh evidence for the proposition that government doesn't work and private enterprises do.



SW: As the author of *What It Means To Be A Libertarian* and *In Pursuit of Happiness and Good Government*, could you describe what you think a libertarian United States would look like?

CM: I'm one of those people who think that the founders of the United States came awfully close to having it right. It's like a Greek tragedy, however, in that there was this fatal flaw called slavery. Thomas Jefferson had a wonderful statement in his first inaugural address in which he listed all the advantages that the United States had in terms of natural resources and then closed with by asking, what more do we need 'to close the circle of our felicities', and he answered his question by saying 'a wise and frugal government which shall restrain men from injuring one another, which shall leave them otherwise free to regulate their own pursuits of industry and improvement.' If we think about what a government will be like a few hundred years from now, when we have had a chance to digest all the ways in which government's attempts to help only get in the way of people being cooperative and productive, I would like to think that people will have come to understand that Jefferson's vision is exactly right.

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