Poor Laws for the Rich

LOCAL authorities in Britain administer between them some 3,000 different means tests to would-be beneficiaries of assistance schemes. Mr Mike Reddin of the London School of Economics has established by experiment that the multiplicity of these means tests ensures a wide range of variation in the assistance that different local authorities will award to the same individual (Fal.ian Tract 382: Social Services for All?).

Local authorities were asked to state the benefits they would grant to a series of hypothetical families, constituted so as to be eligible for all the major means tested services. One such family consisted of a mother and father and four children, all in full-time education, aged 8, 11, 16 and 18. The range of variation (see table) is such that in every case it is entirely possible for a family earning £20 a week to be awarded a more generous allowance than a family with half this income.

Anomalies of this sort are one result of the plethora of means tests; another is the unnecessary administrative effort in applying so unstandardized a system. Perhaps the most serious evil of the situation is that its sheer complexity probably leaves many people in ignorance of the benefits to which they are entitled. Mr Reddin notes that each scheme must be effectively publicized if it is to be fully used, but such publicity is non-existent.

VARIATION IN BENEFITS AWARDED BY LOCAL AUTHORITIES TO FAMILIES WITH FOUR CHILDREN OF SCHOOL AGE

	Annual grant for education of second child	Rent rebate for three- bedroom house	Charge for domestic help for 20 h/week
Family A (income £10/week)	£40 to £115	nil to 84%	nil to $\pounds 2\frac{1}{2}$
Family B (income £15/week)	nil to £105	nil to 56%	nil to £5
Family C (income £20/week)	nil to £65	nil to 26%	£13 to £5

In the same publication Mr Peter Kaim-Caudle of the University of Durham calculates the value of aid for each child of parents in various income groups. The length of a child's full-time education is directly proportional to parental income, which means that the better off benefit more from state aid than do the less well off. Throughout each child's period of dependency, Mr Kaim-Caudle estimates, the typical £12 per week family will receive a total of £1,800. Families with incomes of £24, £36 and £72 per week will receive totals of £3,200, £7,000 and £4,400 respectively.

These extraordinary findings will add fuel to the arguments about selectivity in the social services. Memories of the thirties, when a notorious means test was operated, have always counted for a good deal within the British Labour Party; but this evidence gathered by the Fabians is bound to suggest that selectivity is not only wrong but inefficient as well. Certainly Mr Kenneth Robinson, the Minister of Health, who has been wrestling with the problem of re-imposing prescription charges except for a few favoured categories of patient, will confirm that arrangements of this kind are in practice very hard to operate.

Peter Kaim-Caudle also argues that the effect of selectivity is to reduce incentives for low wage earners even more substantially than progressive taxation policies do for the salary earner. He points out that an average married couple with two children lose 3s. 4d. rent rebate for every £1 by which their income rises between £16 and £20. In addition, the same family may lose 5s. rates rebate for every £1 increase in wages, and when earnings exceed £15 10s. their children lose their free school meals. The increase in graduated pension contribution is added to this. For an earnings increase from £15 to £18, the family lose 15s. worth of school meals, 13s. 4d. in rent rebate, 15s. in rate rebate, and 2s. 10d. in graduated pension contribution. From the extra 60s. a week, 46s. 2d. is therefore swallowed up, equivalent to 15s. 4d. in the pound.

This, no doubt, is an extreme example, but it does illustrate that selectivity is a two-edged weapon, to be used with great caution, if at all. As Mr Kaim-Caudle concludes, the discouragement for the low wage earner by loss of benefit is almost certainly greater than it is for the middle class executive.

Examinations for Programmers

THE case of the private computer schools was aired in the House of Commons last Friday, May 31. It was clear that the Minister of State for the Department of Education and Science, Mrs Shirley Williams, was fully aware of the disturbing state of affairs in some schools. Mrs Williams, in fact, conceded a great deal of the case. Replying to a debate begun by Mr John Hunt (MP for Bromley), Mrs Williams said that the "aptitude tests offered to people who wish to attend private computer schools are in many cases worthless as any effective form of selection". She went on to say that "the courses in many cases, although not in all, do not lead to recognized national examination standards, and in some cases, although students may take such an examination, the syllabus they followed gives little chance of their getting satisfactorily through it". A number of schools are tempted to accept unsatisfactory students because of the "large sums of money spent"some schools' fees were as high as £150 for a six-week course.

It was made clear in the debate that there is little that the department could do to prevent students applying to unsatisfactory schools, although it could encourage schools to apply to the department for recognition as "efficient". The department could, however, publicize the merits of other alternative courses. A new booklet published jointly by the department and the Central Office of Information gives guidance to students about recognized training courses, and details of examinations set and administered by bodies like the City and Guilds and the British Computer Society. The British Computer Society has now at last become a professional body with its own examinations. The plan to do so, put forward in June 1967, was approved at the extraordinary general meeting on