



Family as the foundation of freedom, prosperity and democracy

Notes for a talk by [Brian Lee Crowley](#), Managing Director

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The strengthening of family life in Canada [is] the basis on which our nation’s moral strength and vitality depend.

—Lester B. Pearson

Ladies and Gentlemen,

Some of you may already have had a chance to leaf through my book, *Fearful Symmetry: the fall and rise of Canada’s founding values*. If so, you’ll know that it is a celebration of some fundamental values that I think informed the first century of Canada’s existence, and extended well into the past prior to Confederation. As the book recounts, for some reasons we don’t need to worry about too much right now, Canada lost sight of a great deal of that endowment of values over the last half century, in part because we understood poorly why those values were important, we thought we could toss them aside because they were inconvenient, because we came to believe in the absolute value of “liberation” from the past, from tradition, from constraints on our emotions. These constraints came to be seen as inauthentic and old-fashioned, as obstacles to realising our true selves, a realisation best achieved by doing whatever made us feel good at the time.

If we thought back to that set of ideas that characterized Canada for the first eighty-odd years of its existence, for example, we mostly seemed to take the view that the founders of our society were trying to make themselves and their fellows miserable through unrelieved Calvinist gloom, including a mean-spirited insistence that everyone capable of working should do so, that we should respect authority and our inherited traditions and behaviours.

*The founders’ theory of happiness*



But I think that this is completely to misunderstand what our founders thought that they were doing and what they were handing on to us, their progeny. Contrary to these modern prejudices, the founders had a theory about what made people happy; work and family were part of that theory. Each of these things they believed fulfilled the deepest needs of human beings. We are not made for sloth but for productive work. Real work, work that confers benefits on us, our families, and the broader society, is one of the two key ways in which fully mature adults realize their highest purpose and greatest satisfaction. The other is by forming and nurturing a family.

But our forebears also believed that to achieve this kind of fulfilment human beings had to overcome a natural desire to avoid work, to be looked after by others, and to indulge our emotions and desires of the moment. They thought that achieving a high level of self-reliance, self-respect and self-sacrifice is part of the maturation process, what distinguishes a fully developed adult from someone who remains behindhand in achieving their fully human stature.

Babies are totally needy, totally self-centred, totally dependent beings. If they progress successfully in their development, they gradually learn that they cannot remain dependent on others, but must increasingly assume responsibility for themselves, while learning to cooperate successfully with others. Progress is painful and fitful, but when children are successful they take their rightful place as fully mature adults who have learned to overmaster the childish impulse to think that others exist to serve them, and they substitute in that impulse's place a growing mastery of their capacities and abilities, deploying those capacities for the benefit of themselves and others. This traditionally brought self-respect, reputation, honour, and livelihood from the community.

Happiness, then, for Canada's founders, sprang from a learned ability to discipline untutored emotions and desires. Nature pulled us in a destructive direction; culture, supportive social institutions, and self-discipline allowed us to resist that siren call. And part and parcel of this view of happiness was that we had an obligation as a society to support each other in the often difficult struggle to get our selfish impulses under control. A world in which people could too easily live from the efforts of others wasn't just a world that was expensive for those who paid the bill; it was a world that set temptation before fallible people and encouraged them not to strive to achieve the discipline and self-control by which human beings reach their greatest good. It is the moral equivalent of encouraging crime by leaving your wallet and laptop in an unlocked car, putting temptation in the path of the weak-willed. And this is the subject of my talk today: the extent to which human nature and traditional institutions like the family, work together to produce vast benefits that are not merely private, but also public benefits. Indeed, I will make the case that many things we take for granted as bedrock public benefits of Canadians society: freedom, democracy, the rule of law, are only made possible because they float like the



atmosphere of our planet on the rock solid foundation of the earth. The atmosphere gives us life, but without the earth on which the tiny sphere of life sits, life could not exist.

### *Character and society*

Another way of saying this is that the public institutions we value so very much are in ways we little suspect or grasp, are dependent on the character of the people who live under them. So now we come to the idea of character. And no one, in my view, can talk intelligently about human character without invoking the name of Aristotle. My gloss on Aristotle is that we *become* what we habitually *do*. It is thus to Aristotle that we owe the idea of “second nature.” When we do something often enough, it becomes “second nature” to us, an overlay on the inclinations and instincts that Nature implanted in us, which are our first, untutored, nature. If we habitually lie, taking the easy way out, acting heedlessly of consequences and considering only our own immediate advantage without any moral dimension, we will become liars. If we habitually act courageously, we become brave. If we discipline ourselves to act honourably, eventually we simply do it unthinkingly, instinctually, as part of our second nature, and become honourable. While our first nature is simply given, we can shape our second nature by essentially repeating desirable actions until they become impregnated in our mind and soul. And the great gift that parents bestow upon their children is not to indulge their first nature but to discipline them to act in accordance with the right behaviours even before they are old enough to understand why they are the right behaviours. Another name for second nature, as you will have seen by now, is *character*.

Family and marriage were part of the bedrock social assumptions that Canada was built on in its first ninety years, as well as in the colonial era that preceded Confederation. Just like work, they were seen as part of a full human life, and without them humans were diminished, unhappy, and unfulfilled. Nor is this of merely historical interest, unrelated to our present circumstances. Today, just as in 1867, the life chances of children whose parents are married and those whose parents are not are distinctly different, and the health, happiness, and economic prospects of married parents are also better, to the point where one may now make the argument that race and class and education have been overtaken by these other factors as the determinants of who will succeed in the Canada of the future.

Like work, family is a discipline at which our first nature chafes. But also like work, research is increasingly documenting the extent to which family is an institution that is indispensable to our social and economic success.<sup>1</sup>

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<sup>1</sup> Even left-leaning public policy institutes are grappling with the consequences of family breakdown. In a 2001 study, the Pembina Institute concluded, “When a couple divorces, the ensuing family breakdown has an enormous impact on the social cohesion of the extended family, the community and the nation. The costs, both financial and otherwise (guilt, stress, anxiety),



Moreover, being the place where our character and values are formed, family is the place where we learn to master our selfish instincts and become valuable to others, as prospective spouses and employees and parents. It is the place where the rising generation is formed. Family thus confers benefits on both individuals and society.

That happy reciprocity, however, comes with a price. Family makes demands on us. We have to be obedient children, responsible parents, supportive spouses. The last forty years have seen a unique period, however.

### *My how things have changed*

Beginning in the mid-sixties, the confluence of many forces began to work a change in the minds of Canadians. A wave of nationalist anti-Americanism washed over Canada, fuelled in part by distaste for the Vietnam War and America's brash assertiveness on the international stage and in part by domestic alarm over a perceived American domination of the economy. The counterculture movement that emerged in the US found echoes around the world, including in Canada, and Marxism, feminism, and various other isms began a long march through the academic institutions.

Keynesianism, a naïve faith in the ability of government officials to “manage” the economy, became almost universal among Western governments, especially since memories were still reasonably fresh of the success of central planning controls during the Second World War. In the seventies, a Republican president brought in price and wage controls, the ultimate expression of confidence in government's superiority over markets.

Increasingly, government was being looked to to solve perennial social problems, such as when Washington moved in the 1960s against both racial discrimination, through the Civil Rights Act, and poverty, through the War on Poverty and the Great Society. All of these factors and more—wider access to education, the emergence of effective contraception, the growth of cities and suburbs—affected Canada as much as they did other Western societies. Over and above that, we had special factors in Canada that exacerbated these trends. For example, we had the largest baby boom in the Western world, undermining our faith in the economy to provide work for all who wanted it, just as we saw the rise of a new breed of aggressive separatist nationalism in Quebec, which unleashed a torrent of spending designed to bind Quebecers to the federal state.

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associated with family breakdown are substantial.” See Amy Taylor and Mark Anielski, *The Alberta GPI Accounts: Family Breakdown Report #13* (Drayton Valley, AB: Pembina Institute, 2001), p. 4.



Accompanying that development came the growth of a diverse range of state-funded ways in which one could get by in the world without really working. Thus, in some vulnerable parts of the population, family lost its power as the last refuge in times of trouble.

The need for the disciplined family unit to socialize the rising generation having declined, it became harder and harder to justify the legal, social, and institutional supports that buttressed marriage and encouraged couples to stay together even when times were hard.

Politicians and other opinion leaders began to “define selfish behaviour down” (or Daniel Patrick Moynihan’s “defining deviance down”), in the sense of offering people with a guilty conscience the political cover to escape the obligations of family when those obligations became inconvenient or too burdensome. Not only was it made remarkably easy to dissolve the marriage bond, but the state stepped up to the plate to help cover the cost of the damage, at least in the short run. Just as it made it easier than it had ever been to choose not to work, it also made it easier than it had ever been to choose not to have a family or to choose to leave it once it had been started. Program after program was conceived to pick up the pieces of family breakdown, whether in support for lone mothers and their children, or income support for the elderly, or child care for parents who could not afford to stay home with their children no matter how much they wished to do so. And in its headlong rush to finance the social costs of what had traditionally been seen to be anti-social behaviour, the state pushed up the tax burden on those who were married and working, making a major contribution to the demographic bust.<sup>2</sup>

### *No substitute for the family*

But what about character and self-discipline, that foundation on which life floats. How have they been affected?

Family is the first and most important place where character is formed.<sup>3</sup> It is there that the struggle to civilize children and turn them into mature adults begins and is largely completed. And while later in life that struggle to reach maturity is chiefly an internal one, in childhood it is of necessity a struggle between parents and children.

The reason that family has survived and thrived throughout human history is that there is no superior substitute for two parents, committed to each other and their children, providing example, discipline, and, above all, love to their offspring. Family can, of course, take a number of forms, such as extended families characteristic of agricultural and subsistence society, or the

<sup>2</sup> See, for instance, Jack Mintz, “Income Splitting Would Help Families,” *National Post* (May 27, 2008), p. A12.

<sup>3</sup> David Blankenhorn, a liberal, non-religious Democrat, has written extensively about marriage as a vital social institution. See Blankenhorn, *The Future of Marriage* (New York: Encounter Books, 2007).



nuclear family more familiar in modern industrialized society. The universality of “a system of primary relations among people related by blood and marriage and living together (for some part of their lives) in social and economic dependence,”<sup>4</sup> however, is not in any serious dispute.

On the contrary, the family has been the object of a great deal of philosophical and empirical study. Philosophers as diverse as Aristotle, Hegel, Burke, Rousseau, and Engels have described and analysed family relations in great detail, sometimes to praise them, sometimes to condemn them, but never to deny their importance in understanding human development. Few have argued that there was any serious competitor to family as a framework for procreation and the rearing of children.

When the family’s ability to give children what they need declines, one inevitable result is that children grow up to be, on average, less well prepared to accept the responsibilities of adulthood, less able to discipline their untutored emotions, and less able to master their selfish instincts.

And while that family breakdown is a calamity for society, it is first and foremost a tragedy for the children, who are thereby deprived of the main conduit human beings have traditionally acquired those character traits, or “second nature” that alone make full human happiness possible. All other possible arrangements for raising children are, on average, inferior in the preparation they give children to face the rigours of adult life, including the openness, trust, cooperativeness, and perseverance necessary to succeed at work and to create a family for themselves able to confer the same benefits on their own children. ***So having sound families and encouraging marriage means that the young Canadians who are shaped by such families enter the economy and our society better equipped to succeed there, raising their own standard of living and that of all Canadians.***

No family, of course, is perfectly loving, perfectly trusting, and perfectly supporting. They don’t need to be and no one is asserting the contrary. All that needs to be established is that, on the whole, intact families provide more of these features on a systematic basis than the chief alternatives, such as lone parenthood, serial live-in partners, government institutions, or some combination of all three.<sup>5</sup>

*Family isn’t just about children*

<sup>4</sup> Roger Scruton, *A Dictionary of Political Thought*, 3rd edition (London: Macmillan Publishing, 2007).

<sup>5</sup> One comprehensive study concluded, “A substantial body of evidence suggests that family structure matters and that children do better, on average, when they are raised by the household of their own married mother and father.” See Maggie Gallagher and Joshua Baker, “Do Moms and Dads Matter? Evidence from the Social Sciences on Family Structure and the Best Interests of the Child,” *Margins*, Vol. 4 (2004): 180.



The second way in which marriage and family are related to the question of work is that marriage changes the behaviour of the adults just as it shapes the character of their offspring. Social anthropologist David Murray<sup>6</sup> has argued the behaviours that make one a good mate and parent—diligence, competence, trustworthiness—also happen to be among those that make one a valuable employee or successful entrepreneur.<sup>7</sup> Honouring your promises is a trait one learns by observing that behaviour in your parents, for example, even if no parent is perfectly trustworthy or truthful and even if some parents are irretrievable liars. Remember that the point of comparison we are after is not some impossible ideal no flesh and blood human being could fulfil. The point of comparison is a flesh and blood human being with all his or her failings who stays and tries to work things out versus the one who disappears and is replaced by some inferior substitute, or who was never there in the first place.<sup>8</sup>

Moreover, the data show that men who marry are changed by the experience. For example, they work harder than their unmarried counterparts<sup>9</sup> because they have responsibilities and, a word one hardly hears any more, duties toward their family. So the health of our families is directly related, not only to how well our children succeed in the workforce, but to the examples our parents set for us by how hard they work and how reliable and trustworthy they are toward us as children.

### What Children Learn at Home

Males who marry and males who get and keep jobs, which are circumstances of clear advantage for child rearing, share a common foundation—they keep commitments. Such men come from common environments—they had fathers who wed their mothers.<sup>10</sup>

Promise-keeping, social anthropologist David Murray tells us, is something that children learn first at home watching how their parents treat each other. The reality is that many forms of behaviour first learned at home are the cornerstone of future behaviour in both family and the workplace.<sup>11</sup> The reason this matters is that there is an increasingly common view among

<sup>6</sup> See David Murray, "Marriage and Economic Liberty," *Religion and Liberty*, Vol. 5, No. 6 (November/December 1995): 5–7.

<sup>7</sup> It is worth underlining that Murray does not claim that all mates and parents manifest these qualities—only the good ones.

<sup>8</sup> For more on this distinction and its consequences, see "The Absence of Fathers," *Globe and Mail* (July 31, 2007), p. A12.

<sup>9</sup> According to two American researchers, "In short, married men are substantially more likely than their single counterparts to receive high performance ratings: high performance ratings, in turn, appear to increase promotion probabilities so that married men are also more likely to be promoted." See Sanders Korenman and David Neumark, "Does Marriage Really Make Men More Productive?" *Journal of Human Resources*, Vol. 26, No. 2 (Spring 1991): 302.

<sup>10</sup> See Murray, "Marriage and Economic Liberty," p. 7.

<sup>11</sup> The vital importance of childhood experiences in shaping adult personality is widely known, and it has been estimated that about one-half of a child's full cognitive development is reached by the age of three or four. See Gabor Mate and Gordon Neufeld, *Hold On to Your Kids: Why Parents Need to Matter More Than Peers* (Toronto: Vintage Canada, 2005); John F. Conway, *The Canadian Family in Crisis*, 4th edition, (Toronto: James Lorimer & Company, 2001), p. 48; and Sylvia Brody and Sidney



libertarians (of left and right), classical liberals and others that whether or not to have children (and whether or not to be married when doing so) is a purely private decision,<sup>12</sup> rather like what job you choose, what neighbourhood you live in, and what car you drive. The state and, more importantly, society, in the form of other family members, friends, and club and church members, have no business having any views about the child-bearing and child-rearing behaviour of individuals, and those people who have children have no resulting claim for help or support on their fellow citizens. Having children or not is simply a matter of personal liberty, and we as autonomous individuals may order these matters just exactly as we please. The decisions we make in this regard should be treated as much as an expression of our private beliefs and values as the clothes we wear or the books we read or the spiritual values we profess.

If we accept, however, that *family is where we learn many of the behaviours that make things like economic exchange and contracts and even democracy possible, then family becomes a matter of central public importance*. Promise-keeping, taking account of and even caring about the interests of others, respect for what belongs to others, trustworthiness, and self-control are just some of those behaviours.

In fact many of our economic and political freedoms are predicated on the notion of society being composed of responsible and accountable individuals who also take account of the interests of others in their actions. Self-government in a political sense and self-responsibility in an economic sense take for granted a world composed chiefly of self-governing and self-responsible individuals. The success or failure of the Canadian family is therefore of prime concern to all of us.

### *Self-control: keystone of civilisation*

Of all the character traits that children learn at home, however, one deserves pride of place in this discussion, and that is self-control (what we might also call individual self-government). Self-control is the ability to contain current desires in the interest of achieving a more important good that takes time to reach fruition. Such self-discipline is the character trait that most separates

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Axelrad, *Mothers, Fathers and Children: Explorations in the Formation of Character in the First Seven Years* (New York: International University Press, 1978).

<sup>12</sup> While he was still leader of the Liberal Party of Canada, Stéphane Dion gave a good example of this view. When informed that Tory leader Stephen Harper had made comments that might have been interpreted as casting doubts on Dion's status as a "family man," Dion responded first with a comment to the effect that family is a private matter and therefore no one else's business: "Well, we'll speak about me. I'm a Liberal ... and we believe in this beautiful word we don't have in French, which is privacy, which is more than private life. It's the distinction between public and private life," he said, before finally allowing, "But I'm a family man. I love my mother, I love my wife. I love my daughter and my brothers, even my brothers." Siri Agrell, "Harper not the only family man in this campaign," *Globe and Mail* (September 7, 2008), p. A4.





those who will enjoy success in work, school, and family from those who will not.<sup>13</sup> And it is the character trait pre-eminently learnt at home.

The classic struggle between parents and children, the thing all parents fear and all children resent, is getting the children to restrain their appetites and think of the good of others. Children by and large want what they want right now: another's toy; the attention of their mother or father; sweets; pets; television; leisure. To begin with, they have no conception of respecting the property of others, the need to respect their mother's conversation with someone else, the fact that they will be having a meal shortly, are not ready to take on the responsibility of the care of an animal, or have household chores or home work to perform. Parents see the value for their children in acquiring the self-control to realize these important benefits, but children rarely do and come to see the value of the self-discipline they acquire only after they have acquired it.

Later, children learn to resolve their disputes through negotiation and consideration of the interests of others. They learn to be able to put off enough immediate satisfactions to succeed in school, acquire a profession or trade, be attractive to the opposite sex, avoid unwanted pregnancies and sexually transmitted diseases, save for houses and cars, and, the ultimate emotional investment in the future, have children and make sacrifices in order to equip them to succeed in life too. All these goods are more important than immediate pleasure, but they all require the ability to set aside that pleasure to realize them. Parents are the first and most potent force teaching children that a successful future imposes constraints on what you can do and have in the present.<sup>14</sup>

At least teaching the principle of short-term pain for long-term gain is what most parents do for most children. Sometimes this essential set of character traits fails to jump the generational divide or is never there to be instilled in the first place. This can happen for a number of reasons, including the failure of parents to acquire these values themselves from their own parents. Many traditional family and community members, such as grandparents, in-laws, church leaders, teachers, sports coaches and other role models, police, and others, played and continue to play supporting roles, but the evidence is pretty clear that they can only marginally compensate for a

<sup>13</sup> See Angela L. Duckworth and Martin E.P. Seligman, "Self-Discipline Outdoes IQ in Predicting Academic Performances of Adolescents," *Psychological Science*, Vol. 16, Iss. 12 (December 2005): 939–44.

<sup>14</sup> Wade Horn, a former U.S. assistant secretary for children and families explains, "Much of what is described as 'good character' or 'virtue' reflects the ability to delay or inhibit impulse gratification. When children tell the truth, even though they know that it will result in negative consequences, they are inhibiting the impulse to lie to avoid unpleasantness. When they show charity to others, they are inhibiting the impulse to behave selfishly. A civil society is dependent upon virtuous citizens who have developed this capacity to delay or inhibit impulse gratification—that is, persons who can control their behavior voluntarily." And as Horn shows, it is parents who play the formative role in instilling these values in children. See Wade F. Horn, "There Is No Substitute for Parents," *USA Today (Magazine)*, Vol. 127, Iss. 2642 (November 1, 1998): p. 34.



failure to transmit these values in the home.<sup>15</sup> In any case, the legitimacy of these social supports has been badly undermined in recent years, just as parental authority and the ability to impose standards of behaviour within the family has been. At the same time as the state has been reducing the cost of self-destructive and anti-social behaviours (such as teen pregnancy, juvenile crime, drug use, and idleness), it has been tightening restrictions on the behaviour of parents trying to impose discipline within the home.

### *We're watching you*

In one high-profile trial, American tourist David Peterson was charged for spanking his five-year-old daughter in 1995 in a London, Ontario, parking lot after she closed the car door on her brother's hand. While the parent's right to discipline his child reasonably was upheld in this case, it was upheld only after a nightmarish period during which criminal charges were pending, and it was by no means certain that Peterson would be vindicated.

In a more recent case, a Quebec father, fearing his daughter was behaving unsafely in on-line chatrooms where she was vulnerable to sexual predators, banned her from making use of them. She persisted, even using a friend's computer when access to the computer at home was restricted. After an escalating series of provocations by the daughter and disciplinary responses by the father, he barred her from a camping trip with her friends. When he refused to relent, the girl's mother went to court and got Judge Suzanne Tessier to reverse the father's decision. No one suggested the father had been abusive. He did nothing illegal. His custody agreement (he had full custody of the child) did not prevent such discipline. But a judge still thought it important to substitute her judgment for that of the child's father.<sup>16</sup> That judgment has recently been confirmed by a higher court on appeal.

And advocacy groups, such as the Canadian Foundation for Children, Youth and the Law, are constantly pressing the government and courts to restrict even further the latitude that parents have to establish effective limits on their children's behaviour. Too many parents and prospective parents have heard the stories of false and exaggerated accusations of child violence resulting in charges, social and economic losses, children being taken into custody by government agencies, and the virtual destruction of family life.

<sup>15</sup> As Horn points out, there is no substitute for "traditional families [married couples] in socializing children." See Horn, "There Is No Substitute for Parents," p. 34. For Canadian research, see Lisa Strohscchein, Noralou Roos, and Marni Brownell, "Family Structure Histories and High School Completion: Evidence from a Population-based Registry," *Canadian Journal of Sociology*, Vol. 34, No. 1 (2009): 83–103; Don Kerr, "Family Transformations and the Well-being of Children: Recent Evidence from Canadian Longitudinal Data," *Journal of Comparative Family Studies*, Vol. 35, Iss. 1 (Winter 2004): 73–90; and Don Kerr and Roderic Beaujot, "Family Relations, Low Income, and Child Outcomes: A Comparison of Canadian Children in Intact-, Step-, and Lone-parent Families," *International Journal of Comparative Sociology*, Vol. 43 (April 2002): 134–52.

<sup>16</sup> Lorne Gunter, "Court says no to sensible parenting; blatant state interference in father-daughter dispute sets dangerous precedent," *Edmonton Journal*, (June 22, 2008), p. A14.



Given the obstacles already in the path of parents in trying to establish a calm, ordered, and safe home life, the prospect of their child not merely being able to defy their authority with impunity but being able to call in the authority of the state to prevent their parents taking the action they judge necessary for their child's welfare can make the already awesome responsibilities of parenthood seem too daunting for mere mortals.

If parents are unable to establish effective discipline, however, the consequences are not just terrible for the parents but cast a life-long shadow over the child's chances for success.

So the family is the first little culture, first little society, and first little economy we ever belong to, and it is there where we acquire the character that largely settles whether we trust one another, whether we are worthy of being trusted, whether we are honest, cooperative, honourable, industrious, and respectful of the interests of others.<sup>17</sup> ***Whether we succeed in inculcating these values and behaviours on a broad enough scale will settle to a large degree how free we can be and how rich we can be collectively.*** What goes on in families affects every one of us, and the parents who bring up their child successfully imbued with these values do a work of inestimable value for each of us.

### *The Welfare State Comes Home*

It matters to our freedom and to our standard of living that people be raised in families. But what about our standard of living?

Earlier I referred to the rich literature about the extent to which children learn things like trust and promise-keeping in the home. But what about attitudes towards work and dependence? Do the work activities of the parents leave an imprint on the character of their children?

In a particularly comprehensive look at the U.S. data, Casey Mulligan<sup>18</sup> showed that there is a direct link between parents getting welfare and the work habits of their children. A child's work ethic is largely determined by both his or her parents' work ethic and the amount of work the parents actually do. Mulligan finds that "the intergenerational transmission of unemployment and welfare program participation is strong."<sup>19</sup> Moreover, he is able to demonstrate that the transmission across the generations of the willingness to work is largely independent of income, so the key explanation here is not whether the parent or the child is well paid or not. While income has some effect on the decision to work, the actual behaviour of the parents, as observed

<sup>17</sup> See Carle C. Zimmerman, *Family and Civilization* (Wilmington: ISI Books, 2008).

<sup>18</sup> Casey B. Mulligan, *Work Ethic and Family Background* (Washington, D.C.: Employment Policy Institute, April 1997): 1–32.

<sup>19</sup> Mulligan, *Work Ethic and Family Background*, p. 27.



by the child, seems to have an indispensable formative effect on the child's work ethic as an adult.

The wheels of social transformation grind exceedingly slow, but the change gathers force with each generation. The changes in individual behaviour produced by the last half century's expansion of the welfare state have been slow and subtle, precisely because the state began by battling cultural values already inculcated by parents in children whose characters were formed before the rise of the easy availability of various forms of welfare benefit. More recently, however, children have been raised in a world in which the availability of such benefits is a given. Here, too, the state's good intentions have been insufficient to prevent its generosity from undermining behaviours that are vital to our success as a society.

### *Economic influences on parental behaviour*

Take a moment to think about the kind of values a parent might seek to inculcate in his or her child in the absence of a comprehensive welfare state. Among others would be the various virtues that we have seen are successful in the working world, including, pre-eminently, an appetite for work. While hard work does not always guarantee success, its absence nearly always guarantees the opposite of success. In any case, in the absence of a well-developed welfare state there is no real alternative to getting the skills one needs and then putting those skills to work.

Not only is this in the interests of the child, but it is also in the parents' interest. Leaving aside the shame and stigma that usually attaches to any kind of sloth or dependence within the family in a society where people are expected to work for a living, there is also direct economic self-interest. First, parents usually stand ready to help their children when they have difficulties or meet a major challenge in life. They may help them pay for higher education, they may help them out with food or even free accommodation at home in the case of some crisis, or they may offer generous gifts at a wedding or the purchase of a first home. And these are just a few examples. But while most parents stand ready to help out, they also don't want to help out more than they have to, because they might have travel or retirement or other plans for that money. So they both want to be available to help but don't want their help called on to excess. The key here, then, is to inculcate a strong work ethic in their offspring in order to keep the need for parental transfers within bounds.<sup>20</sup>

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<sup>20</sup> This area of empirical analysis was first advanced famously by University of Chicago economist Gary Becker. See Becker, "Family Economics and Macro Behaviour," *American Economic Review*, Vol. 78, No. 1 (March 1988): 1–13. It has become part of mainstream economic thought and is researched by contemporary family economists such as Doug Allen, Robert Barro, and others. See Allen, "An Inquiry in the State's Role in Marriage," *Journal of Economic Behavior and Organization*, Vol. 13 (1990): 171–91; and Becker and Barro, "A Reformulation of the Economic Theory of Fertility," *Quarterly Journal of Economics*, Vol. 102, No. 4 (February 1988): 1–25.



Similarly, parents in the absence of a comprehensive welfare state must think about their own circumstances when age or illness prevents them from being self-supporting. Family is the first source of support. Again, the interests of parents coincide with the interests of the larger society in that the sensible parent prepares their children to work hard so that, when the time comes that the parent needs to call on the child for support, that support will be forthcoming. Moreover, the two aspects of the economic relationship between parents and children are mutually reinforcing. Parents can offer both rewards and punishments even to adult children for behaviour that maximizes the chances of economic success for the children and ultimately for the parents in their old age. Parents in their prime earning years can make major contributions to their children establishing their household as young adults but might withhold some or all of that help if they think the child is making a poor career choice or living common-law (which reduces work incentives and increases the chances the relationship will fail, with consequent lost future income and assets) or having a child without a husband or any one of a number of choices that would be economically destructive.

All these incentives push parents to be demanding of their children and to have high expectations of them. Research<sup>21</sup> confirms that parents communicate these expectations to their children, as their parents did before them, and the children respond. These incentives operate even on parents who might otherwise be inclined to be indulgent with their children and would prefer easy popularity with them today, rather than greater chances of economic security for the whole family later.

### *The welfare state and the family life of the poor*

But all these calculations, it would appear, are subtly undermined by the growth of the welfare state. Suddenly, state retirement benefits mean parents have far less invested in the economic success of their offspring, however much they might want to see them succeed for the personal satisfaction it might bring to the children. The consequences of poor choices of mate or career are blunted by the state being willing to be an absentee parent writing cheques, especially at the lower end of the income scale.

In a fascinating confirmation of this observation, the empirical link between welfare availability and generosity on the one hand and the propensity of people at the bottom end of the income scale to marry is quite strong. Professor Doug Allen of Simon Fraser University wrote about this several years ago and noted that there was little surprise in the fact that higher welfare payments led to higher levels of dependence among lower-income women than among higher-income

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<sup>21</sup> See, for instance, Jere R. Behrman, Robert Pollack, and Paul Taubman, *From Parent to Child: Intrahousehold Allocations and Intergenerational Relations in the United States* (Chicago: University of Chicago Press, 1995).



women, just as it led to lower participation in the workforce by lower-income women but did not affect better-off ones.

What did surprise him, however, was that “welfare seems to have a relatively large impact on decision regarding family status.”<sup>22</sup> More precisely he finds that an increase in welfare entitlement of \$100 to \$200 per year leads to a 5 per cent increase in the probability of being a lone parent, a 2 per cent increase in the probability of a child being born out of wedlock, and a 1 per cent increase in the probability of divorce.<sup>23</sup>

Similarly, there is evidence that high welfare rates discourage young men from working<sup>24</sup> and result in lower marriage rates<sup>25</sup> although whether this is because they are less interested in marrying or because they are less eligible marriage partners, or because there are welfare benefit disincentives, or some combination of the above is unclear. Especially among those with the fewest skills to offer employers and who therefore receive the lowest levels of income, then, high levels of welfare not only discourage adults from working, they discourage them from marrying, while acting as an incentive for women to have children on their own in addition to not working.<sup>26</sup> The effects on men and women and children and families are devastating.

Education costs are often borne by the state, and social insurance, public spending, and state employment all help to tide people over job loss, unemployment, and recession. What hitherto had been seen as decisions of huge consequences for grandparents, parents, and children (i.e., whether or not to marry or to have children or to work) come to appear more as mere personal (and private) preferences. And the stigma attached to not working or to being dependent is gradually worn away as abandonment of the work norm becomes more common and the state becomes more willing to make up income lost through divorce or failure to marry in the first place.

### *Incentives trump character over time*

<sup>22</sup> Douglas A. Allen, “Welfare and the Family: The Canadian Experience,” *Journal of Labour Economics*, Vol. 11, No. 1 (January 1993): 202.

<sup>23</sup> Allen, “Welfare and the Family: The Canadian Experience,” p. 217.

<sup>24</sup> Two researchers have concluded, “More generous social assistance benefits reduce the rate of employment probability of less-educated men without dependent children. The employment rate for this group of men drops by 3 to 5 percentage points in response to the higher benefits.” See Thomas Lemieux and Kevin Milligan, “Incentive Effects of Social Assistance: A Regression Discontinuity Approach,” *Journal of Econometrics*, Vol. 142 (2008): 807–28.

<sup>25</sup> One pair of researchers points out, “The anti-marriage effects of welfare are simple and profound.” See Robert E. Rector and Patrick F. Fagan, “How Welfare Harms Kids,” *Heritage Foundation Background*, No. 1084 (June 5, 1996). See also Wade F. Horn, “Wedding Bells Blues: Marriage and Welfare Reform,” *Brookings Institution Note* (Summer 2001).

<sup>26</sup> As Rector and Fagan put it, “The mother has a contract with the government: She will continue to receive her ‘paycheck’ as long as she does not marry an employed man.” See Rector and Fagan, “How Welfare Harms Kids.”



If this vision of the interaction between family and the welfare state is correct and if the values our parents transmit to us are the most important ones forming our character, then you might expect the evidence to show that those children raised in the absence of the welfare state would not have their work ethic much changed by the sudden appearance of a welfare state in their society. Because their approach to work was already set, as it were, the existence of newly available benefits would not change their behaviour much. On the other hand, we might think that the succeeding generation would have a very different view, as welfare dependency becomes “normalized” and as the economic incentives on parents to make sure their children acquire their work ethic are muted.

Such a generational difference in welfare state reliance is just what we find. One pair of researchers noted, “While the main increase in tax rates, as well as in the coverage and generosity of the benefit systems [of the welfare state] took place between the late 1940s and the late 1970s, clear indications of negative effects on work did not emerge until the 1980s and 1990s, i.e., with a considerable time lag.”<sup>27</sup> The rise of extremely well-developed welfare systems in northwestern Europe has been shown to coincide with a fall in attitudes valuing work as the route to success in life. Of the forty-two countries in the 1998 World Values Survey, “the seven countries ranking the lowest in terms of the percentage of respondents who regard ‘hard work’ as a quality especially important for children to learn at home are advanced European welfare states.” The countries include Denmark, Sweden, Finland, Norway, Netherlands, Austria, and West Germany.<sup>28</sup> Were he living in northern Europe today, Max Weber, the nineteenth-century German sociologist, likely could never have written *The Protestant Ethic and the Spirit of Capitalism*, a work about the importance of the work ethic, self-discipline, and sacrificing current pleasure for more important future goods.

The incentives associated with easily available state benefits, then, not only make parents less able to communicate to their children the importance of work, and make children less receptive to that message, but those same incentives also lessen the power of family ties and weaken the family as the chief means of passing values and traditions across the generations.

Remember that the traits and behaviours that confer success in work and life are, generally speaking, ***ones that must be acquired***. This causes tension between parents and children because parents try to inculcate in their children values that will stand the children in good stead in later life, but whose importance will not seem evident immediately. Children prefer present enjoyment, parents worry about their future achievement.

<sup>27</sup> Assar Lindbeck and Sten Nyberg, “Raising Children to Work Hard: Altruism, Work Norms, and Social Insurance,” *Quarterly Journal of Economics*, Vol. 121 (November 2006): 1473.

<sup>28</sup> See Ronald Inglehart, Miguel Basañez, and Alejandro Moreno, *Human Values and Beliefs: A Cross-Cultural Source Book* (Ann Arbor: University of Michigan Press, 1998).



When children are bound to their parents by economic ties as well as ties of affection and respect, both sides have a direct and material interest in making the relationship work. But when children can turn to the state to supply many things previously available only through family ties and obligations, and when the state is specifically constrained from attaching expectations of good behaviour in exchange for its aid, parent-child relations are powerfully altered, and generally for the worse.

In concluding, ladies and gentlemen, I will leave the last word to Edmund Burke<sup>29</sup>:

To corrupt family relations is to poison fountains; for the sources of the Commonwealth are within the households, and errors there are irretrievable....

Thank you.

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<sup>29</sup> Edmund Burke, *Correspondence*, Volume III

