

Out of the Poverty Trap

by John Chamberlain

In their *Out of the Poverty Trap: A Conservative Strategy for Welfare Reform* (New York: Free Press, 264 pp., \$17.95), Stuart Butler of The Heritage Foundation and Anna Kondratas of the Department of Agriculture's Food and Nutrition Service have a go at remedying what they perceive as the deficiencies of Charles Murray's epochal *Losing Ground*.

It is not that Butler and Kondratas disagree with Murray's analysis of the perverse effects of Lyndon Johnson's efforts to create a Great Society in which poverty would be abolished forever. The Murray statistics are irrefutable. Aid to Families with Dependent Children had actually broken up families. What had happened was that the man of the house would disappear so that his woman could qualify for government money for her children. Bill Moyers, an LBJ man, proved this for black families in a notable TV dramatization. But the Moyers' account went for white families as well.

Butler and Kondratas's own summary of the situation might have come directly from Murray's study. "Whether or not the system's financial incentives encourage dependency," they write, "the 'rights' view of welfare, whatever its humane intent, would probably have been enough by itself to undermine the War on Poverty. The structure of welfare eligibility and incentives has merely aggravated the problem. Assistance is based on need, rarely linked to

efforts at self-improvement. Failure is rewarded, and 'deficiencies' are the key to one's well-being. When an unmarried mother shuns the support of her family and home, she is more deficient and so receives more help. If the father of her child would rather live off her than provide for her, so be it, welfare checks will not stop arriving. If he marries her and gets a job reflecting whatever skills he may have, the assistance will be cut, of course."

Most conservatives would presumably say that the Welfare State "entitlements" philosophy cannot be continued forever. Paying for it requires an economy-wrecking combination of taxation and inflation. Nevertheless Butler and Kondratas commend Lyndon Johnson for asking all the right questions. They think the American people, out of the goodness of their hearts, will insist on continuing entitlements until some way is found to make them less necessary.

Butler and Kondratas say they have no stomach for charging machine guns. What they advocate is a strategy of building small coalitions in favor of reform while eroding the power of those who would resist it. They talk about giving the poor the resources and responsibility for making their own choices in housing, child care, education, and other things, much as Margaret Thatcher has done in Britain.

In a succinct paragraph Butler and Kondratas specify “ideas like public housing tenant management, where the residents call the shots. Ideas like education vouchers so that poor families no longer have to put up with schools that seem to be run in the interests of the teachers’ unions, not the children. Ideas like switching service contracts from outsiders to groups from within the community, who are more in tune with community needs. Ideas like changing day care rules so that Mrs. Smith is no longer a law-breaker if she looks after the kids of mothers who want to work.”

Workfare

The idea of workfare is now stirring in various stages. Butler and Kondratas approve, but they realize it will cost money. They are not against measures that might be considered harsh, such as compelling teenagers to remain in their parents’ homes with illegitimate children until the fathers can be located.

“Efforts to step up the collection of child support payments from absent fathers,” Butler and Kondratas write, “are an appropriate and long overdue step toward encouraging parental responsibility. In the case of unwed mothers, especially teenage mothers, enforcing paternal responsibility is more problematic. Yet we have an obligation, for the child’s sake, to attempt to enforce it. There is no reason why the new wave of workfare reforms should not include job clubs, mandatory job search, and fathering courses for unemployed fathers of illegitimate children. Whether or not they ‘worked’ initially, society would be sending a firm message to tell those parents what is expected. Government should not allow children to be held hostage so that parents can have their chosen lifestyles financed at public expense. . . . Both sets of grandparents of illegitimate children born to minors should be held legally responsible for supporting their grandchildren.”

Since delinquent fathers are so adept at fading into the woodwork, it will surely be a long time before much can be done about them. Butler and Kondratas are more convincing when they talk about such things as the growing momentum for tenant management in public housing.

“A few years ago,” they say, “tenant management was a mildly interesting and controversial curiosity. Today tenant managers are regularly featured in newspaper articles, in national news magazines, and at congressional hearings. The reason? The Washington-based National Center for Neighborhood Enterprise started to work closely with a number of management groups. Reporters eager for a good story were directed to showcase projects by the National Center’s president, Robert Woodson.”

Robert Woodson is apparently somebody with whom to conjure. Together with Kimi Gray, he has promoted the Washington Kenilworth Tenant Managed Project. A study of this project by Coopers and Lybrand has found enormous cost savings, service improvements, and job creation attributable to resident control.

The approach of Butler and Kondratas won’t satisfy those conservatives or libertarians who want to get rid of the whole rignmarole of food stamps and the rest of the entitlements programs. But Butler and Kondratas are obviously right when they say we are a nation of altruists willing to dally with state compulsions. Ayn Rand has failed to convert enough people. The mitigating approach may be the best that can be managed until the ravages of what has been called the “malarial economy” have convinced enough people at the grassroots that something more fundamental is required. □

HAYEK ON LIBERTY

by John Gray

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Reviewed by Richard M. Ebeling

In the 1930s Friedrich A. Hayek was recognized as one of the leading opponents of the emerging Keynesian Revolution in economic policy. In the 1940s he was equally recognized as one of the most articulate and incisive critics of socialism and government central planning. But the 1950s and 1960s were the intellectual highwater marks of both Keynesianism and socialism, and Hayek was “forgotten.”