

Social Security and Family Welfare: Directions and Options Ahead (Proceedings of SWRC Seminar, held in Adelaide, 4 July 1986)

Author:

Jamrozik, Adam

Publication details:

Working Paper No. 61
Reports and Proceedings
0858235676 (ISBN)

Publication Date:

1986

DOI:

<https://doi.org/10.26190/unsworks/997>

License:

<https://creativecommons.org/licenses/by-nc-nd/3.0/au/>

Link to license to see what you are allowed to do with this resource.

Downloaded from <http://hdl.handle.net/1959.4/45311> in <https://unsworks.unsw.edu.au> on 2024-04-25

SWRC Reports and Proceedings

No 61

July 1986

SOCIAL SECURITY AND FAMILY WELFARE: DIRECTIONS AND OPTIONS AHEAD

(Proceedings of SWRC Seminar, held in Adelaide, 4 July 1986)

edited by

Adam Jamrozik



Social Welfare Research Centre

THE UNIVERSITY OF NEW SOUTH WALES
P.O. BOX 1 • KENSINGTON • NEW SOUTH WALES • AUSTRALIA • 2033

SWRC REPORTS AND PROCEEDINGS
No. 61 **July 1986**

Reprinted **June 1989**

SOCIAL SECURITY AND FAMILY WELFARE:
DIRECTIONS AND OPTIONS AHEAD

edited by

Adam Jamrozik

Proceedings of SWRC Seminar, held in Adelaide, 4 July 1986

ISSN 0159 9607
ISBN 0 85823 567 6

Social Welfare Research Centre
The University of New South Wales
PO Box 1 · Kensington · NSW · 2033 · Australia

Printed on the inside and outside back cover is a complete list of the Reports and Proceedings series of the Social Welfare Research Centre.

For further enquiries about the work of the Centre, or about purchasing our publications, please contact the Publications Officer, Jennifer Young at the SWRC, University of New South Wales, PO Box 1, Kensington, NSW, 2033. Phone: (02) 697 5150.

As with all issues in the Reports and Proceedings series, the views expressed in this publication do not represent any official position on the part of the Centre. The Reports and Proceedings are produced to make available the research findings of the individual authors, and to promote the development of ideas and discussions about major areas of concern in the field of Social Welfare.

CONTENTS

Editor's Foreword	v
1. Dr. John Cornwall Opening Address	 1
2. Adam Jamrozik Social Security and the Social Wage: Priorities and Options in Social Policy	 9
3. Peter Whiteford Similarity and Difference: A Comparative Approach to Family Income Support	 43
4. Tania Sweeney The Meaning of Change in Child Welfare	 85
5. Peter Travers Losing Ground or Gaining Ground? - Measuring the Outcomes of Welfare State Provision	 109
6. Frank Althuizen Social Welfare: Whose Responsibility?	 121
Discussion Forum	135

Editor's Foreword

This report contains the proceedings of a one-day conference/seminar held at the South Australian Institute of Technology, Adelaide, on 4 July 1986. This was the first time the Social Welfare Research Centre held a public seminar outside of Sydney. The reason was to provide an opportunity for people in the 'smaller' States to become better acquainted with the research work of the Centre and contribute their views on issues of social policy and social welfare. The exercise was rewarding, as over 100 people attended the seminar and their active participation in discussion indicated high level of awareness and concern with social welfare issues.

The theme for the seminar, **Social Security and Family Welfare: Directions and Options Ahead**, was deliberately chosen to relate these two concepts in a perspective which would bring into focus the respective roles of Commonwealth and State governments in the provision of social security and social welfare services. As the readers will see, the six addresses presented at the seminar examined these two related areas from a range of perspectives, resulting in a wide coverage of issues, and questions and comments from the participants indicated clearly that issues of social security and family welfare were of much concern in the community.

The **Opening Address** was given by Dr. John Cornwall, M.P., Minister for Health and Community Welfare in South Australia. Dr. Cornwall outlined the nature of the relationship between the Commonwealth and the States and their respective roles and responsibilities in the provision of social security, family welfare and community development services. He focussed the participants' attention on the problems facing the Australian community today in ensuring adequate income support, housing, and public services generally for the disadvantaged sections of the population. He also pointed to the extent and changing nature of poverty, now affecting particularly low-income families with dependent children, especially single-parent families.

Dr. Cornwall then gave an overview of policy measures in social welfare initiated by the Government of South Australia. Chief among these was a Social Justice Strategy which aimed to provide a long-term framework and direction for dealing with problems of discrimination and disadvantage. The formulation of the Social Justice Strategy involved a number of Ministerial portfolios and Government departments thus aiming to develop what may be aptly considered to be an **institutional** rather than **residual** approach to community welfare. The other initiative was the planned **amalgamation** (or **coalescence**, as he called it) of the Department for Community Welfare with the Health Commission of South Australia. These were certainly challenging developments, South Australia again demonstrating an example of forward thinking in social policy, which the other States are certain to watch with great interest.

The second address, **Social Security and the Social Wage: Priorities and Options in Social Policy**, was my own contribution to the seminar. The paper addresses the issue of inequality in Australian society, and identifies some of the difficulties and constraints governments face in formulating equitable social policies, such as the 'free market' capitalist economy, international trade, and internal political pressures from sectional interests. The underlying difficulty in overcoming these problems, the paper argues, is the all-pervading capitalist ethos which affects thinking and perceptions of issues in the community as well as in social policy, social and economic

theories, and social research. The paper suggests a few reforms in taxation and social security which, if implemented, would make the social security system more equitable by improving the position of low-income families, at least in relative terms.

Peter Whiteford's paper, **Similarity and Difference: A Comparative Approach to Family Income Support**, gives a comprehensive analysis of the present social security system in Australia, and then explores a number of alternatives that might be considered in the provision of income support for families. The paper gives extensive comparative data on social security systems of a number of countries belonging to the Organisation for Economic Co-operation and Development (OECD). Whiteford argues, with the support of his analysis that in Australia 'support for families in general and for low-income families in particular is inadequate'. He takes a broad view of income support provision for families, pointing to a range of alternatives which include various provisions in the public as well as in the private sphere. While not recommending any particular direction, Whiteford emphasizes the need for not overlooking 'the similarity of different mechanisms for providing social welfare'.

The Meaning of Change in Child Welfare, the paper by Tania Sweeney, addresses the issue of inequality in child welfare services. Based on the past and currently on-going research at the Social Welfare Research Centre, the paper provides an overview of child welfare services in Australia over the past two decades and argues that while the methods of service delivery might have changed in some of their aspects over that time, the functions these services perform have remained, essentially, unchanged. The paper explains this apparent contrast between methods and functions by drawing on the findings and observations from field research conducted at the Centre and relating these to recent theoretical literature on child welfare, social deviance and social control. The main concern of the paper is the apparent division in the perceptions of child welfare and corresponding services based on the differences in the social class of the recipient families. In effect, the paper demonstrates that there are two systems of child welfare in parallel operation: one for poor families (called 'Child Welfare') and the other for middle-class families (called 'Child Care'). The paper is concerned with the outcomes of this division for children of poor families and suggests how a re-assessment of child welfare concepts might overcome the inequalities in the child welfare system.

Losing Ground or Gaining Ground?, the paper by Peter Travers, examines the issue of the 'crisis of the welfare state' and points to the differences in perceptions and interpretations of this notion. Travers gives examples of opposite views on this issue and then considers some of the problems encountered in measurements of economic and social well-being. Drawing on the example of the methods of social reporting used in Sweden, he points to the inadequacy of social reporting in Australia but also to some advances in this area. Travers argues that a more comprehensive, systematic and vigorous social reporting through level-of-living surveys on the Swedish model would provide better indication of progress (or regress) in the living conditions in Australia and would identify with greater clarity than we now have where changes are occurring and which social groups, or classes, are affected.

Frank Althuizen's paper, **Social Welfare: Whose Responsibility?** addresses the issues of the division of responsibility for social welfare between the Commonwealth and the States, and then illustrates by examples the kind of

problems that are encountered in the implementation of certain policies at the level of service delivery. It is a particularly illuminating paper because it draws on data from actual processes of policy formulation and implementation. The paper identifies a number of problematic areas in Commonwealth/States division of responsibility and points to some inconsistencies and to the incompatibility of certain policy objectives. Among other issues, the paper demonstrates that the notion of universal welfare provisions fits rather awkwardly into certain services whose function is to 'take care' of the individuals and families who 'don't quite make it' in the society. While there are services and provisions of universal nature, which people may receive as 'a right', there are also services of a residual character provided for 'residual people' in the community, and the integration of the two services is not easy to achieve. With its depth of insight which is often absent in the debate on social welfare issues and in some of the 'abstract' research, the paper provides some food for thought for policy makers, service providers and researchers alike.

In the **Discussion Forum**, most of the important issues addressed in the papers received attention in questions and comments from the participating audience. There was a diversity of opinions and some views presented in the papers were questioned. As the summary of the discussion included in this report indicates, the questions and comments were well informed and contributed significantly to the value of the seminar. The summary probably does not give justice to the quality of the discussion but I hope that it includes most of the important points raised.

As a forum for public discussion on social security and family welfare, the seminar was informative and fruitful in highlighting some of the important issues currently of concern in Australia. As an editor of this report, I must thank here all the people who contributed to the seminar. In particular, I want to thank Dr. Cornwall for opening the seminar and presenting an address which so comprehensively and with great clarity outlined the current issues and challenges in social welfare policy. To Dr. Adam Graycar and Professor Rodney Oxenberry for chairing the seminar proceedings, and to all speakers and participants I want to thank for their contributions. I also want to thank Eva Leung and Pam Phillips from Techsearch and Rosemary Hooke from the SWRC for their efforts in organising the seminar. Finally, I want to thank Jane O'Brien for her contribution by winning the struggle with her word processor in preparing the report for printing.

Adam Jamrozik.

OPENING ADDRESS

Dr John Cornwall

Minister for Health and Welfare

The Government of South Australia

I am very pleased to be opening what is the first public seminar to be held by the Social Welfare Research Centre outside of New South Wales.

I believe South Australia to be a most appropriate venue for such a conference, for not only is this our Jubilee 150 year, but we have an excellent standing in welfare service provision, and a growing reputation for caring and competent innovation.

The conference will discuss welfare issues of national significance and examine aspects of the Federal Social Security system, including the maintenance of income security, and the impact of social change on the welfare of children and families. There will also be discussion on the state and federal responsibilities for social security, family welfare and community development.

The current generally held position in Australia is that the Federal Government is responsible for income security, while States are responsible for the more difficult to define quality of life issues, personal social services, or services for families in crisis. There is of course a link between the two. The States, for example, are responsible for some income maintenance, and for concessions, which are linked to eligibility for federal income benefits. We also have a range of jointly funded community services, such as the Home and Community Care Program.

State Governments have the capacity to stimulate the State's economy, provide major public services, legislate to ensure equal opportunity for their citizens, and support community initiatives and community organisations. They have very limited or no capacity to reform income structures, effect income redistribution and income tax provisions.

Within its capacity, the South Australian Government is addressing the issues of both personal family welfare and security and of social equity and justice in the community. We also believe there is the potential for an increased role for Local Government to participate, with Commonwealth and State support, in the provision of human services.

Today, there is little doubt that our welfare services are facing possibly the greatest challenge since the advent of the secular state. Not only is the welfare dollar potentially the first casualty in any discussion about budget cuts and public sector belt tightening, but there are increasing demands on our welfare services due to the economic and social dislocation that has occurred in recent times.

The demographic nature of our society is changing dramatically - we have an ever-increasing proportion of aged people and this in a State which consistently records the lowest fertility rate in the nation. Over the last ten years the number of people living in poverty in Australia has doubled and now stands at 2.5 million. There is also overwhelming evidence that the face of poverty in Australia has fundamentally changed. No longer are the aged pensioners or even the single unemployed predominant on the bottom of the income pyramid. The poorest people in our community are young families with unemployed or single parents. An estimated 49 per cent of all single parent families in South Australia in 1981/2 were living below the poverty line.

Studies show that while the incidence of poverty based on income has increased only slightly in recent years, the incidence of families in poverty

either buying their own homes or paying private rental has increased disproportionately. The suggestion is that access to affordable housing to soften the impact of poverty is increasingly more difficult. Single-income families aspiring and attempting to achieve the Australian dream of owning their own homes have become the new, and largely unrecognised, poor, along with single parent families.

In January this year nearly 2,200 households sought help from the State Government's Emergency Housing Office - an increase of more than 50 per cent on the same month last year. The amount of financial assistance allocated by the Office in January was over \$200,000 - the highest monthly figure ever recorded and 30 per cent over that provided last January.

Studies undertaken by the Social Welfare Research Centre show that there also has been a sharp increase in both the number and proportion of children in poor families during the past decade. In 1976, 8.6 per cent of all children in Australia were in families receiving income-tested Social Security payments. This figure had more than doubled to reach 19.8 per cent by June 1985. It is the sad truth that children are becoming an increasingly important target for welfare agencies.

One issue about which I have consistently urged more Federal Government action is that of child maintenance.

In South Australia, we have the most efficient system in the country and manage to recover about 70 per cent of all maintenance owed. Nationally, 70 per cent of non-custodial parents default on payment. Our problem is simple. While non-custodial parents live within South Australia the Department for Community Welfare's maintenance branch has the power to pursue and collect. Once a non-custodial parent moves outside the State borders, there is no effective way of ensuring that responsibilities are honoured.

Non-custodial parents must be made to accept their responsibilities, and where they do not, the Government, and for the system to be effective it must be the Commonwealth, should have the power to take action. Media speculation earlier this week suggested the Commonwealth would announce a national scheme next month. I know Brian Howe is very interested and committed to such a scheme, and if it receives the endorsement of Federal Cabinet I would be absolutely delighted.

Within the broader spectrum, the 1980s have seen the development of some insidious traps which have worked very much against low income earners. The plastic credit card explosion, more widespread and ridden with problems than the 'never-never' hire purchase arrangements of the sixties, has led to a massive escalation in personal debt. According to the Australian Consumers Association, low-income earners are choosing to go into debt rather than to go without. In a study of spending habits in Australian households, it was found that the bottom 10 per cent of income earners spend an average of \$141 each week - a figure that does not include income tax, mortgage payments, superannuation and life insurance. This same group earns a gross income averaging only \$113 a week. The ACA also found that the average debt of Australians aged 20 or older in 1984-5 was \$1960, not including home loans.

The vicissitudes in capitalist economies world-wide had significant impacts on Australia as a major importing and exporting nation. Those impacts have been absorbed almost exclusively by those at the bottom of the income scale,

creating new target groups and the need for more flexibility, care and compassion by our welfare system, Commonwealth and State.

At the top end of the scale, there is a different story to tell. In the four years since 1980-1, investment by the corporate sector averaged an annual growth of 20.9 per cent. Gross profit in the corporate sector increased by an average of 30.9 per cent. At the same time, tax paid by the same sector grew at an annual rate of only 4.9 per cent. While the overall income and wealth of the country has increased, that wealth has become concentrated in fewer hands. It is estimated that the richest 1 per cent of Australians own as much as the poorest 20 per cent.

It seems the hard fact of life that given current political imperatives, and the characteristics and circumstances of many of the people in poverty, increased economic growth in Australia is unlikely to reduce the incidence of poverty, at least in the short term.

What then can we do?

As a State Government we are in the advanced stage of formulating a Social Justice Strategy as a long term framework to address discrimination and disadvantage in the community. The Social Justice Strategy acknowledges that there are a range of policies which transgress single Government portfolios which have major impacts on poverty. A broadranging and ongoing commitment by every Government agency is required if any effective progress is to be made - we cannot go on compartmentalising poverty as something that neatly slots only into the welfare basket. Any move away from our traditionally residualist welfare philosophy to a more active and dynamic role must have this principle as one of its fundamental approaches. Initiatives under the strategy must be designed to complement Commonwealth programs. There is undoubtedly a need for a national strategy and I applaud the initiatives being developed for consideration by the National A.L.P. Conference.

There are a number of points which can have a positive impact and improve social justice.

An effective strategy should:

- Protect the community from credit traps.
- Make government departments aware of their impact on poverty.
- Increase access to low cost finance.
- Direct concessions to those in greatest need.
- Reduce the cost of living for people in poverty.
- Fight to ensure that Commonwealth pensions, benefits and taxes are provided at a realistic level.
- Expand access to work opportunities.
- Promote co-operative exercise.
- Ensure relevant education.

- . Promote a network of community based services.
- . Conduct a public campaign to inform people of their rights and entitlements and to sensitize the public to social injustice.

All of these elements must be part of an ongoing strategy which, if it is to succeed, must be sustained for at least a decade.

One area where the state has a real opportunity to alleviate the impacts of poverty is in the provision of housing - an area where in South Australia the State Government has traditionally played a major role. Adequate and affordable housing is a fundamental need of all groups in our society and the high level of state involvement provides the State Government with a major opportunity to combat poverty at this point. Mortgage and rental relief, home owner assistance and assistance for housing co-operatives are areas of current involvement that could be further developed.

Good opportunities also exist in the area of financial counselling, including specific action for rural areas. In South Australia, between 30 and 40 per cent of all clients seeking help from the Legal Services Commission have debt repayment problems. The Department for Community Welfare's budget advice service receives approximately 25,000 enquiries each year - a sizeable amount considering the population of the State. Given the increasing demands on the service, financial counselling could be upgraded significantly within the framework of a Social Justice Strategy.

I strongly believe that if we are to be serious about equity and social justice as an active and ongoing commitment then such a strategy is essential for our credibility. We can no longer continue to follow the largely 19th Century welfare models which still encumber us and which simply patch up and tend to society's casualties as they fall. The role of a modern welfare system must be to also identify why these casualties occur and to attempt to redress the incidence at its source.

Another development taking place in welfare services in South Australia is the approaching coalescence of the Department for Community Welfare and the South Australian Health Commission - a move which, I am very aware, is contrary to the trend Federally and in other States. I regard it as potentially one of the most exciting developments in the provision of human services to occur in this country, one that will redefine our understanding of both health and welfare and give us a new framework to address a total definition of community and individual well-being. Coalescence is a word I chose myself to describe the process, and the dictionary defines it as a 'growing together.'

Providers of human services in this country are only now beginning to actively address the realisation that a multitude of factors impact on health and welfare status, and that these factors are very closely inter-related. So, if we accept that health is not merely the mal-functioning of isolated organs, and that welfare services should move away from residualism towards a comprehensive social welfare model actively promoting the well-being of the public, then a growing together, or coalescence, of welfare and health services is both natural and desirable. I am very optimistic that through coalescence we will develop active and successful programs for social health, social justice and social welfare in its broadest and best sense. As a State

Government we have a unique opportunity to make a tangible and positive contribution to the health and welfare status of our population.

Today's conference program includes some of the leaders in the welfare field in South Australia and from the Centre, a national centre of excellence in its field. I am delighted to open the conference, and am certain it will generate a lively discussion forum later in the afternoon. Conferences such as this have an important role to play in maintaining informed national debate and information exchange on welfare issues. I look forward to the results of your deliberations and discussions with great expectations.

**SOCIAL SECURITY AND THE SOCIAL WAGE:
PRIORITIES AND OPTIONS IN SOCIAL POLICY**

Adam Jamrozik

Social Welfare Research Centre

ABSTRACT

As an introduction to the seminar, this paper examines some of the current issues in social policy and social welfare, in the context of the division of responsibility in the Australian Federal system of government. The issues that are especially considered are income support provisions and services and utilities which are sometimes regarded as parts of the 'social wage'. The paper aims to identify possible priorities and options in social security and social welfare under conditions and constraints of a 'deregulated' economy, which are experienced now and are likely to intensify in future. The problem of inequality generated in these conditions is seen as the main issue for social policy considerations.

INTRODUCTION

There are a number of reasons for holding this conference. First, the Social Welfare Research Centre being a 'national body', it seemed appropriate for us to establish direct contacts with the public in other places than Sydney. Our research reports and SWRC Newsletter go out to all parts of the country (as well as overseas) but we were seeking a venue for consultation in which we could present some of our views and research findings, and obtain views and comments from the wider public.

Second, there is at the present time an on-going review of some aspects of the social security system, and the conference should provide some input into this review. For this reason, the papers presented at this conference aim to look at various aspects of the social welfare system, including the role played by the States and by the non-governmental welfare sector in that system.

Third, there is also another, and perhaps a more important, reason for holding a public forum of this kind, namely, there is at present a great challenge to what we have come to know as the welfare state. This challenge is not confined to this country but it is widespread throughout the industrialized capitalist countries of the western world. It is therefore appropriate that we consider briefly the nature of this challenge, its sources and reasons, and then consider some options in possible responses.

The challenge to the welfare state has evoked a variety of responses, some calling for the 'closing of ranks', others calling for a critical but constructive re-assessment of the welfare state's performance, and yet others calling for a search for alternatives. I raised some of these issues at the conference we held in Sydney in November and I do not want to repeat them here (see SWRC Reports and Proceedings No.55). Instead, I want to examine some aspects of the welfare state in Australia which are currently a subject of public concern and debate, and then suggest some options which might warrant consideration by the decision-makers in social policy. I want to emphasize that the views and interpretations of issues I present are my own and in no way do they represent any collective opinion or policy of the Social Welfare Research Centre. The Centre, as such, does not have any collective view of social welfare policy - all reports published by the Centre are reports of the individual authors and represent their own views and interpretations. The presentations at the conference will thus not necessarily put forward a uniform view on social policy and social welfare. The conference is intended to be a forum, not a series of lectures.

THE CHALLENGE TO THE WELFARE STATE

Throughout the Western industrialized world the concept of the welfare state appeared to have received a more or less general acceptance in the 1950s and 1960s. Considering the on-going debate at the time about residual and institutional approaches to social welfare, Wilensky and Lebeaux (1958) ventured to predict that institutional approaches to social welfare policy would become the characteristic feature of modern industrial societies. They wrote,

As the residual conception becomes weaker, as we believe it will, and the institutional conception increasingly dominant, it seems likely that distinctions between welfare and other types of social institutions will become more and more blurred. Under continuing industrialization all institutions will be oriented toward and evaluated in terms of social welfare aims. The 'welfare state' will become the 'welfare society', and both will be more reality than epithet. (1958:147)

The prediction soon became an illusion as the welfare state came under an increasing challenge in the 1970s. The **welfare state** was seen to be in a 'crisis', but in a wider sense it was the **state itself** in a capitalist market economy that was seen to be in a crisis (O'Connor, 1973; OECD, 1981; Offe, 1984). In simple terms, the crisis was seen as one of increasing expectations on the one hand and the unwillingness to meet the cost of those expectations on the other, with the result that the state was found to be in a constant 'fiscal crisis', unable to raise sufficient revenue to meet the cost of services and benefits people expected to have, without running up budget deficits.

The welfare state came under criticism from all parts of the political spectrum. On the right, it has been criticized on various grounds: that it has become too costly (a 'millstone on the economy'); that it has become a disincentive for people to work and a disincentive for other people to invest (Offe, 1984). It has also been argued that the main beneficiaries of the welfare state were not so much the poor as the relatively well-off sections of the population, especially the new middle class of professionals and other white-collar workers who had found well-paid employment in the ever-increasing public sector bureaucracy (e.g. Gould, 1981).

On the left, the arguments against the welfare state have not always been clear, and there is still a great deal of confusion. While there has been much talk about poverty, unemployment and 'disadvantage', there has also been an avoidance of certain issues. For example, the evidence supporting the argument that the welfare state was of considerable benefit to the new middle class has been either ignored or rejected as an unfounded criticism of conservatives and reactionaries.

Somewhere in the middle are now the 'concerned' critics who hold the view that the welfare state is worth defending but at the same time they point to the fact that some criticisms leveled at the welfare state by the right might have some merit. The views of those critics cannot be dismissed easily, as all evidence does indicate that the welfare state has done little to alleviate the inequalities generated in the capitalist market economy, and that the main beneficiaries have been indeed the members of the new middle class rather than the poor. Furthermore, some critics (e.g. Gilbert, 1982, 1983) have observed that the welfare sector, which was expected to countervail the inequalities and the ethos of the capitalist system, has been increasingly acquiring the characteristics of the capitalist system: it has become a field for competition, entrepreneurship, careerism, and a field for exploitation for profit - either direct profit through investment, or profit in the form of high incomes or acquisition of property through grants from the public funds. On evidence, some of this critique appears to be valid. However, if these trends and developments are true, they need some explanations before we jump into quick-and-ready conclusions.

One of the countries where the issues of the welfare state have received considerable attention is Britain. A number of people, well known for their involvement in social policy and social administration, have recently published a collection of articles in a book entitled **In Defence of Welfare** (Bean, Ferris and Whynes, ed., 1985). The editors of the book say in the introduction:

... the notion of a line of battle drawn up between the supporters of the welfare state on the one hand and the anti-welfare lobby on the other is far too simplistic. Whilst such an antagonism is both obvious and real it does not exhaust the possibilities; welfare is under threat in other ways. In intellectual terms, for instance, welfare needs defending from its friends as much as from its enemies. A fair proportion of the formal political debate over the future of the welfare state appears to consist of the exchange of platitudes and dogmas between occupants of entrenched positions and this style of argument has no more been the province of the 'antis' than it has of the 'pros'. The defence of welfare ideals against untruths is not best accomplished by the fabrication of further untruths, no matter how well intentioned. Thus, the unquestioning belief that the welfare state as it is presently constituted represents the embodiment of all that is good can be as detrimental to the cause of welfare as can the opposite. (1985:xiii).

It seems to me that this expression of caution and concern has much to commend consideration by all those who believe that the welfare state is worth defending. The challenge to the welfare state is real enough, and unless we take a critical but well-intentioned look at the policies we are willing to promote or defend, the future of our welfare state will not be very promising.

In this paper I present a view that the current situation in the welfare state has come about as a compound effect of a number of factors. Some of these we can only acknowledge because, in the short run, there is little we can do about them; others, we can perhaps influence in the political sphere, and others, again, concern directly the activities we engage in and those we can change if we really want to do so. (By using the term 'we', I assume that the participants in this conference hold a belief that the welfare state is worth defending).

The current situation of the welfare state in Australia, as I see it, is one of growing social division and inequality. It is the issue of inequality that I want to address in the paper: where is it evident; what are its dimensions; how does it occur; and how it could be at least attenuated or minimised.

The first thing we need to note is the necessity to consider the issues of social policy and social welfare in the context of the political and economic systems in which we live. The political system may be based on certain principles of equal rights, equal opportunities, etc., but the economic system which is capitalist and now increasingly a laissez-faire capitalist (euphemistically referred to as 'deregulated' economy) is not compatible with the principles of the welfare state. This incompatibility is increasingly

evident in social and economic policies of governments as well as in the dominant values and attitudes in the community.

To what extent the business of capital dominates public consciousness is best exemplified by the programmes of the Australian Broadcasting Corporation - the ABC. On radio as well as on television the frequency of programmes concerned exclusively with money rivals the frequency of programmes concerned with sport and weather forecasting. At least three times a day on radio there are details of stock exchange trading, and again on television with the evening news. Other programmes about money are regular features. No doubt, these matters are important, but the emphasis on money, investment, profits and business takeovers clearly indicates how far we have gone into the spirit of capitalism.

This is the social climate in which we live, and we cannot consider the issues of social policy and social welfare in isolation from the ethos which dominates the community because this ethos directly impinges upon the social welfare system and effectively changes the nature of what we have come to accept as the welfare state.

We cannot expect any radical changes in our economic system in the foreseeable future. Inextricably we are bound to the transnational capitalist system, and in recent years Australia has become something of a 'playground' for big national and international investors and manipulators of capital. Each day we read in the press and watch on television the antics of the boardrooms and the stock exchange, which seem to fascinate the mass media and the community. The government rather helplessly stands by, but its ministers are held to account for the effects of decisions made elsewhere over which the government has little control. Most of the time the government reacts to events rather than acting to create events.

It is becoming increasingly evident - or at least it should be - that relinquishing control, and even the mild constraints that have existed so far over investments and financial dealings generally, will not enhance the country's power to manage its own affairs or enhance its prosperity. In the international capitalist league Australia is a very small player, and it is the small player who always loses when the stakes are large.

It would be rather foolish and irresponsible to ignore certain economic realities. For example, it is evident that Australia's position on the world market has deteriorated to the extent that the standard of living we have taken for granted will be difficult to maintain. Allocation of resources by governments and public expenditure will also come under close scrutiny. However, we need to note that the arguments for the reduction of public expenditure have been advanced in times of recession as well as in times of economic growth. These arguments are advanced from the same quarters as the demands for the reduction of wages. There must be something radically wrong with a panacea-like remedy which is expected to work in diametrically opposite economic conditions. No doubt, this is one of the mysteries of high-level economic theory which even a reasonably informed lay person cannot be expected to comprehend, but one might at least remain sceptical about the validity of these arguments. For example, in comparison with the vast amounts of capital that change hands on the stock exchange and in business takeovers, the proposed cuts to government expenditures of \$1,400 million or \$2,000 million appear to be rather minor; yet this is a big issue for the government on which its future is said to depend.

CHANGES IN AUSTRALIAN SOCIETY, 1966-1985

The analysis and comparison of various statistics on some aspects of Australian society over the past 20 years or so reveal certain interesting trends as well as some contrasts and paradoxes. Three sets of data presented here are of relevance to the issues discussed in this paper; changing consumption patterns; social security pensions and benefits; and changes in the employment pattern.

There is little doubt that over this period there has been a growth of affluence for the majority of the population. This is most evident at 'the top' of the socio-economics scale but it can also be observed at the middle-class level as well. The distribution of income has become more unequal, evident even over a short-time scale, such as the differences identified in the successive ABS Income and Housing Surveys in 1978-79 and 1981-82 (ABS, Cat. Nos. 6502.0; 6523.0). Correspondingly, the pattern of expenditure on goods and services has also changed. For example, in 1985 the average household spent proportionately less on the necessities and more on 'luxuries' than in 1973 (Table 1, CPI 1973 and 1985). Tables and Figures are on p.31-41.

Unfortunately, we know little about the distribution of wealth in Australia, because the ABS does not conduct such surveys, and the Commonwealth government has apparently given up the idea of holding an inquiry into wealth, which earlier it had announced the intention to do. However, from the studies carried out by Raskall (1986) it appears that the top half of the Australian population owns 85 to 92 per cent of total wealth, and the top 10 per cent of individuals owns between 34 and 45 per cent of all wealth. As far as income distribution is concerned, according to the ABS survey in 1981-82, the top 50 per cent of individual income recipients had 83 per cent share of total incomes and, calculated for income units (families, households), the top 50 per cent had 78 per cent of total incomes (ABS, 1984; Cat. Nos. 6502.0, 6523.0).

While there has been a growth of affluence, there has been also an increase of dependence on income support from the government. Between 1966 and 1985 the total population increased by 36 per cent and population 16 years and over increased by 47 per cent. Over the same period, the number of people receiving pensions or benefits from the Commonwealth government increased three times, and while in 1966 10.8 per cent of population 16 years and over was in receipt of a pension or benefit, that proportion increased to 22.5 per cent by 1985. Furthermore, although aged pensions accounted for more than one half of all pensions and benefits in 1985 (51.1%), this was considerably lower than in 1966 when that proportion was 78.7 per cent. The growth in numbers occurred in other areas; apart from unemployment benefits which in 1985 accounted for numbers nearly 29 times greater than in 1966, the highest rate of increase was in pensions and benefits paid to women with dependent children: widows' pension and supporting parent benefit (Table 2).

Over the same period the numbers of employed persons increased by 37.8 per cent. An interesting aspect of this change is that the numbers of employed men increased by only 21.5 per cent while those of women increased by 75.4 per cent and those of married women by 97.6 per cent (Table 3).

According to the ABS data, between 1966 and 1985 total participation rates over that period remained fairly steady - 59.9 per cent in 1966 and 60.2 per

cent in 1985 (August) - the decrease of 8.8 per cent points in rates for men having been cancelled out by an increase of 9.4 per cent points for women (15.3% points for married women). Approximately 60 per cent of employed women are married and about 60 per cent of them have dependent children (ABS, 1984; Cat. No. 6523.0). It would therefore be reasonable to expect that the financial situation of families with dependent children ought to have improved (everything else being equal). This, however, does not seem to have happened, and the growth of dependence on social security provisions, especially the dependence of women with dependent children, has occurred at the same time as increasing numbers of women have taken up paid employment. It is the family with dependent children which is now one of the main concerns in social security.

Clearly, this apparent paradox needs to be explained, and the explanation that comes most easily and one that is most frequently used is the recession of the 1970s and the resulting unemployment. However, recession alone does not account sufficiently for the changes that have occurred in the labour market over this period. Unemployment has also come about because of extensive structural changes in the employment pattern through which certain industries and occupations have been declining while other industries and occupations have been growing at a comparatively rapid rate. The compound effect of these changes has been a growing inequality in access to employment, providing new opportunities for people of both sexes with post-secondary educational qualifications and rapidly diminishing opportunities for people without such qualifications. And because these opportunities (or lack of them) have become available (or not available) to both sexes, one of the results of the changes in the labour market has been a growing inequality of incomes of families. To put it in simple terms, the reason why we have more poor families is because we have more well-off families.

The importance of education in securing employment and especially employment with relatively good wages and salary and a career structure (vertical and/or lateral) has been evident for a long time, and has become more important in recent years. According to the ABS data (Social Indicators, 1984; Cat. No. 4101.0) in 1968-69, 24.6 per cent of full-time, full-year, employed persons had some post-school qualifications; by 1981-82, that proportion had doubled to 48.6 per cent (men=27.8% to 51.3%; women=14.7% to 40.5%). The data for holders of tertiary degrees are even more impressive: from 3.2 per cent to 8.7 per cent (men=3.7% to 9.1%; women=1.8% to 7.5%).

The differences in access to employment have increased in recent years. Between 1979 and 1985 (since 1979 the ABS has recorded these data systematically each year in February) the number of employed persons increased by 541 thousand, or 9.0 per cent (men=173 thousand, 4.4%; women=369 thousand, 17.3%). Over the same period the number of employed persons with post-school qualifications increased by 663 thousand, or 29.6 per cent (men=318 thousand, 20.2%; women=345 thousand, 51.7%). Again, the number of employed persons with a degree increased by 238 thousand, or 56.0 per cent (men=122 thousand, 38.9%; women=116 thousand, 104.5%). By comparison, the number of employed persons without post-school qualifications fell by 140 thousand, or 3.8 per cent (men=152 thousand, 6.6%; women=increased by 12 thousand, or 0.8%). (Table 4).

These are the quantitative changes. Additionally, there are also substantial qualitative aspects. People with post-school qualifications, and especially, those with degrees, record higher participation rates; and lower rates of

part-time employment, unemployment, and shorter duration of unemployment (Table 4). As for earnings, there are clear indications that people with post-school qualifications not only earn higher incomes than those without such qualifications but their earnings also keep increasing until about 50 years of age, while those of the latter begin to level off at about 30 to 35 years of age (Figure 1).

Changes in the structure of employment have contributed to social inequalities at both individual level and at the level of family unit. Individual earnings of both sexes indicate considerable differences between those with and those without post-school qualifications, and the differences in incomes for family units are equally significant between two-income families and one-income families (Figure 2). A two-income family, with both partners in full-time employment is now more frequently encountered at the middle-or high income level than at the lower-income level. For example, a gross annual income of two professional persons is likely to be at least \$50,000 or higher.

It is appropriate to note here that over 40 per cent of persons with post-school qualifications (men=30.1%; women=62.1%) are employed in what may be called the 'management' industries, that is, public administration; finance, property and business services; and community services (health, education, welfare, etc). These three sectors have been the fastest growing fields of employment over the past 20 years and now account for over 30 per cent of all employment (Tables 3 and 5). Community services alone now account for 17 per cent of total employment but account for 26 per cent of all employed persons with post-school qualifications and for 45 per cent of all employed degree holders (men=36.2%; women=61.7%). Therefore, in the field of employment it is clearly evident that the welfare state has been of great benefit to the middle class.

In sum, the trend in Australia, as in other industrial countries of the West, has been towards greater inequality. At the top, there is great affluence (according to the estimates calculated by Raskall (1986) there are at least 25,000 individual millionaires). There is a large and **growing middle class** of business and professional people, whose income and life-style, if not always affluent, is nevertheless quite comfortable. There is a **shrinking working class** whose income and employment security are becoming more uncertain. And there is a **growing dependent class** - the residue of the market economy - whose living conditions become further and further removed from the mainstream of economic and social life.

For example, unemployment has now become a way of life for many people. According to the data from the Department of Social Security, in February of this year (1986), 587,228 persons were in receipt of unemployment benefits. Of these, 202,313 (34.5%) were receiving unemployment benefits for over a year; 107,228 (18.3%) for over 2 years; and 61,973 (10.6%) for over 3 years. The average (mean) duration of receiving benefit was 57.5 weeks, and the median duration was 27.0 weeks, indicating considerable differences in length of receiving benefits. Close to 100,000 (16.8% of the total) had dependent children. Thus unemployment is not only high but has become entrenched among certain sections of the population. Furthermore, unemployment is not confined to any age group, and the great majority of the unemployed (75.8%) are in the prime working age group, 21 to 54 years (DSS, 1986).

Comments are made again with increasing frequency that some people who receive unemployment benefits are not genuine unemployed; that some are either unwilling to work, or that they have some kind of work in the informal (black) economy. This may well be true, although such claims are probably grossly exaggerated. What is true, however, is the entrenchment of high rates of unemployment, and the gradual acceptance of high levels of unemployment as part of a normal working of the economy. This is consistent with the current economic theories, and there does not seem to be any economic theory that can offer a solution. On the contrary, the prevailing economic theory suggests that high rate of unemployment will be 'normal' for a foreseeable future.

While we cannot disregard certain economic realities, we also need to consider to what extent economic conditions are socially and politically created. If we have a situation, as we now have, where increasing poverty exists side by side with affluence, we cannot logically argue that this is due entirely to some 'market forces'; we need to look at policies of governments and at societal arrangements where we might find some sources, or causes, of inequality.

POLICY RESPONSES

The present Commonwealth government came to power with an explicit policy of providing a sound and competent management of the economy, i.e. stimulating investment, creating jobs and thus ensuring a sustained economic growth. It has attempted to do this by developing a corporatist structure of consensus politics, on the belief that the interests of capital and labour could be made compatible. This policy has met with some success, especially in obtaining co-operation and restraint from the trade unions. Less success has come from the business sector, and over the past year government policies have come under increasing attack from that sector. Whatever the reasons for this change might be, one issue stands out quite clearly: the interests of labour are local but those of capital are international. Labour is confined to a locality, to a region, or, at best, to the country as a whole, although movements from one place to another can be costly and disruptive; capital can be transferred from one country to another with great ease. The de-regulation of the finance sector has exacerbated governments' problems, because now it is the international finance speculators who seem to have a deciding voice in the state of the Australian economy.

In the area of social policy, the government has introduced some reforms, but except for the Medicare scheme, the reforms have aimed to effect marginal adjustments to the existing system rather than radical change. However, it needs to be noted that some reforms that the government managed to enact, such as the tax on lump sum superannuation payments, the assets tests on pensions and the fringe benefits tax were clearly aimed at reducing the undue advantages enjoyed by higher income earners. The abolition of negative gearing for individuals (but not for business corporations) and more attention given to tax evasion also need to be acknowledged as measures aimed to restore at least a degree of respectability in the tax system.

On the other hand, the government has been rather reluctant to take effective measures toward reducing inequalities in benefits and services which clearly work in favour of the middle classes and the well-off sections of society, such as the education system. For example, as discussed earlier, education

has become a very important factor in the labour market, and on present indications a young person who does not have certain educational qualifications is less and less likely to have reasonable prospects of employment, let alone employment with security and/or career prospects. Yet, it has been well documented in various research reports and books that access to higher education has remained, by and large, the prerogative of the middle classes and the rich (e.g. Anderson and Vervoorn, 1983). One reason for this (among many others) has been the dual school system, with private schools consistently recording higher retention rates and rates of entry to tertiary education than state schools. (ABS, 1984, Cat. No. 4111.0; Drury and Jamrozik, 1985). There has been little that either the Commonwealth or the States have done to countervail this inequality. On the contrary, over the past 20 years all governments have actively supported it by massive infusion of public funds into private education. More than any of governments' expenditure, expenditure on education has benefited the well-off sections of the population (Harding, 1984). (Figure 3 and Tables 6 and 7). The present Commonwealth government has introduced some modifications to the system of funds allocation but the inequalities between the two school systems have remained, by and large, undisturbed.

This is not necessarily an argument against a dual school system per se. However, if there is to be a dual education system, then we should aim to ensure, as far as possible, that the system does not work as an instrument of inequality. For to support one part of the system which is clearly elitist and socially divisive, and neglect the other part, is not compatible with the principle of fairness or equality of opportunity.

The neglect of the state school system is clearly evident in the disparity in the retention rates between the two systems. For many years, the apparent retention rates in the non-Catholic private schools have been consistently nearly three times higher than in the state schools (e.g. in 1983: State=33.7%; private Catholic=51.3%; private other=92.9% - see Table 6). These disparities are carried through into tertiary education - (Table 7), and into the labour market. While over the past 20 years the percentage of employed persons with post-school qualifications has doubled, the retention rates in state schools over the past 10 years (1973-1983) have risen by mere 5.6% points (from 27.9% to 33.7%), and it is well known that those averages conceal significant differences between state schools in the middle-class areas and those in the working-class areas. Inequality in education has thus been one of the most important factors in people's unequal opportunities in the labour market and in their unequal position in the Australian social stratification and class structure.

SOCIAL SECURITY AND FAMILY WELFARE

As the theme of this conference is social security and family welfare, it is appropriate to consider briefly government policies in this area over the past decade or so. Here, we see again something of a paradox, for while successive governments of all political persuasions have consistently asserted their commitment to the maintenance of the family unit, over the same period the position of the family appears to have gradually worsened. Now we see that one of the concerns of the current Review of Social Security is income support for families with children.

Clearly, it is not the case that the economic situation of all families has worsened. As indicated earlier, there is clear evidence of the advantages gained by middle and high-income families, especially those in which both parents are in employment. Hence, if the position of families has worsened, this has occurred mainly in the low-income families, and the reasons for this are clearly seen in the changes which have occurred in the labour market. What is also evident is that successive governments have done little to counteract the trends in the labour market. If governments have supported the family unit, that support has been greater for middle and high-income earners than for low-income earners. It has been a case of a conflict of interest between claims of commitment to certain objectives and economic and political realities. In politics the voting power speaks louder than altruism. The difference between a party in power or out of power is between two-to-three per cent of voters, and the 'swinging voter' is the voter in the middle of the socio-economic ladder. Moreover, that voter is most likely to come from the 'new middle class' of professional and other 'white-collar' occupations. It is this voter who is the subject of courtship by both major political parties. There might be much public concern about poverty and unemployment in party rhetoric, but at election times it is the middle-class, upward-mobile, two-income family 'mortgage belt' that holds political attention.

The best example of social policy where governments have favoured the middle and high-income earners is taxation. While the family unit is recognised as an income unit for the purpose of pensions and benefits, it is not recognised as an income unit for the purpose of taxation. The two-income family receives the benefits of two taxation thresholds. This means that while a one-income family receives \$5,000 of income as the exemption from tax, the two-income family receives the exemption of \$10,000. Arguments have been advanced that the threshold gives advantage to low-income families but these are specious arguments: the threshold applies to all taxpayers and thus it effectively reduces income tax rates right across the tax scales.

It needs to be acknowledged that there are some difficulties in arriving at an appropriate definition of a family as an income unit. However, these difficulties are not insurmountable and are more contrived than real. As I have argued elsewhere (Jamrozik, 1984b), if the government does not seem to have any great difficulties in determining the family unit for the purpose of paying out money, why should it be so difficult to determine the family unit for the purpose of collecting money? The present system, apart from benefiting the two-income unit, also facilitates all sorts of manipulation of income distribution in high-income families. It needs to be noted that the taxation system does allow for the establishment of family trusts which are clearly mechanisms for tax minimisation through intra-family transfers of income and for inter-generational transfers of wealth. The system also facilitates the distribution of income from interest on capital, rents and dividends among the members of the family, thus further reducing tax for the well-off.

Of course, there is an argument that such measures act as incentives for people to save, invest, be enterprising, and so on. There is also an argument that taxation rates are too high. Both these arguments have increased in currency over recent years but neither of them holds much water. Sweden, for example, has high income tax rates but does not seem to have much difficulty with investment. As for the argument that tax rates are too high, it needs to be noted that Australia is one of the lower-tax countries of the

countries belonging to the Organisation for Economic Co-operation and Development (OECD). Arguments about taxation are often unwittingly or deliberately misleading, mainly because people quote marginal tax rates rather than average tax rates. For example, the average tax rate for all taxpayers in 1983-84 was 23.0 cents in a \$1, and the top earners (those with taxable incomes above \$100,000, whose average taxable income was \$160,000) paid income tax at a rate of 53.4 cents. (Budget Papers 1985-86, Paper No. 11, Income Tax Statistics).

To suggest an aggregation of family incomes for the purpose of taxation would be a utopian suggestion because, for political reasons, no government would consider it. However, if the present government really wanted to assist low-income individuals and particularly low-income families, then a number of measures may be possible, such as:

- (a) abolish tax threshold entirely and reduce tax rates accordingly, to the total value of the tax forgone through current threshold exemptions; or
- (b) reduce tax threshold by one-half for two-income families; or
- (c) introduce a progressively scaled tax threshold; e.g. full tax threshold for up to the level of, say, average taxable income, reduced by one half for incomes between the average and two-times the average, and eliminate it entirely when income reaches the level of twice the average income (this would probably be the fairest option).

A similar measure could be adopted with the Dependent Spouse Rebate (DSR). Considering the situation in the labour market, employment opportunities for women without technical or professional qualifications are likely to be limited in the foreseeable future, as they will be for men without technical or professional qualifications. This will mean that one-income family is likely to be the feature of low-income rather than middle-or high income families. The DSR could be increased in value and scaled according to the earning spouse's income level. For those spouses whose earnings are too low to attract a full rebate, a tax credit could be introduced.

Payment of Family Allowances could also be modified according to the same principle. The suggestions that have been made about means-testing Family Allowances are ill-considered because such a system would be cumbersome and costly to administer. It would be more appropriate to retain the universality of Family Allowances, increase the rates by, say, 50 per cent, and make them taxable as income, preferably taking into account the family income.

The principle underlying the above suggestions is one of universality but modified according to need. The principle of universality but related to the capacity to pay was introduced in the Medicare scheme, and there should be no objection from those concerned about poverty to the introduction of the same principle into the social security system, changing the concept of the 'capacity to pay' into the 'need to receive'. However, one has to be sceptical about the political feasibility of such measures, if recent public responses to policy initiatives aimed to achieve greater equity are of any indication. For example, changes in child care fees introduced earlier this year, which were aimed to take into account capacity to pay, were met with

condemnation from the middle classes; and the proposal for a tax reform which had the potential of making the tax system more equitable - the consumption tax - was defeated by an alliance of the business community, trade unions, and the welfare lobby.

If we are genuinely concerned with the problems of families on low incomes with dependent children, then we should give priority to measures which have the potential of preventing or at least reducing the probability of certain conditions from arising. It is known, for example, that a vast proportion of the people who are 'on the files' of State welfare departments and non-governmental welfare agencies are those who are also in receipt of benefits from the Commonwealth. The long-term unemployed and one-parent families figure prominently among the 'clients' of these services. It would therefore be logical, for economic and social reasons, to give more attention to measures of preventative potential than, as it is done now, to measures of remedial nature. And there are no known better preventative measures than a more equitable access to material and social resources. Without access to adequate resources the economic viability and social functioning of the family unit becomes vulnerable and the chances of its breakdown are correspondingly increased.

SOCIAL FUNCTIONING AND THE SOCIAL WAGE

Social functioning depends on the provision of, and access to, an adequate social wage, that is, a quantity and quality of material resources sufficient for the achievement of a certain minimum standard of living and a certain quality of life. In our society, it is generally assumed that most people are able to obtain these resources, in the first instance, through the mechanisms of the market, and with the support of family and kinship networks. Only when these mechanisms fail to provide the necessary resources, the state may supplement, or sometimes even entirely substitute, the means of livelihood by way of income maintenance provisions and other social services.

In economic terms, social functioning depends on a person's or a family's ability to 'achieve a command over resources through time' (Titmuss, 1974:64). This means the capacity to consume a certain flow of goods and services which are necessary for survival in the physical sense (e.g. nutrition) but also the access to, or the possession and control of, certain stocks of goods and services, such as housing, education, and income security. Access to credit in contemporary society is another important component for effective social functioning. The concept of social functioning is thus based on certain normative assumptions and 'taken for granted' expectations present in the society about what a person can achieve in the course of his or her own life; e.g. engage in useful productive work, achieve personal autonomy and economic independence, participate in various social activities, raise a family, etc. Any perusal of case files in welfare agencies will make it clear that people 'in need' of welfare assistance are defined to be 'deficient' in some of these aspects.

The means necessary to achieve an adequate social functioning can be defined as the social wage. This definition is wider than the definitions conventionally used (although not always explicitly), which confine the meaning of the social wage to government expenditure on certain goods and services usually provided collectively, such as health, education; but also,

in some definitions, including direct individual benefits, such as social security payments and tax concessions. For example, in the Accord between the Labor Party and the Australian Council of Trade Unions (ACTU) the concept of the social wage is defined in the following terms:

the 'social wage' that is, expenditure by governments that affect the living standards of the people by direct income transfers or provision of the services ... The government will aim to eliminate poverty by ensuring wage justice for low income earners, reducing tax on low income earners, raising social security benefits and making improvements to the social wage ...

Urgently required improvements in the social wage will be achieved through expanded government expenditure on essential services and the social infrastructure as indicated in Labor Party policy ... social security expenditure comprise a vital component of the social wage. (National Economic Summit Conference: Proceedings, Vol. 1:411-419)

It is not clear from this statement which part of government expenditure is to be included in the definition of the social wage, but there is a clear intention to indicate that the expenditure should aim to assure certain minimum standard of living, especially for low-income earners.

Similar lack of clarity is evident in most definitions of the social wage. The common factor seems to be that it means social expenditure by governments. This approach ignores the fact that in the capitalist market economy government expenditure constitutes only a part, and a relatively minor part, of the overall process of resource allocation. By and large, it is a secondary allocation, or re-allocation, of resources, the primary allocation taking place in the private market. For this reason, as we have argued elsewhere (Jamrozik and Stewart, 1985) the concept of the social wage needs to be extended so as to include the market allocations as well as state allocations. The exclusion of market allocations from the concept leads to distortions in the interpretations of the political economy of the welfare state.

The distortion becomes greater in a 'deregulated' economy, as is the case now in Australia. A deregulated economy might be more efficient than an 'over-regulated' economy, but it also leads to greater inequalities. And the greater the inequalities in the primary distribution of resources, the less significant is the effect of secondary distribution, or re-distribution, by governments. This is clearly evident in the experience of the past decade or so. Over the period of time government outlays on income support provisions have increased but so have the numbers of people dependent on these provisions; while at the same time there has been a growing affluence in the other sections of the community. It is thus clearly evident that re-distribution has not been high enough to catch up with the growing inequalities in primary distribution.

Two related factors have contributed to these developments. One was the growing sophistication of capital formation and corresponding forms of income which were not defined as income for the purpose of taxation, such as capital gains, company re-structuring, and other similar forms of 'creative

accounting'. Associated with these developments came an increasing variety of 'legal' and 'illegal' tax evasion, which, as later became known, cost the government many millions of dollars in lost revenue.

The other factor has been the 'hidden welfare'. This form of welfare is of two kinds. One is the occupational welfare, or, as is commonly known, the 'fringe benefits'. The significance of this form of welfare and its potential for creating inequality were first identified by Titmuss (1958) but little notice was taken of that issue at the time. In our study (Jamrozik, Hoey and Leeds, 1981) we conservatively estimated that occupational welfare in Australia, in 1981, amounted to at least \$5,000 million a year. The intensity of adverse reaction to the recently enacted legislation indicates clearly how widespread this form of hidden income (and corresponding public expenditure through revenue forgone) had become. While the claims of a potential disaster, predicting countless business closures and mass unemployment are undoubtedly grossly exaggerated, the very fact of those arguments being used indicates the extent to which this form of welfare had been taken for granted. It needs to be noted also that those who protest loudest against the recent legislation are mainly those who consistently call for the reduction of what they call 'the welfare bill'.

The other kind of 'hidden welfare' consists of services and benefits which perform an enabling function, that is, they enhance social functioning of the recipients in the market economy. This kind of welfare is also received mainly by the middle classes and the well-off, and for this reason it is not seen as welfare, and the recipients are not seen as welfare recipients and do not see themselves as such. Subsidies to private schools, free tertiary education, subsidized child care, and various subsidies for cultural activities come into this category.

This is not meant to be an argument against this form of welfare. On the contrary, as argued on numerous occasions elsewhere (Jamrozik, 1983a, 1983b, and 1984b) it is welfare services and benefits of the enabling kind that should receive more attention in social policy. The problem, however, is that whenever such welfare service or benefit is provided, often initially with the aim of assisting the poorer sections of the community, over a period of time it tends to be appropriated by the middle classes and the well-off, and the poor are excluded from receiving it. As a result, the welfare system, rather than alleviating the inequalities generated in the market, maintains or even reinforces these inequalities.

POLICY RESPONSES, SERVICE PROVISION AND SOCIAL RESEARCH

In the foregoing discussion I have attempted to identify some of the factors that might account for the growing inequalities in Australian society and for the related issues in social welfare policy. Three main factors stand out in this analysis: the capitalist market economy; the changes in the labour market; and the political realities in which social policies are formulated and implemented. Another factor of utmost importance, especially for those who believe the welfare state is worth defending, is the way we perceive the nature of social problems and the way we respond to them.

With regard to the fourth factor - the perception of the nature of social problems - the feature of the past decade has been a retreat from social explanations. In policy responses, in professional perceptions and methods

of intervention, as well as in much of social welfare research, certain phenomena which are considered to be undesirable and which are the symptoms or effects of underlying social conditions or of economic, political or legal arrangements, appear to have acquired their own ontological existence and are treated as such. The underlying causes are no longer examined or questioned. Thus we are concerned with poverty and produce repeated statistics of poverty lines but we do not examine the social causes of poverty. We tend to take a similar attitude to unemployment, family violence, single parenthood, child neglect or child abuse. It seems, we prefer to treat the symptoms rather than search for, and explain, the causes. This attitude leads to certain legitimization of these conditions, and the policy responses and services which are at first introduced to lessen the frequency of such conditions, over a period of time might, in fact, contribute to their continuation or growth.

The issue constitutes a dilemma of social policy and social welfare. For example, it is now generally acknowledged that certain forms of well-intentioned assistance can become what is now referred to as a 'poverty trap'. The reason for this is simple enough, namely, that alleviating the symptoms without removing the causes does not produce the desired results.

Policy responses also at times reflect a conflict of interests or aims, and/or conflicting or incompatible attitudes and values. The policies and services aimed to assist the family may be cited as one such dilemma. Clearly, there is a conflict of attitudes here, because while there is a manifest commitment to the maintenance of the family unit, the social and economic conditions and policy responses do not seem to work in that direction. More specifically, the changes in the structure of the labour market and the policies of successive governments have produced a compound effect of strengthening the middle class and well-off family, and weakening the working class and low-income family.

More than ever before, the position of the family is now a **class issue**. The middle and high income family is kept together by the pecuniary nexus - income, property - plus formal and informal support networks. For example, an extended, three-generation family is found more frequently among higher income groups than among the lower income groups. The members do not necessarily live under one roof but tend to live in close proximity and are able to provide support, personal and material, to one another (Sweeney and Jamrozik, 1984). The pecuniary nexus does not necessarily disappear when the individuals exercise their personal freedom, such as separation, divorce, or single parenthood. They might be experiencing personal traumas, of course, but there is a range of services at their disposal, in the public and in the private sector, to lessen the pain: access to credit, the legal profession, tax consultants, and friendly counsellors in the Family Court. The members of poor families have nowhere to go in such situations, except to welfare agencies; and, for them, separation, divorce and single parenthood mean poverty and anomie.

The attitudes towards the family and the legal, economic and social context in which the policies towards the family are formulated reflect the problematic nature of the position of the family in a class society. There is no doubt that the family is a useful institution for the capitalist system, which exploits it for profit but also facilitates its functioning. The system has served the middle-class and well-off family well, but has little to offer to a low-income family. Moreover, in a somewhat similar fashion, government policies have followed the same path: governments have

developed services and legal provisions which enable the middle classes to exercise individual freedom while retaining the protection of the law in regard to their share of family property and income. In similar situations, the members of poor families become clients of State Welfare agencies and of the non-governmental welfare sector, where they might obtain some assistance but with a varied degree of social control (Jamrozik, Drury and Sweeney, 1986).

There are many issues concerning the position of the family that the society and the policy makers will have to face. How is the viability of low-income family to be maintained? Which form of the family unit can be viable? Any **particular** form, or **any** form?

These questions are of particular importance in relation to the differences in attitudes and policy responses towards the one-parent family unit. While the one-parent family is seen as a rather unfortunate phenomenon, it is also seen as a legitimate form of family and thus entitled to state support. In fact, it may be argued that some policy responses and certain legal and administrative arrangements contribute to the growth of one-parent families. As the same time, the way these provisions operate, lead in some cases to what is now referred to as a 'poverty trap'.

As Alan Jordan (1982) concluded in his study of the recipients of Supporting Parents' Benefits (SPB), these benefits do not now serve the purpose for which they were first introduced. This conclusion is certainly substantiated by the data from the Department of Social Security. The Supporting Mothers' Benefit was introduced in 1973, and at the end of 1973-74 there were 36,015 women receiving the benefit. Of these, 17,365, or nearly one half (48.2%) were unmarried mothers; 4,187, or 11.6 per cent, were separated de facto wives; and 14,189, or 40.2 per cent were women separated from legal marriage. In 1985 (30 June), 158,281 women were receiving benefits: unmarried mothers accounted for 44,132 recipients (27.9%); separated de facto wives accounted for 19,218 recipients (12.1%); and the majority, 94,131, or 59.5 per cent, were separated wives from legal marriage. (There were also 9,735 men in receipt of the benefit, and 6,904 (70.9%) of these were separated husbands from legal marriage). The data also show that during the year 1984-85, 82,551 new benefits were granted, or 49.2 per cent of the number of beneficiaries at the end of the year (30 June). As the number of persons receiving benefits increased over the year by only 14,428, or 9.3 per cent, this indicates a high rate (nearly 50%) of 'turnover' and, consequently, a short average duration of the receipt of the benefit. This has been the trend ever since the benefits were introduced in 1973-74 (DSS, 1986). This is confirmed by Cass and O'Loughlin (1984) who estimated that the average duration a person received the benefit in 1981 was 2.1 year for women and 1.6 year for men. In 60 per cent of the cessation of payment the reason was the formation of a new relationship, and in 30 per cent of cases it was a rise in the recipient's income.

It may be assumed that these averages probably conceal a range of duration, but the data certainly indicate that one-parent family has a 'transitional' rather than a long-term existence, in the majority of cases. If this is the case, then the operation of the Family Court appears to be a factor in the number of one-parent families at any one time, as the lengthy delays in divorce cases must also mean delays in the establishment of reconstituted families. If the delays were shortened, the number of one-parent families (and of recipients of SPB) would probably be reduced.

In case this argument is misunderstood, I want to make it clear that it is not meant to represent any particular view on one-parent or two-parent families. However, on economic and social grounds, we need to consider whether we accept a one-parent family as one of the 'normal' forms of the family unit. If so, we need to consider how that form of the family can be made economically viable and how the cost of the viability will be met. If, on the other hand, we do not accept this view, then we should consider what sort of measures we need to take to reduce the incidence of one-parent families. One such measure would then be aimed at improving the viability of low-income two-parent families. The Family Income Supplement (FIS) might be a step in the right direction. If we introduced some criteria of entitlement based on the level of acceptable social and economic functioning of the family, and provide the necessary assistance without stigma, such response would be much more constructive than the currently used remedial measures. (Note, again, that unlike in the case of income tax, the family unit is recognised for the purpose of FIS).

This, of course, is an option which for a variety of reasons - economic, political, ideological, or class interests - the society and the governments might not want to follow. However, as we are now concerned about the position of families with dependent children, it is appropriate to note that close to 9 out of 10 (87.1%) of families with dependent children are two-parent families and close to 9 out of 10 of dependent children live in two-parent families (ABS, 1984; Cat. No. 4408.0: see Table 8). If, at the same time it is true that a high proportion of families and children who need attention and assistance from State and non-governmental welfare agencies come from one-parent families, it then would seem logical, for social and economic reasons, to allocate more resources to the two-parent, low-income unit so as to maintain its economic viability and thus lessen the need for some of the remedial measures which are now used after that family unit breaks down.

In conclusion, to sum up the main issues discussed in this paper, a few points need to be made, all concerning the issue of inequality.

First, I have argued that in considering the issues of social policy and family welfare we need to take account of the capitalist system of market economy in the context of which such policies are necessarily formulated. That system is, essentially, a system of inequality, closely related to the theory of Social Darwinism. The values of that system have pervaded our social ethos to the extent that excessive profits and exploitation have been made into a social virtue on the propagated belief that this is good for everyone. Unfortunately, governments of all political persuasions seem to subscribe to that ideology, and the prevailing economic theories make the ideology legitimate.

Second, although the present Commonwealth government has implemented some reforms which might have lessened some excessive inequalities, the change in the economy and the political realities of the middle-class vote make further reforms towards a fairer society difficult, and even threaten the reforms which have already been implemented. Conflicting ideologies and group interests also contribute to these difficulties. Formulation of social policy is thus constrained by economic reality, class interests and political expediency.

Third, in the Commonwealth/State division of responsibility for social security and family welfare, the Commonwealth provides income support while the States complement this mainly with non-material services plus some material assistance, such as certain concessions (rates, transport, health) and emergency financial assistance. The non-governmental welfare sector complements these services. These services are mainly for the poor or near-poor, and their effect is not so much in alleviating poverty but in socialising people into living in poverty. In other areas of social policy and social welfare, such as health, education, child care, occupational and fiscal welfare (taxation) provisions and services clearly favour the middle-classes.

Finally, I have argued that one of the reasons for the continuing inequalities is the perception with which we tend to view certain social conditions and social problems. Because of a retreat from social explanations since the mid-1970s, government policies and services tend to focus on symptoms of the underlying causes rather than tackle the causes themselves. Unfortunately, I have to admit that much of research concerned with social policy and social welfare follows the same path, thus making governments' policies legitimate, if not very effective. In my view (which I have stated on many occasions), repeated and intensive researching the captive audiences of the poor is not effective in lessening the problems of inequality because it is theoretically flawed. In order to understand the nature of poverty, we need to understand the nature of wealth, especially the processes through which wealth is created and maintained. In this attitude to research, I follow the advice of Tawney who many years ago (1913) was advising researchers that understanding of poverty required more than the study of the poor, and a research would 'be wise to start much higher up the stream than the point he wishes to reach' because 'what thoughtful rich people call the problem of poverty, thoughtful poor people call with equal justice the problem of riches' (quoted in Field, 1979).

BIBLIOGRAPHY

- ANDERSON, D. and VERVOORN, A.E. (1983) **Access to Privilege: Patterns of Participation in Australian Post-Secondary Education**, Canberra, Australian National University Press.
- AUSTRALIAN BUREAU OF STATISTICS (1984) **Income and Housing Survey: Income of Individuals, Australia, 1981-82**, Cat. No. 6502.0.
- AUSTRALIAN BUREAU OF STATISTICS (1984) **Income and Housing Survey: Income of Income Units, Australia, 1981-82**, Cat. No. 6523.0
- AUSTRALIAN BUREAU OF STATISTICS (1984) **Australian Youth Population, 1984**, Cat. No. 4111.0.
- AUSTRALIAN BUREAU OF STATISTICS (1984) **Australian Families, 1982**, Cat. No. 4408.0.
- BEAN, P., FERRIS, J. and WHYNES, D. (ed.) (1985) **In Defence of Welfare**, London, Tavistock Publications.
- CASS, B. and O'LOUGHLIN, M.A. (1984) **Social Policies for Single Parent Families in Australia: An Analysis and a Comparison with Sweden**, SWRC Reports and Proceedings No.40, Kensington, Social Welfare Research Centre, University of New South Wales.
- COMMONWEALTH GOVERNMENT (1985) **Budget Papers 1985-86**, Paper No.11, Canberra, Australian Government Publishing Service.
- DEPARTMENT OF SOCIAL SECURITY (1986) **Quarterly Survey of Unemployment Recipients, 14 February 1986**. (1986) **Ten Year Statistical Summary 1975 to 1985** Canberra, Development Division of the DSS.
- DRURY, S. and JAMROZIK, A. (1985) 'Conceptual Issues of Relevance to Social Policy and Services for Young People', in A. Jamrozik (ed.) **Issues in Social Policy 1985: Perceptions, Concepts and Practice** (SWRC Papers at ASPAA and ANZAAS), SWRC Reports and Proceedings, Kensington, Social Welfare Research Centre, University of New South Wales, 7-37.
- FIELD, F. (ed.) (1979) **The Wealth Report**, London, Routledge and Kegan Paul.
- GILBERT, N. (1982) 'The Plight of Universal Social Services', **Journal of Policy Analysis and Management**, 1(3):301-316.
- GILBERT, N. (1983) **Capitalism and the Welfare State: Dilemmas of Social Benevolence**, New Haven, Yale University Press.
- GOULD, A. (1981) 'The Salaried Middle Class in the Corporalist Welfare State', **Policy and Politics**, 9(4):401-418.
- HARDING, A. (1984) **Who Benefits?: The Australian Welfare State and Redistribution**, SWRC Reports and Proceedings No.45, Kensington, Social Welfare Research Centre, University of New South Wales.

- JAMROZIK, A. (1983a) 'Universality and Selectivity: Social Welfare in a Market Economy', in A. Graycar (ed.) **Retreat from the Welfare State**, Sydney, George Allen and Unwin, 171-188.
- JAMROZIK, A. (1983b) 'The Economy, Social Inequalities and the Welfare State: Implications for Research', in J. Jarrah (ed.) **53rd ANZAAS Congress: SWRC Papers**, SWRC Reports and Proceedings No.31, Kensington, Social Welfare Research Centre, University of New South Wales.
- JAMROZIK, A. (1984a) 'The Labour Market, the Public Sector and the Class Structure' in R. Hooke (ed.) **54th ANZAAS Congress: SWRC Papers**, SWRC Reports and Proceedings No.47.
- JAMROZIK, A. (1984b) 'The Welfare State: An Instrument of Redistribution or of Inequality?' *ibid.*
- JAMROZIK, A. (ed.) (1986) **Income Distribution, Taxation and Social Security: Issues of Current Concern**, SWRC Reports and Proceedings No.55.
- JAMROZIK, A., DRURY, S. and SWEENEY, T. (1986) **Innovation and Change in the Child and Family Welfare System**, SWRC Reports and Proceedings No.57.
- JAMROZIK, A., HOEY, M. and LEEDS, M. (1981) **Employment Benefits: Private or Public Welfare?** SWRC Reports and Proceedings No.15.
- JAMROZIK, A. and STEWART, D. (1985) 'The Social Wage and the Unemployment', in A. Jamrozik (ed.) **Issues in Social Welfare Policy 1985: Perceptions, Concepts and Practice** (SWRC Papers at ASPAA and ANZAAS), SWRC Reports and Proceedings No.54.
- NATIONAL ECONOMIC SUMMIT CONFERENCE (1983) **Documents and Proceedings No.1, Government Documents** Canberra, Australian Government Publishing Service.
- O'CONNOR, J. (1973) **The Fiscal Crisis of the State**, London, St. James Press.
- OFFE, C. (1984) **Contradictions of the Welfare State**, (ed. by J. Keane), London, Hutchinson.
- ORGANISATION FOR ECONOMIC CO-OPERATION AND DEVELOPMENT (1981) **The Welfare State is Crisis**, Paris, OECD.
- RASKALL, P. (1986) 'Who's got it? Who needs it?', **Australian Society**, March, 12-15.
- SWEENEY, T. and JAMROZIK, A. (1984) **Perspectives in Child Care: Experiences of Parents and Service Providers**, SWRC Reports and Proceedings No.44.
- TITMUSS, R.M. (1974) **Commitment to Welfare**, London, George Allen and Unwin.
- WILENSKY, H. and LEBEAUX, N.L. (1958) **Industrial Society and Social Welfare**, New York, The Free Press.

Table 1 : Composition of the Consumer Price Index (CPI) 1973--1985

Group Items	June 1973		June 1983		Difference in % points 1973-1985
	Index Points (1)	% of Total	Index Points (2)	% of total	
Food	41.96	31.2	29.98	21.2	-10.0
Clothing	18.80	13.9	10.75	7.6	-6.3
Housing	20.28	15.1	19.57	13.9	-1.2
Sub-total	81.04	60.2	60.30	42.7	-17.5
Household Appliances and services	15.13	11.2	19.33	13.7	+2.5
Transportation	15.34	11.4	24.62	17.4	+6.0
Tobacco and Alcohol	10.16	7.5	13.24	9.4	+1.9
Health and Personal Care	8.19	6.1	7.99	5.7	-0.4
Recreation and Education (3)	4.85	3.6	15.63	11.1	+7.5
All groups	134.71	(100.0)	141.11	(100.0)	-

Source: ABS (1973) Consumer Price Index, June Quarter 1973; Ref. No. 9.1
 ABS (1985) Consumer Price Index, June Quarter 1985; Cat. No. 6401.0

- (1) Base Year 1966-67 = 100.0
 (2) Base Year 1980-81 = 100.0
 (3) Education added since 1981-82

NOTE: The CPI is based on the concept of metropolitan employee households. "For this purpose 'employee households' are defined as those households which obtain the major part of their household income from wages and salaries, and 'metropolitan' means the eight capital cities", (Darwin included in 1980-81). Since 1980-81, four new items have been included: (a) holiday travel and accommodation overseas; (b) education fees; (c) child care fees; and (d) pharmaceutical prescriptions.

Included in the CPI

home insurance
 home purchase including alterations
 home repairs and maintenance
 local government charges

Not Included in the CPI

housing mortgage interest
 consumer credit charges
 land purchased for housing
 watches and jewellery
 subscriptions to clubs and trade unions
 veterinary services
 legal services
 optical services
 gambling

Table 2 : Recipients of Pensions and Benefits, Australia, 1966 - 1985
(as at 30th June)

Category of Pensioner/ Beneficiary	1966		1974		1985		Increase Ratio 1966-85
	N	%	N	%	N	%	
Pensioners/Beneficiaries with Dependent Children							
Class A Widows' Pensions	31,796	3.7	64,084	4.5	78,278	3.0	2.46
Supporting Parent Benefit (1)	-	-	26,286	1.8	158,281	6.0	6.02
	31,796	3.7	90,370	6.3	236,559	8.9	7.44
Pensioners/Beneficiaries who may, or may not, have Dependent Children							
Unemployment Benefits	19,482	2.3	32,009	2.2	561,400	21.2	28.82
Sickness Benefits	10,004	1.2	22,036	1.5	63,004	2.4	6.30
Special Benefits	2,533	0.3	5,244	0.4	18,925	0.7	7.47
Invalid Pensions (2)	119,930	13.9	182,640	12.7	335,017	12.6	2.79
	151,949	17.6	241,929	16.9	978,346	36.9	6.44
Other Pensioners/ Beneficiaries							
Age Pensions (3)	641,017	74.4	1,049,124	73.2	1,355,340	51.1	2.11
Class B Widows Pensions	36,703	4.3	51,137	3.6	81,541	3.1	2.22
Class C Widows Pensions	107	0.0	89	0.0	96	0.0	0.90
	677,827	78.7	1,100,350	76.8	1,436,977	54.2	2.12
All Pensions Beneficiaries	861,572	100.0	1,432,649	100.0	2,651,882	100.0	3.08
Estimated Population ('000)	11,599.5		13,722.6		15,723.2		1.36
Pensioners/Beneficiaries as %		7.4		10.4		16.9	
Estimated Population 16 years + ('000)	7,968.8		9,644.6		11,731.3		1.47
Pensioners/Beneficiaries as %		10.8		14.9		22.6	

Source: Department of Social Security (1985) **Annual Report 1984-85**

(1) Benefit introduced in 1974

(2) Includes spouse/carer pension

(3) Includes wife's pension

TABLE 3 : Changes in Employment, 1966-1985 (August)

Type of Employment	Persons Employed		Increase	
	1966 N('000)	1985 N('000)	1966 - 1985 N('000)	%
All persons employed	4824	6646	1822	37.8
- Men	3366	4089	723	21.5
- Women	1458	2557	1099	75.4
- Married women	761	1504	743	97.6
Public administration and Utilities;⁽¹⁾ Finance, Property, etc; Community services				
- All persons employed	1147	2429	1282	111.8
- Men	660	1221	561	85.0
- Women	487	1208	721	148.0
- Married women	191	583	392	205.2
Community services				
- All persons employed	486	1155	669	137.7
- Men	198	423	225	113.6
- Women	288	732	444	154.2
- Married women	125	444	319	255.2
Manufacturing				
- All persons employed	1233	1109	-124	-10.1
- Men	922	809	-113	-12.3
- Women	310	300	-10	-3.2
- Married women	189	191	+2	+1.1
Professional, technical, etc, occupations				
- All persons employed	473	1052	579	122.4
- Men	279	576	297	106.5
- Women	194	476	282	145.4
- Married women	71	275	204	287.3
Trades, process work, labourers, etc;				
- All persons employed	1731	1895	164	9.5
- Men	1499	1667	168	11.2
- Women	233	227	-6	-2.6
- Married women	147	151	4	2.7

Source: ABS (1978) **The Labour Force Australia, 1978:** Cat. No. 6204.0
 ABS (1985) **The Labour Force Australia, August 1985:** Cat. No. 6203.0

(1) Includes gas, electricity and water supply, and communications.

TABLE 4: EDUCATIONAL ATTAINMENT AND LABOUR FORCE STATUS FEBRUARY 1985

Characteristics	The Labour Force			
	Total Labour Force*	With Post-School Qualifications	With Degrees	Without Post-School Qualifications
Total Labour Force ('000)	7250	3071	686	4062
Total Labour Force (%)	100.0	42.4	9.5	56.0
Men				
In Labour Force ('000)	4463	1989	448	2427
Participation Rate (%)	77.3	86.1	88.7	75.1
Employed	4073	1894	436	2143
Employed Part-Time (%)	5.7	3.6	4.4	6.1
Unemployed ('000)	390	94	13	284
Unemployment Rate (%)	8.7	4.7	2.8	11.7
Average Duration of unemployment (weeks)	51.9	40.3	30.6	57.4
Women				
In Labour Force ('000)	2787	1082	238	1635
Participation Rate (%)	47.0	64.9	76.6	40.7
Employed ('000)	2504	1012	227	1442
Employed Part-Time (%)	35.8	30.7	22.9	37.2
Unemployed ('000)	283	71	11	193
Unemployment Rate (%)	10.2	6.5	4.7	11.8
Average Duration of unemployment (weeks)	34.6	29.4	27.4	42.5
Change 1979-185				
All Employed Persons ('000)	+541	+663	+238	-140
All Employed Persons (%)	+9.0	+29.6	+56.0	-3.8
All Employed Men ('000)	+173	+318	+122	-152
All Employed Men (%)	+4.4	+20.2	+38.9	-6.6
All Employed Women ('000)	+369	+345	+116	+12
All Employed Women (%)	+17.3	+51.7	+104.6	+0.8

Source: ABS (1985) **Labour Force Status and Educational Attainment**, February 1985; Cat.20. 6235.0

* Total Labour Force includes persons 15-20 years still at school.

Table 5 : Educational Attainment of Employed Persons, February 1985

Educational Attainment	All Industries		Management Sectors (1)			Community Services		
	N('000)	%	N('000)	%	% of total	N('000)	%	% of total
Men								
With post-school qualifications	1894	46.5	570	59.1	30.1	296	71.3	15.6
- Degree or equivalent	436	10.7	281	29.1	64.4	158	38.1	36.2
Without post-school qualifications (2)	2143	52.6	392	40.6	18.3	118	28.4	5.5
All employed (3)	4073	(100.0)	965	(100.0)	23.7	415	(100.0)	10.2
Women								
With post-school qualifications	1012	40.4	628	56.2	62.1	463	64.9	45.8
- Degree or equivalent	227	9.1	177	15.8	78.0	140	19.6	61.7
Without post-school qualifications (2)	1442	57.6	486	43.5	33.7	248	34.8	17.2
All employed (3)	2502	(100.0)	1118	(100.0)	44.7	713	(100.0)	28.5
Persons								
With post-school qualifications	2906	44.2	1199	57.6	41.3	759	67.3	26.1
- Degree or equivalent	663	10.1	458	22.0	69.1	298	26.4	44.9
Without post-school qualifications (2)	3585	54.5	879	42.2	24.5	367	32.5	10.2
All employed (3)	6576	(100.0)	2083	(100.0)	31.7	1128	(100.0)	17.2

Participation Rates (%)

All employed persons	62.0
- Men	77.0
- Women	47.0
With post-school qualifications	77.2
- Men	86.1
- Women	64.9
With degree or equivalent	84.1
- Men	88.7
- Women	76.6
Without post-school qualifications	56.0
- Men	75.1
- Women	40.7

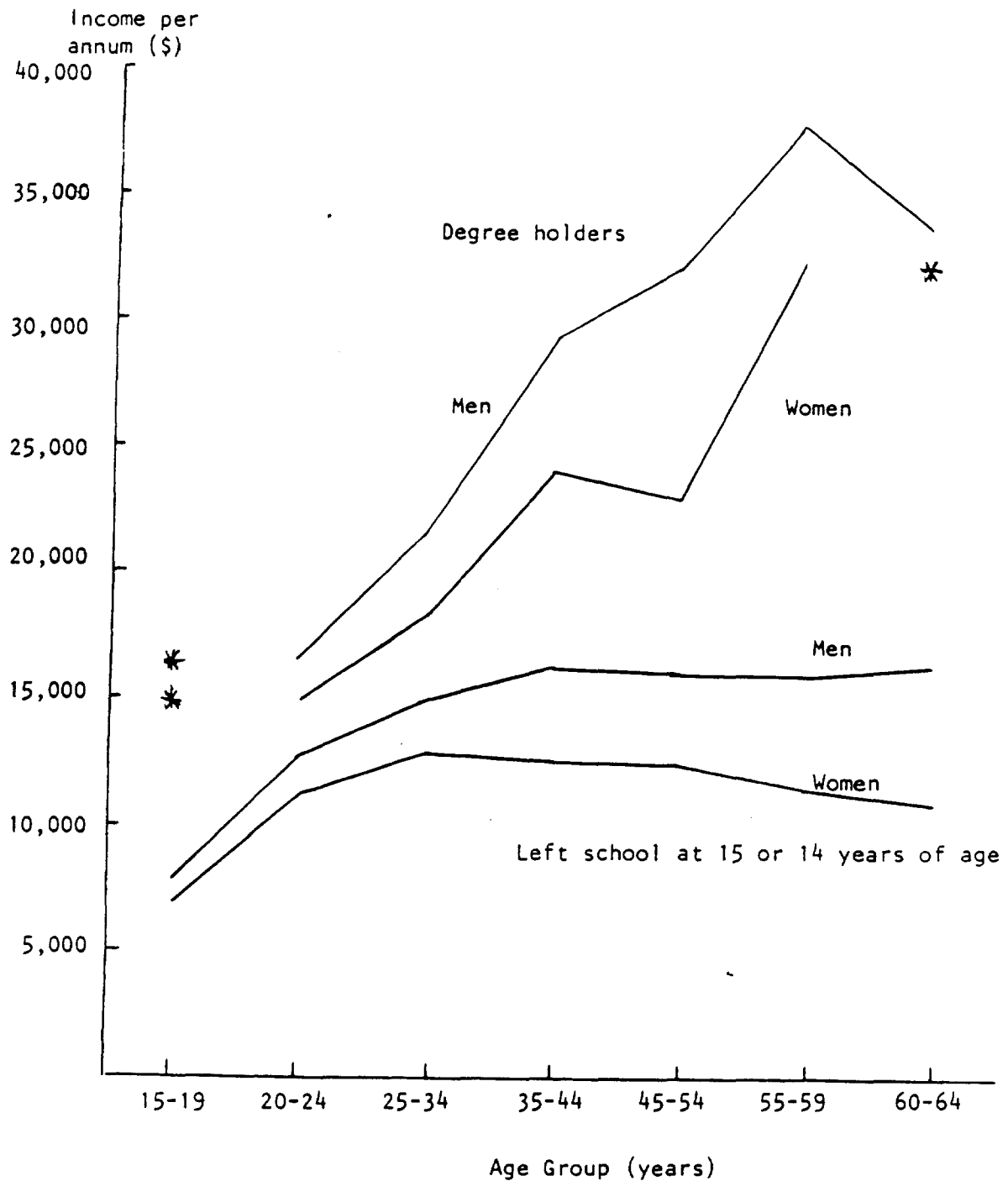
Source: ABS (1985) **Labour Force Studies and Educational Attainment, Australia, February 1985**; Cat. No. 6235.0

(1) Includes: Public Administration and Defence (non-military personnel); Finance, Property and Business Services; Community Services.

(2) Includes persons who never attended school.

(3) Includes persons 15-20 years still at school.

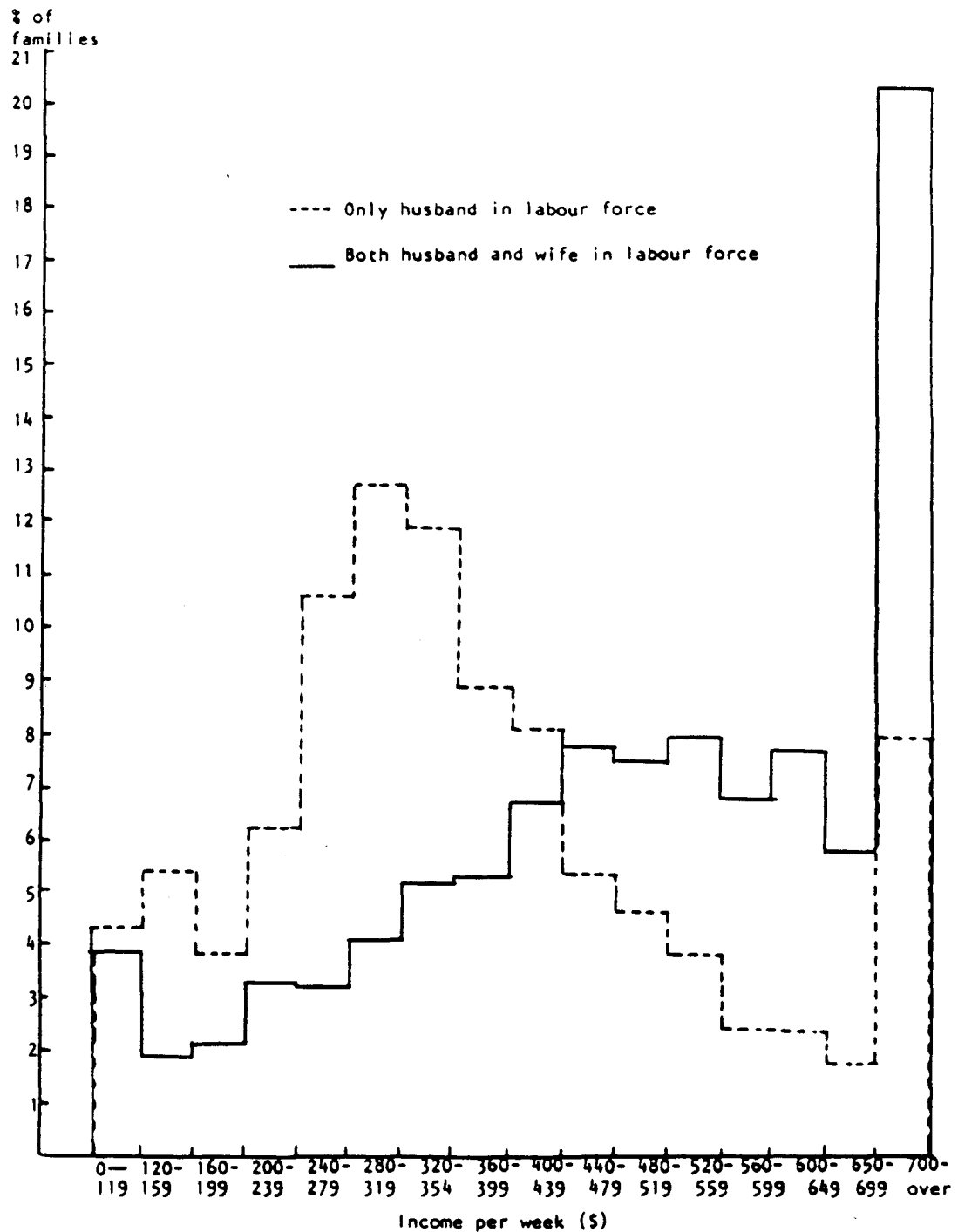
Figure 1: Mean Annual Income by Age and Education
Full-Time, Full-Year Workers, Australia,
1981-82.



Source: ABS (1984) Income and Housing Survey, Income of Individuals, Australia, 1981-82; Cat.No. 6502.0.

* Frequency too small for statistical inference.

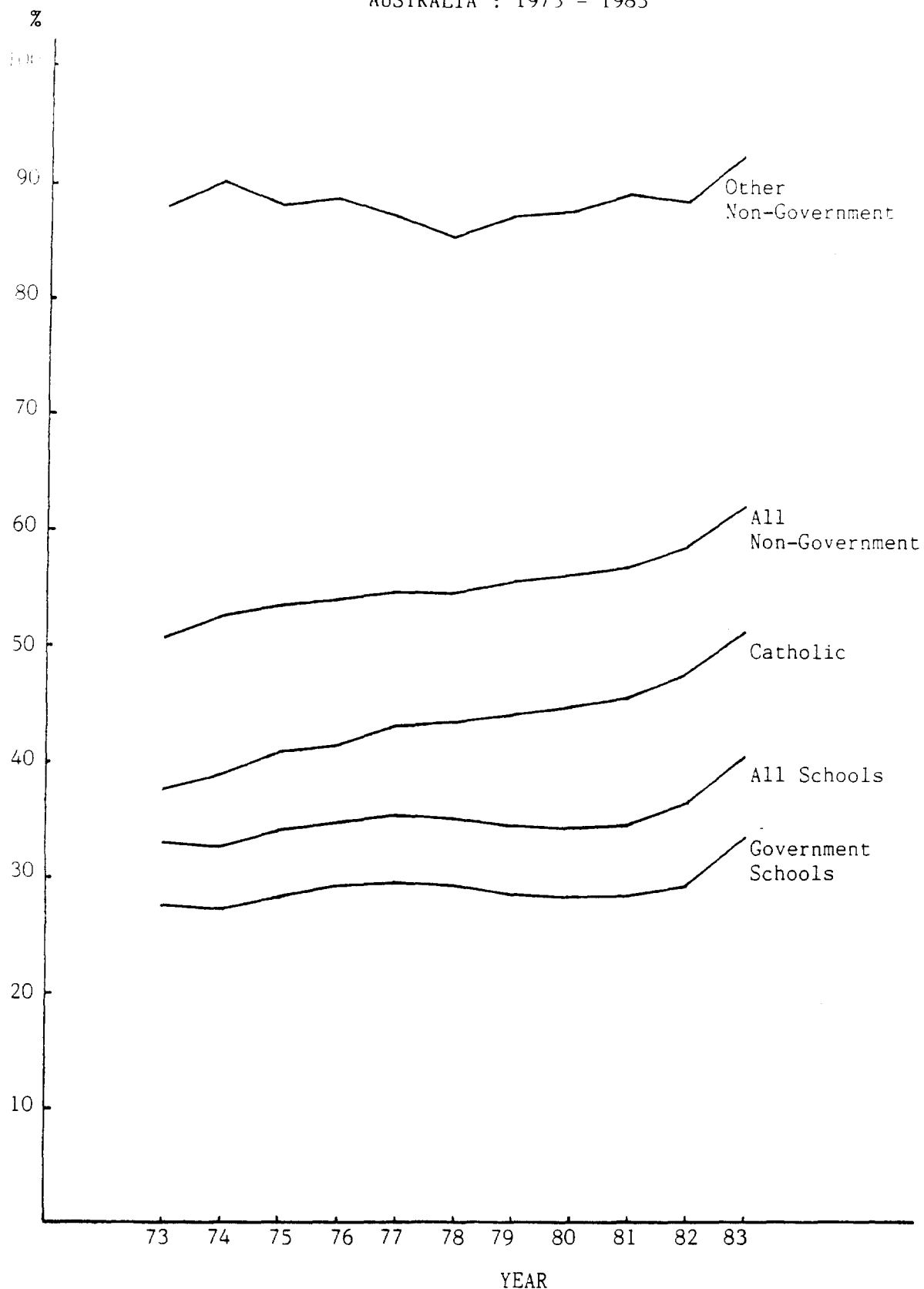
Figure 2: Married Couples Income Units,
1981-1982



Source: ABS (1984) Income and Housing Survey, Income of Income Units, Australia, 1981-82; Cat.No. 6523.0, (Table 5).

FIGURE 3

APPARENT RETENTION RATES (1ST TO FINAL YEAR)
AUSTRALIA : 1973 - 1983



Source: Commonwealth Department of Education and Youth Affairs (1984)
Statistical Monograph No.3, Apparent Grade Retention Rates
and Age Participation Rates, Eighth Edition.

TABLE 6 : APPARENT RETENTION RATES, AUSTRALIA, 1973-1983
(Both Sexes)

Year	All Schools	Government Schools	Non-Government Schools	Catholic Schools	Other Non- Government Schools
1973	33.1	27.9	50.8	37.7	88.0
1974	32.9	27.3	52.5	39.1	90.3
1975	34.1	28.6	53.4	40.9	88.2
1976	34.9	29.6	54.0	41.5	88.9
1977	35.3	29.7	54.9	43.2	87.6
1978	35.1	29.6	54.5	43.1	85.5
1979	34.7	28.9	55.4	44.1	87.1
1980	34.5	28.4	56.1	44.8	87.9
1981	34.8	28.5	56.9	45.6	89.2
1982	36.3	29.6	58.5	47.5	88.5
1983	40.6	33.7	62.5	51.3	92.9

Source: Commonwealth Department of Education and Youth Affairs (1984)
Statistical Monograph No.3, Apparent Grade Retention Rates and Age
Participation Rates, Eighth Edition

TABLE 7: DIVISIONS IN THE EDUCATION PROCESS

Item/Category	All Schools	Government Schools	Non-Government Schools
<u>Apparent Retention Rate</u>	%	%	%
First to third year	94.3	92.4	99.9
First to second last year	63.6	58.3	79.9
First to final year	40.6	33.7	62.5
<u>School Students 15 years or over in Secondary Education, 1983</u>	N('000)(100%)	N('000) %	N('000) %
All Students 15 years and over	491.5	347.8 70.8	143.2 29.2
Grade 9 or under	38.5	31.4 81.6	7.1 18.4
" 10	190.7	139.7 73.3	51.0 26.7
" 11	155.8	107.6 69.1	48.2 30.9
" 12	98.7	62.4 63.2	36.3 36.8
<u>In Post-Secondary Education May 1984 (those who left school in 1983)</u>	N('000)(100%)	N('000) %	N('000) %
All for left school in 1983	259.1	203.3 78.5	55.7 21.5
Not in education	158.0	131.3 83.1	26.8 16.9
Not in full-time education	191.9	156.8 81.7	35.1 18.3
Total in education	101.0	72.0 71.3	28.9 28.6
Total in part-time education	33.9	25.5 75.2	8.3 24.5
Total in full-time education	67.1	46.5 69.3	20.6 30.7
- in "other" courses	7.4	4.7 63.5	* *
- in Technical TAFE	24.5	20.3 82.9	4.1 16.7
- in CAEs	14.5	10.0 67.0	4.5 31.0
- in Universities	20.8	11.6 55.7	9.2 44.0

Source: Australian Bureau of Statistics (1985), Australian Youth Population 1984; Cat.No.4111.0.

Table 8: Australian Families, 1982

Family Composition	N('000)	%
All Families	4,070.5	(100.0)
<u>Two-Parent Families</u>	3,571.7	87.7
Without children	1,317.0	32.4
With children	2,254.7	35.4
With dependent children only	1,579.1	38.8
With dependent and non-dependent children	313.5	7.7
All two-parent families with dependent children	1,892.6	46.5
<u>One-Parent Families</u>	279.2	6.9
With dependent children only	218.9	5.4
With dependent and non-dependent children	43.1	1.1
With children ⁽¹⁾ and other relatives	17.1	0.4
<u>Other Families</u>	219.5	5.4
All Families with dependent children	2,171.8	53.4
Estimated resident population	14,794.8	(100.0)
Persons living in non-family settings	1,529.2	10.3
Persons living in family settings	13,265.6	89.7
Dependent children	4,258.9	<u>28.8</u>
		(100.0)
Dependent children in two-parent families	3,786.2	88.9
" " in one-parent families	472.7	11.1

Source: Australian Bureau of Statistics (1984) Australian Families, 1982:
Cat. No. 4408.0

(1) Of which at least one is dependent child

**SIMILARITY AND DIFFERENCE:
A COMPARATIVE APPROACH TO FAMILY INCOME SUPPORT**

Peter Whiteford
Social Welfare Research Centre

ABSTRACT

This paper describes the current Australian federal system of income security for families. The paper compares the Australian system with the family support systems of a number of comparable countries - Canada, France, Germany, Japan, New Zealand, Sweden, the United Kingdom and the United States. The paper analyses the principles underlying their various approaches and discusses the relevance of these principles to current concerns within the Australian system.

1. INTRODUCTION (1)

At any point in time, the vast majority of Australians live in families. In 1982, of an estimated 14.8 million persons in the population, 89.7 per cent lived in various types of families. Of these 7.1 million were spouses, 4.3 million were dependent children, 1.2 million were non-dependent offspring, 436.6 thousand were single parents and 281.7 thousand were other relatives (ABS, 1984:15). Over the course of their life times, everyone, for all practical purposes, lives in one family or more, usually for extended periods of time.

Nevertheless, there is a wide variety of family types, all of which have experienced significant changes in the last 100 years, the most important effects being the smaller completed size of families, greater affluence and the changed economic role of women (Jordan, 1979:4). One of the most notable trends in more recent decades has been the increasing number of divorces, with the consequence that it has been estimated that the probability of a marriage ending in divorce within 30 years is 40 per cent, and that over the period between birth and the age of 16 years, around 19 per cent of Australian children could expect to live in a family where a divorce occurs (Carmichael, 1986). The probability that a child could expect to live in a sole parent family would be even higher.

In this context of family and social change it is not surprising that some of the most important public debates in the social welfare and taxation fields in Australia in recent years, in one way or another, have concerned assistance for families. Particular attention has been given to the appropriate unit for taxation and social security purposes, the fairness of the tax treatment of single income and two-income families, and the treatment of women in the social security system. Other issues have included the causes and consequences of the increasing numbers of sole parent families, the increasing incidence of poverty among families with children, the adequacy of social security payments for families with children, and the effects of both tax and social security policies on incentives to work, particularly for women. Concern has also been expressed with the budgetary costs of social welfare policies, and the appropriate balance between selective (income-tested) and universal (free-of-income test) programs.(2)

Some of these issues and others will be raised in the current review of social security programs announced in November 1985 by the Minister for Social Security, the Hon. Brian Howe M.P. The review will focus on the question of whether and how increased assistance for children should be directed towards families within particular categories of need. Other issues will include the relative merits of cash payments and taxation assistance in child income support, the most adequate and appropriate mix of support for families, and the facilitation of workforce participation for sole parents (Cass, 1986).

The purpose of this paper is to identify some issues of broad interest to the social security review by providing a discussion of alternative approaches to family income support. The paper does not deal with alternatives in the

(1) I would like to thank Jennifer Doyle and Fiona Brown for their assistance in the preparation of this paper. The paper's title was suggested by that of Ringen's (1985).

(2) See Whiteford, 1986c for further discussion.

sense of putting forward specific policy options, nor is it intended as a compendium of family income support arrangements in O.E.C.D. countries. Rather, the paper concentrates on the principles underlying policies in different countries and seeks to illustrate the range of mechanisms available to meet different goals. The paper commences by briefly describing the current Australian system of income security for families and attempts to put these arrangements in their broader perspective. The paper discusses the goals of these programs and various criticisms of current arrangements. The paper then turns to an international comparison of family income support policies, looking at the difficulties involved in making such comparisons and highlighting both the similarities and the most noticeable differences between policies in these countries and in Australia. The paper concludes with a discussion of the implications of these comparisons for consideration of the Australian system.

2. FAMILY INCOME SUPPORT IN CONTEXT

Governments promote the welfare of all Australian families through a variety of means. A range of these social security and taxation measures have been selected as relevant to the social security review (Cass, 1986). The most important of these programs are:-

- **The dependent spouse tax rebate (DSR)** which is available to taxpayers with a financially dependent spouse, with a higher rate being payable to persons with one or more children.
- **The sole parent rebate (SPR)**, for sole parent taxpayers with dependent children.
- **Family allowances**, a non-income-tested, non-taxable payment to all families with eligible children.
- **Additional pension or benefit for children**, an income-tested, non-taxable payment to social security pensioners and beneficiaries with eligible children.
- **Family income supplement (FIS)**, a similar, income-tested, non-taxable payment to low income, non-pensioner or beneficiary families with eligible children.
- **Sole parent pensions**, which include supporting parent's benefit and Class A widow's pensions for those with children.
- **Mother's/guardian's allowance**, an additional income-tested, non-taxable supplement for sole parent pensioners and beneficiaries.

Details of these programs are summarised in Table 1, which shows that in 1984-85 a total of some 2.65 million families and 4.3 million children were covered at an annual cost of around \$4.4 thousand million.

TABLE 1 : PROVISIONS FOR FAMILIES IN THE TAXATION AND SOCIAL SECURITY SYSTEMS

Provision	Eligible Group	Level of Assistance (at May 1986)	No of Recipients (at 30 June 1985)	Cost (1984-85)	Income Tested	Taxed
Dependent Spouse/Daughter/ Housekeeper Rebate	Taxpayers with a financially dependent spouse,					
- with children	with and without	\$1,030 per year	780,000 ^a families	\$ 654.0m ^a	No ^b	N.A.
- without children	dependent children	\$ 830 per year	460,000 ^a families	\$ 280.0m ^a	No ^b	N.A.
Sole Parent Rebate	Sole parent taxpayers	\$ 780 per year	100,000 ^a families	\$ 77.0m ^a	No ^b	N.A.
Family Allowances	Parent, guardian or institution with custody or care of children under 16 years, dependent student 16 to 18 years, dependent student 18 to 24 years and eligible for income- tested payment	\$ 22.80 per month - 1 child \$ 55.35 per month - 2 children \$ 94.35 per month - 3 children \$133.35 per month - 4 children \$ 45.55 per month - each additional child	782,000 families 883,000 families 386,000 families 140,000 families Total: 2,191,000 families 4,313,000 children	\$1,506.2m	No	No
Additional Pension for Children	Pensioners with dependent children	\$16 per week per child	294,900 families	\$350m	Yes	No
Additional Benefit for Children	Beneficiaries with dependent children	\$16 per week per child	117,900 families 259,800 children	\$185m	Yes	No
Family Income Supplement	Low income, non- pensioner/beneficiary families with dependent children	\$16 per week per child	26,400 families 74,900 children	\$40.9m	Yes	No
Sole Parent Pensions	Widowed, divorced separated and other single persons with dependent children	\$102.10 per week	262,000 families	\$1,170m	Yes	Yes
Mothers/Guardians Allowance	Sole parent pensioners and beneficiaries	\$12 per week	262,000 families	\$124m	Yes	No

N.A.: Not applicable

a : Figures for number of recipients and costs of taxation rebates are estimates for the 1983-84, not the 1984-85 year.

b : While these rebates are not income-tested on primary earner's or family income, there are income tests to establish the dependency of spouses and children.

These programs are by no means the only avenues of family support. Maternity leave arrangements can also have a significant impact on the circumstances of families with children, particularly young children. Maternity leave provisions now apply to most of the jobs held by women in the Australian labour force. At November 1984, about 28 per cent of women wage and salary earners worked under Federal awards and a further 66 per cent worked under State awards (Women's Bureau, 1985). Most of these awards provide for maternity leave subject to the employee having at least twelve months continuous employment with the same employer prior to qualifying. Both full-time and part-time employees are entitled to maternity leave; casual and seasonal workers generally are not.

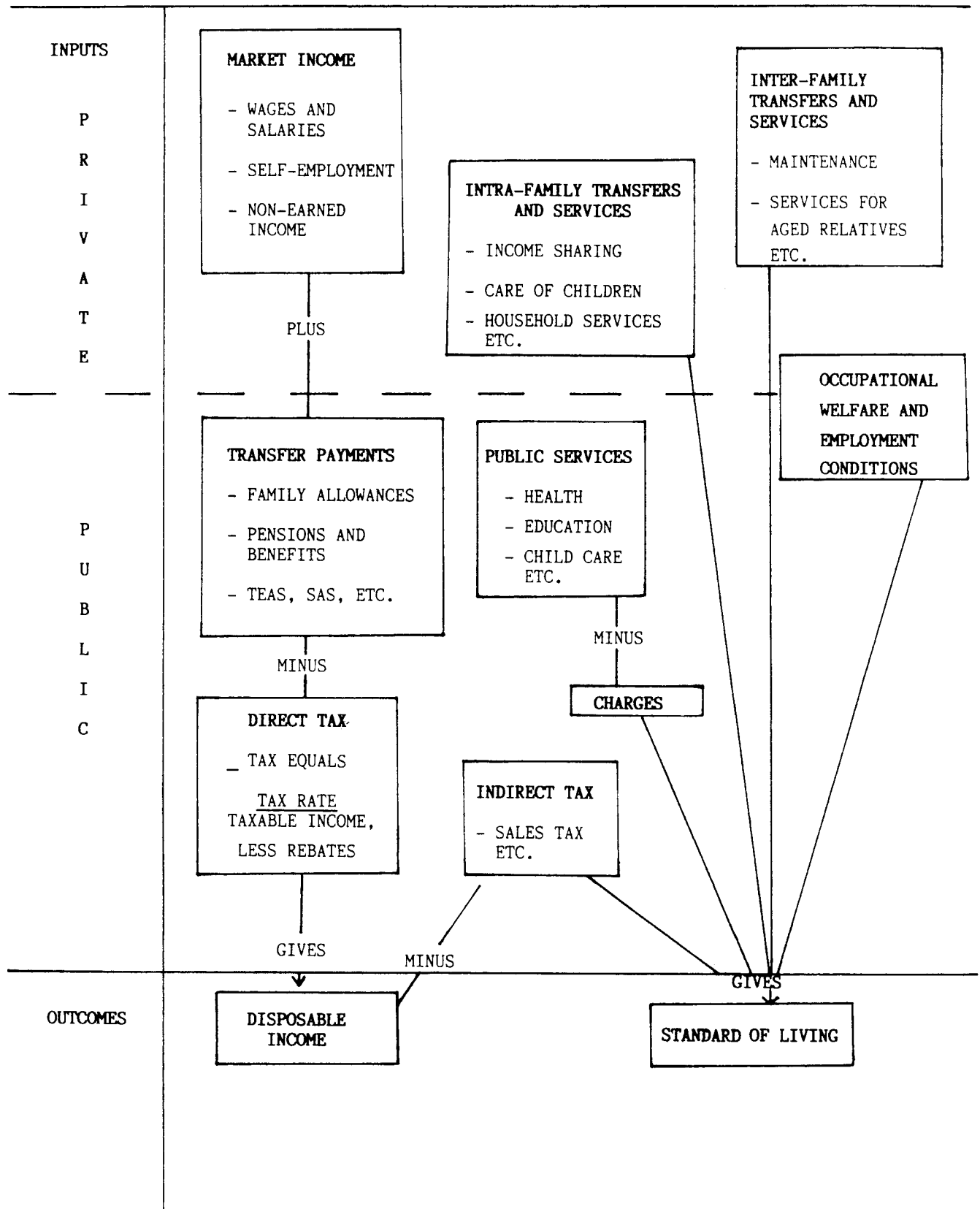
Apart from these tax, benefit and occupational welfare provisions, there are other social welfare programs specifically directed towards persons with children, including multiple birth payments, handicapped child's allowance, double orphan's pension and additional allowances for children of recipients of zone rebates and remote area allowances. While these programs are important to their beneficiaries, they are less so in aggregate terms - at 30 June 1985, they covered about 50 thousand children at an annual cost of around \$34 million.

When assessing public policies designed to support families, and in particular when making international comparisons for these purposes, it is necessary, however, to place specific government programs in their broader context. Put rather simply, the disposable incomes of individuals and families can be said to be directly determined by the following factors:

- gross private income - from, for example, wages and salaries, savings or investment, and inter- or intra- family cash transfers;
- government transfer payments - for example, family allowances, social security pensions and benefits, veterans' pensions, and education and training allowances; and
- total tax paid - in the form of direct taxes. The most significant form of direct tax in the Australian system is personal income tax, which is determined by the level of taxable income (including taxable government pensions and benefits) and the structure of the personal income tax system - the differing tax rates on different income brackets, and taxation deductions and rebates.

There are, of course, a range of other important influences to take into account. These include indirect taxes on the one hand and on the other hand general social services such as housing, education and health care, particular services such as child care, and mandated or regulated provisions such as worker's compensation and sick leave arrangements, and maternity leave. Some of these factors can also affect families' disposable incomes directly, while others determine the standards of living that can be achieved on those incomes. Figure 1 provides a simplified picture of these components of standard of living, simplified in the sense that it does not show the full degree of interrelationships between different components. The direct and indirect taxes shown here as causing a fall in family living standards are, for example, required to finance the services and benefits that contribute positively to disposable incomes.

FIGURE 1: COMPONENTS OF FAMILY LIVING STANDARDS



The most important source of family income is the labour market activity of family members. In 1982 earnings were the principal source of income for 90.8 per cent of the 1.1 million married couple income units with husband aged 15 to 34 years and 81.3 per cent of the 2.1 million married couple income units with husbands aged 35 to 64 years (ABS, 1984:48). One of the most significant developments in past decades has been the increasing labour force participation rate of women, particularly married women. Between 1933 and 1983, the labour force participation rate of married women of working age increased from around 6 per cent to 47 per cent (Ross, 1984:227). At the time of the 1982 Family Survey, the wife was in the labour force in 48.2 per cent of married couple units. The labour force participation rate of wives with dependent children was higher (at 51.1 per cent) than for those without dependent children (48.8 per cent) and generally increased quite significantly with the age of the youngest dependent child.

Nevertheless, as Jordan notes, 'many more people depend on than receive incomes, and the actual standard of living of the recipients depends on how much goes to the support of dependents, that of dependents on how much benefit is passed on to them' (1986:11). The nuclear and the extended family are in themselves the mechanisms of very extensive transfers of services and resources; for example, the provision of informal child care and care of the aged or invalid relatives, as well as the transfer of income from employment in the formal labour market to those working or dependent at home. The 1982 Families Survey found that of the 911.6 thousand income units living in households in which all persons were aged 60 years and over, 339.6 thousand were receiving help of various sorts. More than twice as many were receiving help from relatives (155.6 thousand) as were receiving help from voluntary organisations (33.5 thousand) and government organisations (31.8 thousand) combined (65.3 thousand). Similarly, of the 1.8 million income units with children aged under 12 years, some 925 thousand relied on other children living in the dwelling and grandparents and/or other relatives for child care, while only 138.9 thousand used formal child care arrangements, such as pre-schools and child care centres. That is, 60 per cent of those using child care used close relatives and about 9 per cent used formal care. As well, some 86 per cent of families using informal child care arrangements paid nothing or less than \$1 per week for that care (ABS, 1984:38-41). It is important to note, however, that these data do not show the relative importance of formal care to the users of government services.

It would appear that cash transfers within (intra) and between (inter) families are also very significant. There are no Australian studies that have attempted to quantify these transfers, but one U.S. study estimated the value of income transfers within American families in 1975 was over \$500 billion, equivalent to nearly one third the size of U.S. gross national product, and several times larger than total government social security programs (Morgan, 1979). A further U.S. study estimated that in 1979 transfers between families for income, food, maintenance and housing amounted to about 45 per cent of total government transfers for these purposes (Lampman and Smeeding, 1983).

While the family itself is usually the primary source of income support for its members, it is by no means the only instrument of income security. All industrialised societies use a variety of mechanisms to affect and alter the distribution of income. Contingencies such as unemployment, invalidity, sickness and sole parenthood are normally covered by social insurance or social welfare programs. Communities and governments also act to reduce life

cycle inequalities and to redistribute to those with reduced earning capacity by providing support for those retired and those with responsibility for children. Governments may intervene in the primary distribution of income through taxation and benefit policies when, for example, the processes of labour and capital markets may be regarded as resulting in unacceptable inequality. Communities also tax themselves in order to provide general social services such as health care, education, transport, police services and power supply on the basis that the purely private supply of such services may not be adequate, may not be appropriately distributed, or that they should not be left in private hands. Moreover, societies may also wish to effect redistributive objectives within families. The observation that transfers within families are very significant does not necessarily indicate equality of distribution or sharing of income within the family unit. If there are reasons for concern about the distribution of resources within families (Edwards, 1984), then governments may use a variety of legal, employment, tax or benefit policies to affect that distribution.

Indeed, in certain senses, all government programs have resource redistribution either as an explicit or implicit goal or as an unavoidable effect:

Governments use a wide range of measures to influence the distribution of income and economic well-being. An almost certainly incomplete list of such policies would include centralised wage fixing, tariff and other forms of protection, immigration controls, foreign investment review, business regulation, capital market controls, free tertiary education, a whole host of policies to support home ownership, agricultural policy, and attempted equalisation between States in the standards of public services on the basis of the reports of the Commonwealth Grants Commission (Centre of Policy Studies, 1985:13-14).

Nevertheless, when it comes to the distribution of resources between families and individuals, it is government taxation and social welfare policies that are usually regarded as being of the greatest significance. These policies can take a variety of forms - just as there are complementary private and public provisions, public provisions can take a variety of complementary forms, so that it is important to look at the complete range of family support measures rather than concentrate only on specific parts of the overall picture. This view of public policy derives from the work of Titmuss (1958), who identified three forms of welfare provision - 'social welfare', the social services and cash benefits normally thought of as constituting the welfare state; 'fiscal welfare', in the form of tax rebates or allowances and tax exemptions; and 'occupational welfare', provided by employers to their staff as part of their salary package and to improve relations in industry.

Titmuss's arguments for this analysis of 'the social division of welfare' were straightforward:

Under separately administered social security systems, like family allowances and retirement pensions, direct cash payments are made in discharging collective responsibilities for particular dependencies. In the relevant accounts, these are treated as 'social service' expenditure since they represent flows of payments through

the central government account. Allowances and reliefs from income tax, though providing similar benefits and expressing similar social purpose in the recognition of dependent needs, are not, however, treated as social service expenditure. The first is a cash transaction; the second an accounting convenience. Despite the differences in administrative method, the tax saving that accrues to the individual is, in effect, a transfer payment. In their primary objectives and their effects on individual purchasing power there are no differences in these two ways by which collective provision is made for dependencies. Both are manifestations of social policies in favour of identified groups in the population (quoted in Pond, 1980:48).

Occupational welfare encompasses those 'benefits in cash or kind which people receive through participation in the workforce as employees, in addition to a wage or salary' (Jamrozik, Hoey and Leeds, 1981:1). Occupational welfare provisions are similar to other social or fiscal welfare arrangements in that they can all cover the same areas of need. For example, governments may provide support for families through the direct provision of services or benefits during maternity or through tax allowances for families with children. But employers may be required to provide paid or unpaid leave for persons having children, and their private support for their employees may receive the benefit of a public subsidy through further tax concessions. The overall level of public support for families could be constrained to amount to a set value, even though the appearance and the distribution of effective benefits could be very different.

When considering changes to current arrangements or when making international comparisons, it is particularly important to recognise the interrelationship between the various public provisions and between the public and private spheres. Taxation allowances and cash benefits, for example, can be regarded as interchangeable mechanisms for achieving policy objectives. Assistance to families with children can be provided through tax rebates or deductions for taxpayers with children, or through cash transfers such as family allowances. Social security cash transfers can thus be thought of as equivalent to 'tax credits' or 'negative income taxes' (Musgrave, 1959, p.18).

In fact, it can be argued that in considering the goals of income distribution and economic efficiency, taxation and social security policies should be seen as integrally related instruments. Since their interaction affects the way in which incomes and standards of living are distributed throughout the community, it is necessary when considering policy changes to either system to examine both together, so that the combined effects of change can be exposed and any unintended consequences of change avoided. Thus, while the tax or social security systems are frequently considered in isolation, exclusive concentration upon only one system may frustrate broader equity and distributional objectives.

This point has been made by the Taxation Review Committee (1975a, p.11):

Throughout and repeatedly in the terms of reference (of the Committee) the phrase 'taxation system' is used. This way of regarding a collection of administratively distinct

taxes is of fundamental importance. In a complex modern economy where government expenditure is at a high level it is impossible to raise all the revenue needed from any single tax. Each tax will have its own distinct merits and defects when judged by the various criteria commonly applied to taxation. When several taxes are used they have to be seen as supplementing each other and their interactions - and sometimes their conflicts - have to be reckoned with. Whatever their individual characteristics it is their combined impact that must primarily concern the policy maker. The complete set has therefore to be looked at as an integrated whole, even though before this can be done it is necessary to examine the parts that have to be linked together.

... where tax stops and expenditure starts is often unclear. A tax concession to a particular area of spending in the private sector can as well be looked upon as an expenditure of revenue as a failure to collect it, and it is often an issue of importance to tax policy whether such concealed subsidies should not better be given overtly. Still more important is the point that cash transfers to individuals, the whole class of social service payments of every kind, are inextricably bound up with the equity of the taxation system. ... some consideration of cash grants, taxable or otherwise, is essential in the design of an optimal tax system.

In a similar sense, when the focus of concern is with the level and distribution of economic well-being, it is important to recognise the parallels between private and public mechanisms for income support. For example, as noted previously, society can choose to support maternity through paid leave provided by employers or through unpaid leave either with or without public income support. Even in attempting to provide similar levels of overall support for such circumstances, different societies will strike different balances between the private and public spheres and between various public transfer mechanisms.

When considering the costs and benefits of family income support it is important also to be able to identify who actually bears the cost and who shares the benefits. In this context, two concepts are of use when assessing income support policies and the means of financing them.

The first concept is that of 'tax shifting', which is relevant when considering who actually pays the taxes that finance social benefits and improvements in benefits. For example, the Australian wholesale sales tax is in formal terms paid by wholesalers, but in practice, these taxes are paid either by the wholesaler absorbing the tax in the form of reduced profits, or the wholesaler 'shifting' the tax backwards by negotiating lower prices with the manufacturers, or more likely by shifting the tax forward in the form of higher prices for consumers, or some combination of these. Similarly, as discussed below, many European countries finance social security benefits by contributions from employees as well as employer payroll taxes. These taxes on employers, however, are as likely as any other taxes to be shifted. If they cannot be shifted forward through increased prices - which will affect the entire community - then they may be shifted backwards in the form of

reduced employment. In either case, it is the general community that must pay if the community wishes to improve social benefits.

Similar points can be made about the incidence of social benefits. One clear example of 'shifting' of benefits is when increases in payments to pensioners are immediately absorbed by increased rental or nursing home charges. A somewhat different concept, and one more important when considering family support, is that of the 'secondary beneficiary' (Lampman and Smeeding, 1983). If, for example, we take as a starting point the situation in which there are no public social security payments, it is possible in such circumstances that a sole parent might be receiving \$100 per week from her ex-husband. If the government introduced a cash payment of \$100 per week to the sole parent, then it is open to the ex-husband to reduce or cease the private transfer. In the case of the ex-husband not paying any maintenance, then the standard of living of the sole parent is unchanged, and it is the ex-husband who is the real beneficiary of the government program.

Circumstances are not so clear cut as this example suggests. Nevertheless, it is important to note that family income support and other social security provisions do benefit others as well as the direct recipients. The provision of income support to the retired, for example, assists the families of the aged and private charities, as well as the aged themselves. If there were no age pension, then generally either current children would later in life have to support their retired parents or the current aged would in the past have had to save more themselves. In either case, the result would be to redistribute the costs of dependencies from the population generally to those currently with dependents. This may not be considered socially desirable.⁽¹⁾ In any case, the overall community cost may not be any less, although it would be partly absorbed through lower living standards for those dependent and their families. To the extent that such reductions are used to finance general tax cuts, the greatest burden would be placed on those with the least resources.

It is therefore necessary when considering particular aspects of family support to look at overall arrangements. This is particularly true when making international comparisons. Second, any particular set of administrative arrangements will have both benefits and costs. It should not be thought that direct benefits can be significantly enhanced without increasing the financing effort, and correspondingly, benefits cannot be reduced without effectively placing burdens of a different form, not only on the recipients but also on the community more generally.

3. OBJECTIVES OF FAMILY INCOME SUPPORT

Any evaluation of the role of family income support programs within this broad context, as well as proposals for change, should be based on an

(1) For example, because of the association between disadvantaged groups in the community. Bradbury, Garde and Vipond (1985) have shown that in 1981 one in four of the unemployed shared their homes with at least one other unemployed person. Holding other things constant, the probability of unemployment among 15 to 19 year olds was 23 per cent for those whose family incomes were in the lowest group and 7 per cent for those from high family income backgrounds. In these sorts of circumstances, it may be desirable to help the secondary beneficiary.

assessment of the objectives of these programs. The provisions previously outlined have two types of objectives, one type of goal being related to the specific functions of the social security and taxation systems, and the other type being expressions of broader social objectives, as shown in Figure 2.

In the case of social security assistance, a commonly accepted objective is that rates should provide a decent minimum income and should be sufficient to avoid poverty. The most consistent approach would appear to be that the additional payments for those with children, including family allowances, should provide the same standard of protection as that achieved by the basic payments for adults. That is, taking account of the costs of raising children, the real standard of living of a pensioner or beneficiary family with children should be no lower than that of a pensioner without children (Whiteford, 1986b).

The general taxation measures - the dependent spouse and sole parent rebates and family allowances - are usually taken as being designed to serve the goal of horizontal equity. The criterion of horizontal equity is derived from the 'ability-to-pay' approach to what constitutes a fair tax system (Allan, 1971). Under this view, once the revenue requirements of government have been determined, each taxpayer should be asked to contribute in line with his or her ability-to-pay, where ability to pay is evaluated in terms of discretionary income. That is, allowance is made for unavoidable expenses such as basic food and clothing requirements, medical expenses and basic working costs, and above this level all real resources (e.g. including capital gains, employment fringe benefits, etc.) should be subject to tax.

The traditional view of ability-to-pay mirrors the idea of need in the social security system and it is therefore assumed that the greater the number of people dependent on a total income, the greater are that family's basic needs. This suggests that a fair tax system requires allowances for dependents as well as for the labour force activity of family members. Family allowances, the dependent rebates and the second tax threshold for working spouses are justified in these terms, since they increase the effective tax thresholds for different families. Put simply, if it were not for the tax rebates and family allowances, then all families at a given income level would be paying the same amount of tax, no matter how many persons that income was required to support.

A further objective common to both the taxation and social security systems is that the policies adopted should not act as disincentives to work or private saving, and should also not distort the choices made by individuals. These issues are particularly important since a significant reduction in aggregate work effort in the community may reduce the capacity to finance adequate public benefits. As Jordan notes, moreover, an analysis of the incomes of Australian families strongly suggests that the Australian community places a much higher value on employment than on non-employment: 'No group of non-earners has approached the income of employed groups, the differential being two to one or greater' (1986:198). This suggests that the incomes families can achieve on social security payments alone, although capable of being improved to provide for adequate minimum living standards, are unlikely to amount to a standard suitable for full participation in society while current social values prevail.

The broader social objectives served by family income support are in many ways similar to these system objectives. A fundamental social goal is that

FIGURE 2: OBJECTIVES OF FAMILY INCOME SUPPORT

SYSTEM OBJECTIVES:

- Meeting need in the social security system, adequacy of payments.
- Providing for horizontal equity in the tax system - equal treatment of equals and differing treatment of unequals.
- Maintaining incentives for self-provision.

SOCIAL OBJECTIVES:

- Justice in treatment of individuals, i.e. horizontal equity.
- Providing for equality of opportunity between individuals; enhancing individual and family choice; neutrality of treatment for different family types.
- Redistribution of resources across the life cycle to meet periods of greater need as well as specific contingencies, i.e. social insurance.
- Reduction in the risk of poverty.
- Investment in children as a future resource.
- Pro-natalist population policies.
- Promoting economic efficiency and growth.

individuals should be treated equally. This implies that individuals who are unequal in regard to their needs should have their differing financial needs recognised when they are called on to contribute to the costs of providing social services. In addition, there are a range of closely related social goals which can find expression in the provision of family income support. Providing for more equal opportunities for all individuals and enhancing individual and family choice can be interpreted as requiring positive measures to reduce barriers to labour force participation for women.

The narrow objective of maintaining incentives for self-provision and the social goal of promoting economic efficiency and growth are interconnected with these broader equity goals as well. Taxation and transfer policies should be designed not to act as barriers to workforce participation, not simply because aggregate economic growth may be affected, but because such policies may affect individual choices and reduce the capacity of individuals to take up paid work when they wish to do so.

If income support policies can be a barrier to work in certain circumstances, in others they can play a positive economic role. This is particularly true of family support policies. Maternity leave provisions, for example, can assist women in maintaining their links to the workforce and thus can enhance work skills in the population. The provision of child endowment and family allowances have historically been closely related to debates about the feasibility of a living wage for all workers with and without dependents (Cass, 1983), and they also form an important component of the 'social wage' (Harding, 1982). Consequently, it is fair to say that one of the objectives of family income support is to provide a positive encouragement to work effort.

One of the most important goals served by family income support programs is that of redistributing resources across individual life cycles in order to increase resources at times when families' needs are greater and to correspondingly reduce resources at periods when needs are less and calls on resources are consequently lower. This is the social insurance goal served by social security programs. Even though, as discussed later, the Australian social security system does not have explicit social insurance features, the practical effect of these programs can be similar to that of the social insurance schemes found in other countries. That is, a program like family allowances requires higher taxes to be paid by everyone, with the greatest relative contribution being made by those currently without children. But since family allowances are not income-tested, nearly everyone who may currently have no children has either benefited in the past or will benefit in the future at the time when they have responsibility for children. Thus, like any insurance arrangement, the provision of family income support requires contributions in the form of taxes for future periods of need or for other contingencies.

Family income support can also serve as an anti-poverty measure. General measures of support can reduce the need for income-tested payments and thus help to avoid the problems of poverty traps, low take-up of benefits and stigmatisation of social welfare recipients (Townsend, 1984). Of course, there are significant conflicts involved in directing assistance between general programs of assistance and those programs of greatest value to the poorest groups in the community, particularly in periods of expenditure restraint. Nevertheless, continuing emphasis on income-testing or on redistribution within existing resources may be counter-productive.

Apparently progressive policies can have unintended consequences in the longer term.

A further rationale for the provision of income support for families is provided by those who see children as a social resource, with public spending on children as being akin to investment in this resource. A related view is that family income support policies can be a means of increasing the birthrate, either for the purpose of increasing the population or in order to redress the unfavourable effects of the ageing of the population. Whether the provision of family income support is an effective means of increasing the average size of families is extremely difficult to determine, since the effects of social programs are not easy to distinguish from the effects of other social changes. Such policies have been followed, however, in countries such as France, Hungary and Sweden at various times. More recently, some Australian commentators have suggested that family income support policies should be enhanced in order to ameliorate the effects of the projected ageing of the population. As will be seen later, the effects of increasing the proportion of children in the population on dependency ratios are uncertain at best.

Nevertheless, the view of family income support as being akin to social investment is important in its links to the objective of redistribution of resources across the life cycle and between generations (Cass, Keens and Wyndham, 1983). Put simply, to the extent that social security programs are not completely financed out of accumulated savings and investment, then it is the current generation of working age who finance the retirement incomes of their parents, as well as other public services. In this context, the provision of income support for families with children is merely another form of insurance for the future. Or in the words of Walley:

A nation's compassion may be shown in its care for the disabled and those past work, but for the evidence of its concern for its future (which also includes its capacity to exercise this compassion) we can only look at its care for its children (quoted in Parker, 1978).

4. CONCERNS WITH CURRENT ARRANGEMENTS

The diversity of views about the role and objectives of family income support programs reflects the fact that these programs have developed over many years. Different countries at different times have given priority to differing aspects of these objectives, and there is certainly no unanimity of opinion either overseas or in Australia as to what these programs should be expected to achieve. Explicit and centrally co-ordinated family policies are a rarity rather than the norm. Nevertheless, the main concerns with current Australian arrangements are fairly easy to summarise.

By any standards, support for families in general and for low income families in particular is inadequate. Concern with the circumstances of low income families has been prompted by the increasing number of children for whom income-tested payments are made, increasing from 370,000 in 1976 to nearly 855,000 in 1985, or from 8.6 per cent of children to 19.8 per cent (Whiteford, 1986a:47). While some of this increase comes from positive government actions to extend assistance to needy groups, there are now more than 100,000 children in Australia whose parents have been unemployed for

more than a year, and more than 300,000 children whose parents have been reliant on sole parent pensions for more than a year.

A wide range of Australian and international research on equivalence scales suggests, however, that the relative allowances for children of pensioners and beneficiaries are low. Currently, additional pension/benefit plus family allowances for one child amount to 12 per cent of the married rate of pension or benefit. Australian research suggests that the appropriate relative payment should be 16 per cent (\$7 p.w. more), overseas research suggests the figure should be 20 per cent (\$14 p.w. more), while the O.F.C.D. suggests a figure of 29 per cent (\$30 p.w. more) (Whiteford, 1985). In addition, this equivalence scale research indicates that the direct costs of children at least double between infancy and being a teenager. This increase in costs is recognised only very imperfectly by the current structure of family allowances.

Analysis of trends over time in the real value of family income security programs shows significant declines in assistance over the past decade. Family allowances are now 23 per cent lower in real terms than in 1976, and despite substantial increases in the last three budgets, additional pension/benefit is still 9 per cent lower than in 1976 and mother's/guardian's allowance is 20 per cent lower (Whiteford, 1986a:51). As a consequence of these and other trends, the real value of total social security payments for all sole parent pensioners and for pensioner/beneficiary couples with four or more children is now less than in 1976. In contrast, the real value of the after-tax incomes of most wage and salary earners is greater now than in 1976, although with the exception of FIS recipients the increases are smaller for larger families. Thus, these trends would have tended to widen the gaps between the incomes of families with and without children and in particular between the poorest families and the rest of the community (Whiteford and Moore, 1986).

Apart from these issues of adequacy and equity, current arrangements have been criticised in the light of the significant social changes referred to earlier, particularly the increasing labour force participation of women. The major arguments centre on the role of the dependent spouse rebate (DSR) and on the relative fairness of treatment of single income and two income families. One commonly expressed concern is that the assumptions about women's behaviour underlying the DSR are inappropriate, given changes in labour force participation. On the other hand, some argue that because most recipients of the DSR either have or have had children and may suffer from labour market disadvantages, then recognition that at least two persons are dependent upon one income is appropriate.

A second concern is with the value of home activity. Proponents of the DSR argue that this is the only recognition of the important social and economic role performed by women working in the home and it should therefore be increased. It is often suggested that the value of the rebate is low compared to the second tax threshold for two income families. On the other hand, others believe that these home activities should be treated as enhancing a family's resources rather than reducing them. In particular, families where both spouses work must pay for child care, buy more meals outside the home and generally pay for services which single income families receive from the dependent spouse (Edwards, 1984).

A further area of concern is with the effect of current arrangements of incentives to work. The DSR may constitute something of a barrier to labour force participation for married women, because it is income-tested, and consequently most working wives effectively start paying tax once their incomes exceed \$282 per year. More significant barriers exist for social security recipients, since social security families with children generally face the highest effective marginal tax rates, taking account of the interaction of their income-tested payments with the tax system, and they also face other significant barriers, e.g. costs or unavailability of child care. These high effective marginal tax rates are in part a consequence of concentration on tightly-targeted, selective welfare programs

In summary, it appears that there are good reasons for the inclusion of child income support issues in the social security review. The system is being called upon as a means of support by an increasing number of families, and there is considerable evidence that the resources available are inadequate to meet this task. In considering ways to improve the adequacy of the current system, however, one important concern is the improved structure of assistance should not have negative effects in terms of constituting a barrier to labour force participation. The question that the balance of this paper addresses, therefore, is whether the approaches adopted in other societies can throw some light on possible new policy directions in Australia.

5. MAKING INTERNATIONAL COMPARISONS

Ringen (1986:14-15) has argued for international comparisons in the following terms:

Similarity and difference is a dominant theme in social research, in much the same way that stability and change is a dominant theme in the study of history. We always make comparisons: Between social classes, the young and the old, men and women, geographical regions, or as in this case between nations. Comparisons are of interest in themselves and provide a perspective for understanding single cases which could be difficult to interpret if we knew them only as isolated observations. Comparisons between nations are interesting because they allow us to see conditions we know intimately from our own country against the back-drop of similar conditions in other countries that we cannot in the same way know from experience.

Despite the great usefulness of international comparisons, particularly for the purpose of providing the basis for alternative policy approaches, such an exercise should be approached with great caution. The first part of this paper outlined in detail the potential scope of family income support policies, arguing that a single set of objectives can be achieved through widely differing mechanisms. These policies can also overlap in their effects, either deliberately or without design. When looking at a specific type of policy in one country it is necessary not only to take account of the structure of a particular expenditure program, say, but also to look at its relationship to taxation policies, occupational welfare, social services, the effective sphere of private responsibilities and even areas such as labour

market and industrial policies. Different societies will strike different balances between these areas, and analysis of only one part of that balance may well be misleading.

A somewhat similar point has been made by Klein (1985), in the context of looking at overall government expenditures:

...consider a mythical country whose government decides to keep public expenditure below the 25 per cent of gross national product once thought to be the maximum tolerable proportion. Instead of introducing a social security scheme or a national health service, it makes it mandatory for every firm comprehensively to insure its employees and their families. Instead of building motorways, it offers generous tax concessions to turnpike trusts. Instead of subsidizing jobs to prevent unemployment, it introduces legislation forbidding companies to dismiss anyone. Instead of spending money on pollution control, it compels private industry to clean up the airs and rivers it has befouled. This welfare society has virtually no welfare spending as measured in the conventional public expenditure statistics.

The society is mythical; the instances given are not. Japan has left much of the welfare role to industry; France has relied on private enterprise to build motorways; Italy has made it increasingly difficult for anyone to be dismissed; Sweden has imposed considerable pollution-control costs on industry. ... shifting bureaucratic costs from the public to the private sector may make them less visible but does not necessarily reduce them.

The distinction between public and private spending is therefore arbitrary insofar as it ignores the role of government in determining the latter. And to the extent that countries differ in their mix of public expenditure and publicly induced private spending, comparisons that rest exclusively on the former may yield misleading results. The problem can only be noted, not solved.

The choice of countries for comparison can also be of crucial significance. Many sorts of international comparisons can be based on what may be fairly similar data sets, but from widely differing societies. For example, an ILO study (1984) showed that the degree of inequality between individuals, as measured by Gini coefficients, was about the same in Bangladesh in 1974 as in Denmark in 1976 and the United Kingdom in 1979. While such a finding is valid as far as it goes, further conclusions would have to be carefully assessed. Similarly, it is common in much Australian public debate about our economic performance to compare apparent changes in Australia's standard of living with changes in Hong Kong's, Singapore's, Taiwan's, Kuwait's or that of Abu Dhabi. Such comparisons, based on countries with very differing social and economic circumstances and looking at changes in only one dimension, must be considered of little value if any.

One prerequisite for useful international comparisons would appear to be that the countries compared should be at roughly the same stage of social and

economic development and share broadly the same political and social goals. Two sorts of comparisons will follow - Australia will be compared with all O.E.C.D. countries and with a more restricted range, specifically, Canada, France, the Federal Republic of Germany, Japan, New Zealand, Sweden, the United Kingdom and the United States. This list includes many of the countries with which it is usual to compare Australia. Nevertheless, as will be seen, the differences may be far more significant than the similarities.

Table 2 shows the level of real Gross Domestic Product (GDP) per head in the countries under consideration, and Table 3 illustrates a number of measures of the size of the public sector in these countries. It is apparent that while these societies are usually regarded as closely comparable to Australia, there are significant differences in certain dimensions. The levels of real GDP per head - a broad indicator of living standards - are not dissimilar, although the 'wealthiest' country, the United States, does have an average 70 per cent higher than that of New Zealand, the least well-off country in this group. Averages such as these figures can also disguise considerable variations within countries, which is why the ILO study referred to earlier can be valuable in providing a basis for comparing the distributions of incomes.

Comparison of the size of the public sector suggests greater differences. In 1981, Australia spent least of these countries on social security transfers while France spent nearly 2.7 times as much, relative to Gross Domestic Product. Such figures in themselves do not necessarily mean that Australia is less 'generous' than other countries, since calls for social security transfers are related to such variables as the level of unemployment and the age structure of the population. A country could face more favourable conditions in this regard and the level of social security spending would therefore be lower.

The differences in the size of total government outlays as a proportion of GDP are also of interest. Australia, Japan and the United States have the smallest government sectors, with France, Germany and the United Kingdom forming another group some 40 per cent larger, and Sweden having by far the largest government sector, at 65 per cent of GDP being nearly 80 per cent larger than that of the United States. The figures for public sector employment vary significantly in their ordering from the other indicators of the size of the public sector, with Australia having a much higher proportion of its total employment in the public sector than would be suggested by other variables.

When considering taxation and social welfare policies, the most important difference between Australia and most other O.E.C.D. countries lies in the structure of financing of the social security system. Indeed, Australia shares with New Zealand the distinction of being the only O.E.C.D. countries with no explicit social security contributions.⁽¹⁾ Such contributions make up a very significant proportion of total taxation revenue in most O.E.C.D. countries, generally amounting to 30 to 40 per cent of the total but ranging as high as 47 per cent in Spain and as low as 1.8 per cent in Denmark (O.E.C.D., 1984).

(1) Assuming, for the moment, that workers' compensation is seen as an employer responsibility and Medicare as a health program rather than as social security measures.

TABLE 2: REAL PER CAPITA GROSS DOMESTIC PRODUCT (GDP)
IN SELECTED OECD COUNTRIES, 1984

COUNTRY	GDP PER HEAD IN 1970 U.S. DOLLARS	GDP PER HEAD AS PER CENT OF AUST- RALIAN FIGURE
AUSTRALIA	4115	100.0
CANADA	5370	130.5
FRANCE	4788	116.4
GERMANY (FRG)	4999	121.5
JAPAN	4893	118.9
NEW ZEALAND	3652	88.7
SWEDEN	4937	120.0
UNITED KINGDOM	3764	91.5
UNITED STATES	6213	151.0

SOURCE: Gruen, 1985:8

TABLE 3: THE SIZE OF THE PUBLIC SECTOR IN
SELECTED OECD COUNTRIES, 1981.

COUNTRY	SOCIAL SECURITY TRANSFERS AS % OF GDP	TOTAL GOVERNMENT OUTLAYS AS % OF GDP	PUBLIC SECTOR EMPLOYMENT AS % OF TOTAL
AUSTRALIA	9.2	34.4	25.4
CANADA	10.1	41.5	19.9
FRANCE	24.7	49.2	16.1
GERMANY (FRG)	17.2	49.3	15.6
JAPAN	10.8	34.5	6.6
NEW ZEALAND	n.a.	n.a.	19.3
SWEDEN	18.5	65.3	31.8
UNITED KINGDOM	13.2	48.0	22.4
UNITED STATES	11.3	35.3	16.7

n.a. : Not available.

Source: Gruen, 1985:50-52.

The financing issue cannot be considered in isolation from the benefit structure. Under many of the social insurance systems in other O.E.C.D. countries, cash benefits are designed to replace, at least partially, the income that is lost when a worker retires, becomes severely disabled or dies. The worker's entitlement to benefits is based on past employment and the level of benefit received is often related to earnings in covered work - the more the worker earns, the greater, usually up to a ceiling, is his or her protection. The system is contributory, coverage is usually compulsory and benefits are not normally means-tested. In addition to contributions from employees, there may be levies on employers. A variety of supplementary mechanisms are required, however, to protect those who have not been 'covered', whose entitlement is too low or whose benefits have been exhausted. These usually involve general revenue financing - in recent years such financing has also played an increasingly important role in the basic social insurance schemes.

In contrast to such schemes, cash benefits paid by the Australian Department of Social Security are financed entirely out of general revenue, and benefits are flat-rate and predominantly either income or assets-tested. They are payable for as long as the contingency (e.g. unemployment) exists. However, while there are major differences between the Australian social security system and those of most O.E.C.D. countries, the differences should not be exaggerated. For example, in Australia the general revenue financed minimum income support system is but one, albeit the most important, element of overall social security arrangements. In addition, there are State Government mandated compensation arrangements for work injuries and deaths and road accident injuries and deaths, private life and contingency insurance arrangements and occupational superannuation, which are in turn supported and promoted by Federal Government tax concessions, paid sick leave provided and financed by employers, and the overall health care system.⁽¹⁾ Income support arrangements in Australia therefore can be regarded as 'mixed', with general revenue financing predominating. Other countries' social security arrangements also tend to be mixed, incorporating for example, general revenue as well as contributory financing, with the latter predominating.

Table 4 provides details of the methods of financing of general social security programs in the selected countries in 1983, showing that both employer and employee contributions can be quite significant. Of these countries, only Australia, New Zealand and Sweden require no employee contributions for social security purposes ⁽²⁾, while such contributions are highest in France and Germany. The level of employer contributions for social security as a proportion of payroll also vary widely, from a low point in New Zealand where this only finances workers' compensation to a peak of over 30 per cent of payroll in France and Sweden. It should be remembered that some of this difference is in certain respects more apparent than real. To the extent that these employer contributions are shifted in the form of higher prices, it is still the general community that is paying these taxes.

Details of the financing of family allowances in all O.E.C.D. countries are shown in Table 5. Eleven countries at least partly finance their family allowance systems from employer contributions. In most countries it is the Government that bears the highest proportion of costs, meeting these from general revenue. The notable exception is Japan, where employers are

(1) For further details, see McAlister, Ingles and Tune, 1982.

(2) The figures pre-date the introduction of Medicare.

TABLE 4: FINANCING OF SOCIAL SECURITY PROGRAMS
IN SELECTED OECD COUNTRIES, 1983

COUNTRY	EMPLOYEE CONTRIBUTIONS AS % OF EARNINGS	EMPLOYER CONTRIBUTIONS AS % OF PAYROLL
AUSTRALIA	—	8.1 ⁽¹⁾
CANADA	2.6	8.02 ⁽²⁾
FRANCE	12.9	30.13
GERMANY (FRG)	16.5	18.8
JAPAN	3.9	16.45 ⁽³⁾
NEW ZEALAND	—	0.25-5.0 ⁽⁴⁾
SWEDEN	—	30.05
UNITED KINGDOM	8.8	11.45
UNITED STATES	6.7	12.0

- (1) Average total cost for workers' compensation and superannuation. Excludes payroll taxes.
- (2) Excludes workers' compensation.
- (3) Excludes contributions for family allowances; employers contribute 70 per cent of total costs.
- (4) Range of contributions for workers' compensation varying by industry.

SOURCE: U.S. Department of Health and Human Services, 1984; and Committee of Enquiry into the Victorian Workers' Compensation System, 1984.

TABLE 5: FINANCING OF FAMILY WELFARE PROGRAMS
IN OECD COUNTRIES, 1983

PROVISION AND SOURCE OF FINANCE

COUNTRY	FAMILY ALLOWANCES		
	EMPLOYER (1) (%)	EMPLOYEE (2) (%)	GOVERNMENT (3) (%)
Australia	-	-	100.0
Austria	5.0	-	Balance
Belgium	7.0	-	Balance
Canada	-	-	100.0
Denmark	-	-	100.0
Finland	-	-	100.0
France	9.0	-	Balance
Germany (FRG)	-	-	100.0
Greece	1.0	1.0	-
Iceland	-	-	100.0 (4)
Ireland	-	-	100.0
Italy	6.2	-	Subsidy
Japan	(70.0) (5)	-	30.0 (6)
Luxembourg	5.0 - 7.0	-	Balance
Netherlands	4.6	-	-
New Zealand	-	-	100.0
Norway	-	-	100.0
Portugal	21.0 (7)	8.0 (8)	Subsidy
Spain	25.8 (9)	4.8 (10)	Subsidy
Sweden	-	-	100.0
Switzerland	1.4 - 3.5 (11)	-	Balance
Turkey	-	-	-
United Kingdom	-	-	100.0
United States	-	-	- (12)

NOTES:

- (1) The percentage referred to is the proportion of the employer's payroll, except in the case of Japan. See (5) and (6) for further details. Where a range is given this refers to different employment sectors or regional jurisdictions.
- (2) The percentage referred to is the proportion of the employee's earnings. However, self-employed persons in some countries may be responsible for providing the employer's contributions.
- (3) The percentage referred to is the proportion of the total cost of the scheme. Where reference is made to a government subsidy, this means that there is a family allowances fund, which the government subsidises, but may not cover the full residual costs.
- (4) The family allowances program is paid through the tax system.
- (5) This figure refers to the proportion of total costs.
- (6) Only families with 3 or more children qualified by age are eligible for family allowances. The costs are met by the national (20%), prefecture (5%) and city or town (5%) government jointly.
- (7) This proportion covers old age, invalidity, death, sickness and maternity benefits as well as family allowances.
- (8) This figure covers the same contingencies as does the employer's contributions.
- (9) This figure also covers old age, invalidity, death, sickness and maternity benefits.
- (10) This figure covers the same contingencies as does the employer's contributions.
- (11) The proportion varies from canton to canton and between the agricultural and non-agricultural sector.
- (12) There is no family allowances system, but there are tax provisions for families with children.

SOURCE: US Department of Health and Human Services, 1984.

required to provide 70 per cent of the costs of the family allowances paid to their employees. Table 4 had shown that general employer contributions as a percentage of payroll were also quite high. This supports the point made earlier by Klein, who noted that Japan has left much of its welfare role to industry.

These varying patterns of financing and method of delivery also reinforce the point that it is extremely difficult to compare the overall social security effort in different societies. For example, the proportion of gross domestic product devoted to social security transfers in Australia appears broadly similar to those in Canada, Japan and the United States (at around 9 - 10 per cent). But in those three countries, there are tax concessions for families with children, as well as the family allowances paid in Canada and Japan. Indeed, in both Canada and Japan the tax concessions are far more significant than the cash transfers. Yet, as noted earlier, tax concessions will not appear as an outlay while cash benefits do. Australia provides nearly all of its assistance for children in the form of direct transfers (1), and as a consequence its social security spending will appear higher, while social security spending in Japan, Canada and the United States will appear artificially lower. This suggests that real social security spending in Australia may in fact be very much lower than in comparable countries. An important offsetting factor, however, is employer funded workers' compensation, paid sick leave and private superannuation, much of which may figure in social security transfers in other O.E.C.D. countries but not in Australia.

6. THE TAX-TRANSFER TREATMENT OF FAMILIES IN O.E.C.D. COUNTRIES

Despite these differences, there are important similarities between the general Australian system of family income support through the tax system and those of many other O.E.C.D. countries. To assess these similarities it is necessary to understand how the tax and social security systems treat different types of families.

Australia has a predominantly family based social security system and primarily an individually based tax system, although modified to reflect the presence of dependents. In considering the social security system, it is useful to distinguish between the unit on which eligibility is based, the unit for the application of the income test, and the unit for determining the level of payment (Edwards, 1984:70). In most circumstances individuals are eligible for social security payments in their own right, but the unit for the application of the income and assets tests and the unit for determining the level of payment is generally the nuclear family. One effect, for example, is that married women may be eligible in theory for unemployment benefit, but in practice, they are generally excluded on account of their husbands' incomes.

When considering income taxation measures it is useful to distinguish between the unit which is required by law to pay tax, the unit to which tax rates are applied, and the unit used in calculating tax allowances (Edwards, 1984:28). The unit which is required to pay tax in Australia is the individual, and it is individual incomes to which tax rates are applied. In the United Kingdom,

(1) The budgetary cost of family allowances is some \$1,500 million, while the additional cost of the child component of the DSR is around \$130 million.

FIGURE 3: PARALLEL SOCIAL SECURITY AND TAXATION MEASURES FOR DIFFERENT TYPES OF INCOME UNITS

Income Unit Type	Pensioner or Beneficiary	Non-Pensioner/Beneficiary	
Individuals	Standard rate pension Standard rate benefit	Tax threshold	
Sole parents	Standard rate sole parents pension/benefit Mothers/guardians allowance Family allowances Additional pension/benefit for children	Tax threshold Sole parent rebate Family allowances Family income supplement	
Couples with children (married or de facto)		Both working	One working
	Married rate of pension or benefit	- Tax threshold for both	- Tax threshold Dependent spouse rebate
Couples with children (married or de facto)		Both working	One working
	Married rate of pension or benefit	- Tax threshold for both	- Tax threshold Dependent spouse rebate
	Family allowances	- Family allowances	- Family allowance
	Additional pension/benefit for children	- Family income supplement	- Family income supplement

in contrast, the incomes of wives were for many years held to be those of their husbands and tax rates were applied to joint incomes (1). This family tax system is generally not followed in Australia, the only modification of the individual unit being the availability of rebates for dependent spouses and sole parents and the payment of family allowances. This is a significant modification nevertheless.

Figure 3 illustrates the ways in which the Australian taxation and social security systems treat different types of income units or families. There are important parallels between these two systems - primarily because both are designed to serve horizontal equity objectives - and the result is that both social security entitlements and tax liabilities reflect differences in family composition.

The results of these modifications are shown in Table 6, illustrating the effective tax thresholds for different types of families. These tax thresholds are calculated by adding the effects of the relevant rebates and family allowances to the basic threshold and adding the effects of family allowances to those of the two tax thresholds available to two-income couples. One result, which is often not appreciated, is that the effective tax threshold for a single income couple with children is higher than that of a couple without children where both spouses work. Consequently, for families whose incomes fall in the first non-zero rate bracket, the effective tax liabilities of single income families with children is lower than that of two income couples without children. Once taxable incomes move out of this tax bracket, the effective tax liabilities of single income families begin to exceed those of two income families, but as a result of the effects of the progressive tax system.

Table 7 summarises the tax treatment of families in most O.E.C.D. countries in 1982. Broadly speaking there are two alternatives - one is the approach adopted in Australia of making the individual the basic tax unit, but modifying that principle by providing rebates or allowances for dependents. In half of the 22 countries shown this is the approach used, although in some the individual principle is further relaxed by the aggregation of the unearned incomes of husbands and wives.

In the other cases various forms of direct family taxation are imposed. There are a number of major variants of this approach - once the incomes of spouses have been aggregated they can be either taxed at preferential rates compared to those applying to single persons, the tax bracket for couples can be broader than those for individuals, or significantly higher allowances can be provided in various ways for couples.

While the outcomes of these approaches can vary markedly in terms of their effects on disposable incomes and on incentives for second earners, there is in certain senses a common principle underlying all these tax systems. In no case is there a purely individual tax unit - to varying degrees all these countries modify the tax liabilities of persons according to their family circumstances. It is the degree of modification that is variable. Nevertheless, the degree of modification can have a significant impact on

(1) The British income tax was first introduced in 1799. Since 1914 a wife has been able to opt to be separately assessed, although this did not alter the total tax liability of the couple. Since 1971 a wife has been able to elect to have her **earnings** taxed as if she were a single person.

TABLE 6: EFFECTIVE TAX THRESHOLDS FOR DIFFERENT FAMILIES,
AUSTRALIA 1985-86.

FAMILY TYPE	EFFECTIVE \$p.a.	TAX THRESHOLDS %
Single person	4,595	100.0
Sole parent, one child	8,809.4	191.8
Sole parent, two children	10,371.8	225.7
Couple, one spouse employed, no children	7,915	172.3
Couple, one spouse employed, one child	9,809.4	213.5
Couple, both spouses working, no children	9,190	200.0
Couple, both spouses working, one child	10,284.4	223.8

NOTE: Family allowances are treated as a tax rebate.

TABLE 7: TAX TREATMENT OF FAMILIES IN SELECTED OECD COUNTRIES - 1982

Country	Tax Unit		Family	Rebates/Allowances		Child Benefits
	Individual	Couple		Marriage	Children	
Australia	Yes	-	-	Yes	-	Yes
Austria	Yes	-	-	Yes	-	Yes
Canada	Yes	-	-	Yes	Yes	Yes
Denmark	Earned Income	Unearned Income	-	Yes	-	Yes
Finland	Earned Income	Unearned Income	-	Yes	Yes	Yes
France	-	Optional	Yes	N/A	N/A	Yes
Germany	Optional	Usual	-	Yes	-	Yes
Greece	Yes	-	-	Yes	Yes	Yes
Ireland	Optional	Usual	-	Yes	Yes	Yes
Italy	Yes	-	-	Yes	Yes	Yes
Japan	Earned Income	Unearned Income	-	Yes	Yes	Yes
Luxembourg	-	Optional	Yes	N/A	N/A	Yes
Netherlands	Earned Income	Unearned Income	-	Yes	-	Yes
New Zealand	Yes	-	-	Yes	-	Yes
Norway	Optional	Optional	Optional	Yes	Yes	Yes
Portugal	-	Yes		Yes	Yes	Yes
Spain	-	-	Yes	Yes	Yes	Yes
Sweden	Yes	-	-	Yes	-	Yes
Switzerland	-	Yes	Unearned Income	Yes	Yes	Yes
United Kingdom	Optional for Earned Income	Usual	-	Yes	-	Yes
United States	Optional	Optional	-	N/A	Yes	-

N/A: Not applicable.

SOURCE: OECD, 1983.

disposable incomes and particularly on incentives for second earners. Just as importantly, any approach that involves the aggregation of husbands' and wives' incomes must to some extent ignore the individuality of the wife as a person in her own right (Taxation Review Committee, 1975b:1-18), and it is probably for this reason that the trend in OECD countries in recent years has been to move away from family unit taxation towards the individual unit.

Table 7 showed how different O.E.C.D. countries formally provide for families in their tax systems. The results - in terms of the value of allowances for dependants and disposable incomes - are shown in Table 8. The table compares the tax - transfer treatment of single persons with earnings equal to those of an 'average production worker' with that of a couple with two children, where the wife does not work in the market at the same level of gross income.(1)

These results are interesting in showing the variable effects of the overall level of taxes, the role of social security contributions, the varying tax liabilities of individuals and families and the effects of direct cash transfers for children. The country that initially stands out is France where the disposable income of a couple with two children in the circumstances specified is nearly ten per cent higher than their gross income. This effect is achieved in two ways - the tax liabilities of couples with children are much lower than those of single persons, being reduced from 8.8 per cent of gross earnings to 0.6 per cent. The high level of social security contributions is unchanged however. The main influence is provided by direct cash transfers, which are more than three times higher relative to gross earnings than their nearest competitor, the United Kingdom.

France has had an explicit commitment to family support for a longer period than any other European country. The motivation for these policies has historically been to promote population growth, with this objective arising out of the perceived problem of France's future position in Europe. As Questiaux and Fournier put it, 'if France intended to reconquer Alsace and Lorraine, she needed more children' (in Kamerman and Kahn, 1978:124). The present French system originated, however, after World War II and while it has an explicit pro-family and pro-natalist nature, broader social concerns are now dominant.

Corresponding to the high levels of direct transfers, the table shows that the level of individual social security contributions in France is one of the highest of the countries selected, while Table 3 showed that social security transfers as a proportion of GDP were higher in France than any of the other societies under consideration. A further point that should be taken into account is that the total level of taxes as a proportion of GDP is nearly 50 per cent higher in France than in Australia, even though income taxes plus employee social security contributions are lower. This suggests that other taxes, such as indirect taxes, must be high relative to Australia. Thus, while the disposable incomes of French families may be **relatively** high, their final standards of living may be lower than those of similar families in other countries.

(1) These are the only types of examples chosen in the data source (O.E.C.D., 1983). The proportion of families at these income levels can be markedly different in different countries.

TABLE 8: THE 1982 TAX/BENEFIT POSITION OF DIFFERENT FAMILIES
IN SELECTED OECD COUNTRIES

COUNTRY	SINGLE PERSON			COUPLE, TWO CHILDREN, WIFE NOT WORKING			
	INCOME TAX	SOCIAL SECURITY CONTRIBUTIONS	DISPOSABLE INCOME	INCOME TAX	SOCIAL SECURITY CONTRIBUTIONS	CASH TRANSFERS	DISPOSABLE INCOME
	GROSS EARNINGS (%)	GROSS EARNINGS (%)	GROSS EARNINGS (%)	GROSS EARNINGS (%)	GROSS EARNINGS (%)	GROSS EARNINGS (%)	GROSS EARNINGS (%)
Australia	22.8	-	77.2	17.3	-	3.4	86.1
Canada	20.2	2.6	77.2	10.7	2.6	2.9	89.6
France	8.8	12.9	78.3	0.6	12.9	23.3	109.7
Germany (Fed. Rep.)	17.5	16.5	66.0	10.5	16.5	5.0	78.0
Japan	12.6	3.9	83.5	7.6	3.9	-	88.5
New Zealand	28.6	-	71.4	26.0	-	3.9	77.9
Sweden	37.1	-	62.9	35.0	-	7.1	72.1
United Kingdom	23.7	8.8	67.5	20.2	8.8	7.6	78.7
United States	22.7	6.7	70.6	14.2	6.7	-	79.1

Note: The figures refer to the circumstances of taxpayers at the income level of the average production worker.

Source: OECD, 1983.

Australia, Canada and Japan achieve similar disposable income results for single income couples with children. This result is reached in different ways. For example, in Canada and Australia the disposable incomes of single persons are the same proportion of gross income, social security contributions making up (and being equivalent to) the difference in income tax liabilities. The cash transfers for children are somewhat more generous in Australia than in Canada, but this is more apparent than real, given the already remarked-upon reliance on tax measures in Canada. Thus the direct income tax liability of Canadian families with children is reduced by nearly 50 per cent, while the corresponding reduction in Australia is around 25 per cent.

Analysis of the figures for the other countries similarly shows that the aggregate results can disguise the effects of individual mechanisms and that therefore comparisons should be made cautiously. Sweden, for example, provides couples with children with lowest level of disposable income relative to gross earnings of the countries surveyed. But this is a consequence of the generally high level of income taxes in Sweden. In fact, relative to single persons, Swedish families with children are treated generously, ranking with Germany and the United Kingdom after France. Nor should it be forgotten that high levels of taxes provide for high levels of other social benefits, such as retirement pensions, parental leave and housing allowances (1).

A further illustration of the necessity to be cautious in these comparisons can be seen in the case of the United States, which does not provide any direct cash transfers for families with children. It would seem reasonable to conclude that families are relatively poorly treated in the United States. But this is not the case for average income families. In fact the differential between the disposable incomes of single persons and couples with children is slightly higher (12.0%) in the United States than in Australia (11.5%). This is the effect of the system of tax allowances in the United States with another result that while average income families are treated somewhat more generously than in Australia, very low income working couples receive much lower assistance for their children.

Some other problems of comparison can be gauged from the demographic and labour force details of the countries under consideration, as shown in Table 9. 1983 has been taken as the standard year for comparisons. The populations in that year ranged from 3.2 million in New Zealand to around 235 million in the United States. The age structures of these populations also varied widely, the proportion over 65 years being 10.0 per cent in Australia, and ranging from 9.7 per cent in Japan to 16.8 per cent in Sweden. The proportion of the population less than 15 years was 24.4 per cent in Australia, and ranged from 16.2 per cent in Germany to 25.6 per cent in New Zealand.

These differences in population structure and in labour force activity are likely to have very significant implications for social welfare policies generally and family income support in particular. For example, it could be tentatively hypothesised that it is relatively cheaper for Sweden to spend more on child-related social services since a smaller proportion of the population is involved, and more expensive for New Zealand, say, since a greater proportion of the population is in those age groups. Any judgement

(1) See Forsberg (1984) for further details of the Swedish system.

TABLE 9: DEMOGRAPHIC DETAILS OF SELECTED OECD COUNTRIES, 1983

COUNTRY	POP'N	% OVER 65 YEARS	% LESS THAN 15 YEARS
AUSTRALIA	15.4m	10.0	24.4
CANADA	24.9m	10.0	21.9
FRANCE	54.7m	13.1	21.7
GERMANY (FRG)	61.4m	14.8	16.2
JAPAN	119.3m	9.7	22.6
NEW ZEALAND	3.2m	10.0	25.6
SWEDEN	8.3m	16.8	18.5
UNITED KINGDOM	56.4m	15.0	19.8
UNITED STATES	234.5m	11.7	22.0

Source: United Nations.

of that sort, however, would have to be tempered by consideration of the differences in labour force participation of women in these different societies.

One factor often taken into account when considering the level of social welfare spending and future calls for expenditures is the 'dependency ratio'. The usual definition of the dependency ratio is the number of persons less than 15 years and over 65 years as a proportion of the population of working age, 15 to 64 years (Newton, 1981). Table 10 shows that this dependency ratio is not necessarily well correlated with the 'age' of the population. Both Australia and New Zealand, for example, have relatively low levels (10.0 per cent) of the population above the age of 65 years. Proportionally, the retired population in Germany is almost 50 per cent bigger, but the overall dependency ratio in Germany is more favourable, because the number of children is much lower.

But is this the real measure of the demand for social welfare services in different countries? A second form of dependency ratio, which has been calculated and shown in Table 10, presents a very different picture. This ratio has been calculated by expressing the number of persons less than 15 years, those over 65 years, plus those between the ages of 15 and 64 who are either unemployed or outside the labour force as a proportion of the remaining employed labour force. Apart from the fact that the ratios become much larger, the relative positions of different countries change in interesting ways.

For example, the United States has a higher dependency ratio than Canada when considering the potential labour force, but somewhat lower when looking at the actual employed labour force. Germany has the lowest 'potential' dependency ratio, and the United Kingdom one of the highest, but when looking at 'actual' dependency ratios, their positions are very similar.

Perhaps the most spectacular change is that of Sweden. While having the highest dependency ratio on one measure, it has by far the lowest on the other, and is in fact the only one of these countries where the employed labour force is larger than the population it is called on to support. The reasons for this appear to be the relatively low unemployment rate and, more importantly, the higher labour force participation rates, particularly for women. Thus, while Sweden is often regarded as the archetypal 'welfare state', it is also the country which has the highest proportion of its population economically active. (See Table 11.)

Nevertheless, these figures should also be treated with some caution. For example, the retired population was defined as those over 65 years. While this is common in international comparisons, women of 60 years and over in Australia are entitled to an age pension. Unemployment rates can be quite changeable; labour force participation rates less so. It is also unsatisfactory to treat all those of working age outside the labour force as equivalent to the retired or to dependent children. Moreover, the interrelationship between the different factors may be more complex than it appears. The lower proportion of the population in Sweden who are children in one sense allows the higher labour force participation of women. It should also be noted that nearly half the women who are employed in Sweden are employed part-time, while the proportion in some other countries is not much more than one-fifth.

TABLE 10: DEPENDENCY RATIOS FOR SELECTED
OECD COUNTRIES, 1983.

COUNTRY	RATIO A	RATIO B
AUSTRALIA	52.4	144.4
CANADA	46.8	127.1
FRANCE	53.4	152.9
GERMANY (FRG)	44.9	140.9
JAPAN	47.7	109.4
NEW ZEALAND	55.3	154.5
SWEDEN	54.6	93.0
UNITED KINGDOM	53.4	140.1
UNITED STATES	50.8	122.0

A. The dependency ratio is the number of persons less than 15 years and the number 65 years and over as a proportion of the population 15 to 64 years.

B. Dependency ratio B is the number of persons less than 15, those over 65, and those 15 to 64 years either outside the labour force or unemployed as a proportion of the employed labour force.

SOURCE: Calculated from Tables 9 and 11.

TABLE 11: LABOUR FORCE PARTICIPATION AND UNEMPLOYMENT
IN SELECTED OECD COUNTRIES, 1983.

COUNTRY	LABOUR FORCE PARTICIPATION (%)		UNEMPLOYMENT RATES (%)	
	Males	Females	Males	Females
AUSTRALIA	85.4	51.7	9.9	9.9
CANADA	86.0	60.8	12.1	11.6
FRANCE	78.3	55.8	6.2	10.6
GERMANY (FRG)	80.1	49.5	6.8	9.4
JAPAN	89.0	57.2	2.7	2.6
NEW ZEALAND	83.4	45.7	5.3	6.4
SWEDEN	87.7	78.3	3.4	3.6
UNITED KINGDOM	86.6	59.8	14.1	8.9
UNITED STATES	87.0	63.4	9.6	9.2

SOURCE: O.E.C.D., 1985.

Still, this example is quite illuminating, for in illustrating the difficulties involved in international comparisons it also indicates one of their most useful features. That is, these comparisons show that extrapolations of single trends may not have logical conclusions. The ageing of the population may not necessarily result in higher burdens on taxpayers(1), while increases in social expenditures do not necessarily lead to lower economic growth or decreased economic activity.

7. CONCLUSION

It would be misleading to end this paper by arguing for strong conclusions or making firm recommendations for policy changes based on these international comparisons. The paper should be regarded as having themes rather than conclusions. These themes may still be of interest in considering policy alternatives.

A consideration of family income support reveals the essential complementarity between private and public provisions for social welfare and between various aspects of public support. In this sense, it is important not to overlook the similarity of effects of different mechanisms for promoting social welfare. While family income support is primarily a private responsibility, we should be aware that the costs faced by the community as a whole in these circumstances are not necessarily any less than those faced if greater public provisions were made. It is the distribution of these burdens that may be affected by changing the balance between the private and the public spheres.

Correspondingly, tax measures should not be viewed as inherently different from measures of direct assistance and when assessing family income support policies it is necessary to take account of all aspects of public provisions - taxation and occupational benefits as well as those provided through the social security system.

Comparison of the types and relative generosity of provisions for families in Australia with those in a range of broadly similar societies reinforces this approach. Different societies may strike different balances between the various parts of their social welfare systems. If they do so this reflects the priorities they give to differing objectives.

One conclusion that might be reached from this paper is that there are abundant reasons to be concerned with the adequacy of current family income support programs. Comparison with other systems gives no reason to change this evaluation, but rather to reinforce it. All such a conclusion may mean, however, is that the Australian community does not place a high priority on support for families. In terms of community rhetoric this does not appear to be the case.

If the community thought it desirable to provide greater support for families with children - and over the past ten years it has been providing progressively less - than it should not be thought that a redistribution within existing programs would provide much scope for improvements. That would simply involve a re-ordering of the existing calls on families. What is required is a commitment of new resources.

(1) It should be noted, however, that government spending on the aged is relatively greater than on children. See Dixon and Thame 1984.

REFERENCES

- AUSTRALIAN BUREAU OF STATISTICS (1984), **Australian Families, 1982**, Catalogue No. 4408.0, ABS, Canberra.
- BRADBURY, Bruce, GARDE, Pauline and VIPOND, Joan (1985), **Bearing the Burden of Unemployment - Unequally. A Study of Australian Households in 1981.**, Social Welfare Research Centre, Reports and Proceedings No.53, University of New South Wales, Kensington.
- CARMICHAEL, Gordon (1986), 'Australian Divorce Rates: Is Real Decline at Hand', **Proceedings**, Making Marriage and Family Work Conference, Melbourne.
- CASS, Bettina (1983), 'Redistribution to children and to mothers; a history of child endowment and family allowances' in Cora V. Baldock and Bettina Cass (eds), **Women, Social Welfare and the State**, George Allen and Unwin, Sydney.
- CASS, Bettina (1986), 'The Case for Review of Aspects of the Australian Social Security System', in A. Jamrozik (ed.) **Income Distribution, Taxation and Social Security: Issues of Current Concern**, Social Welfare Research Centre, Reports and Proceedings No.55, University of New South Wales, Kensington.
- CASS, Bettina, KEENS, Carol and WYNDHAM, Diana, (1983), 'Child-rearing: direct and indirect costs', in Adam Graycar (ed), **Retreat from the Welfare State**, George Allen and Unwin, Sydney.
- CENTRE OF POLICY STUDIES (1985), **Taxation and Social Security**, Discussion Paper No. 85/03, Office of the Economic Planning Advisory Council, Canberra.
- COMMITTEE OF INQUIRY INTO THE VICTORIAN WORKERS' COMPENSATION SYSTEM, 1983-84 (1984), **Report**, Melbourne.
- DIXON, Daryl and THAME, Claudia (1984), 'The relative costs to government of the young and the old'. **Australian Quarterly**, Volume 56, No.1.
- EDWARDS, Meredith (1984), **The Income Unit in the Australian Tax and Social Security Systems**, Institute of Family Studies, Melbourne.
- FORSBERG, Mats (1984), **The Evolution of Social Welfare Policy in Sweden**, The Swedish Institute for Social Research, Stockholm.
- GINNEKEN, Wouter Van and PARK, Jong-Goo (1984), **Generating Internationally Comparable Income Distribution Estimates**, International Labour Office, Geneva.
- GRUEN, F.H. (1985), **How Bad is Australia's Economic Performance and Why?** Centre for Economic Policy Research, Discussion Paper No.127, Australian National University, Canberra.
- HARDING, Ann (1982) 'An introduction to the social wage', **Social Security Journal**. December, AGPS, Canberra.

- JAMROZIK, Adam, HOEY, Marilyn and LEEDS, Marilyn (1981), **Employment Benefits: Private or Public Welfare?** Social Welfare Research Centre, Reports and Proceedings No.15, University of New South Wales, Kensington.
- JORDAN, Alan (1979), **Changing Family Patterns and Social Security Protection: The Australian Scene**, Research and Statistics Branch, Development Division, Research Paper No.3, Department of Social Security, Canberra.
- JORDAN, Alan (1986), **The Common Treasury: The Distribution of Incomes to Individuals and Families**, Development Division Research Paper, Canberra, forthcoming.
- KAMERMAN, Sheila B, and KAHN, Alfred J. (1978), **Family Policy: Government and Families in Fourteen Countries**, Columbia University Press, New York.
- KLEIN, Rudolf (1985), 'Public Expenditure in an Inflationary World', in L. Lindberg and C. Maier (eds), **The Politics of Inflation and Economic Stagnation**, Brookings Institution.
- LAMPMAN, Robert and SMEEDING, Timothy (1983), **Interfamily Transfers as Alternatives to Government Transfers to Persons**, Institute for Research on Poverty, Reprint Series No.492, University of Wisconsin, Madison.
- McALISTER, Colin, TUNE, David and INGLES, David (1981), 'General revenue financing of social security: the Australian minimum income support system', **Social Security Journal**, December, AGPS, Canberra.
- MORGAN, James N. (1978) 'Intra-Family Transfers Revisited: The Support of Dependents Inside the Family', in **Five Thousand American Families - Patterns of Economic Progress, Volume 6**, G.J. Duncan and J.N. Morgan (eds), Institute for Social Research, University of Michigan, Ann Arbor.
- MUSGRAVE, R.A. (1959), **The Theory of Public Finance**, McGraw-Hill, New York.
- NEWTON, Jenni (1981), **Population Projections and Social Security**. Development Division, Research Paper No.15, Department of Social Security, Canberra.
- ORGANISATION FOR ECONOMIC CO-OPERATION AND DEVELOPMENT (1983), **The 1982 Tax/Benefit Position of a Typical Worker in OECD Member Countries**, OECD, Paris.
- ORGANISATION FOR ECONOMIC CO-OPERATION AND DEVELOPMENT (1984), **Revenue Statistics of OECD Member Countries, 1965-1983**, OECD, Paris.
- ORGANISATION FOR ECONOMIC CO-OPERATION AND DEVELOPMENT (1985), **OECD Employment Outlook**, OECD, Paris.
- PARKER, Hermione (1978), **Who Pays for the Children: A New Approach to Family Income Support**, Abridged Version, Outer Circle Policy Unit, London.
- POND, Chris (1980), 'Tax Expenditures and Fiscal Welfare', in C. Sandford, C. Pond and R. Walker (eds), **Taxation and Social Policy**, Heinemann Educational Books, London.

- RINGEN, Stein (1986), **Difference and Similarity, Two Studies in Comparative Income Distribution**, The Swedish Institute for Social Research, Stockholm.
- ROSS, Russel (1984), 'Married women and market work: how much choice?', **Australian Quarterly** Spring, Sydney.
- TAXATION REVIEW COMMITTEE (1975a), **Full Report** AGPS, Canberra.
- TAXATION REVIEW COMMITTEE (1975b), **Commissioned Studies**, AGPS, Canberra.
- TITMUSS, R.M. (1958), 'The Social Division of Welfare: Some Reflections on the Search for Equity', in **Essays on the Welfare State**, George Allen and Unwin, London.
- TOWNSEND, Peter (1984), **Fewer Children, More Poverty: An Incomes Plan**, Department of Social Administration, University of Bristol.
- UNITED NATIONS (1984), **Demographic Yearbook, 1983**, United Nations, New York.
- UNITED STATES DEPARTMENT OF HEALTH AND HUMAN SERVICES (1984), **Social Security Programs Throughout the World - 1983**, Research Report No.59, U.S.DHHS, Washington.
- WHITEFORD, Peter (1985), **A Family's Needs: Equivalence Scales, Poverty and Social Security**, Development Division, Research Paper No.27, Department of Social Security, Canberra.
- WHITEFORD, Peter (1986a), 'Horizontal Equity in Tax-Transfer Arrangements' in A. Jamrozik (ed.), **Income Distribution, Taxation and Social Security: Issues of Current Concern**, Social Welfare Research Centre, Reports and Proceedings, No.55, University of New South Wales, Kensington.
- WHITEFORD, Peter (1986b), 'The costs of kids', **Australian Society**, July 1986: 19-22.
- WHITEFORD, Peter (1986c), **Issues in Assistance for Families: Horizontal and Vertical Equity Considerations**, Development Division, Department of Social Security, Canberra, forthcoming.
- WHITEFORD, Peter and MOORE, James (1986), **Trends in the Disposable Incomes of Australian Families, 1964-65 to 1985-86**, Development Division, Department of Social Security, Canberra, forthcoming.
- WOMEN'S BUREAU (1985), **Maternity and Parental Leave**, Information Paper No.13, Department of Employment and Industrial Relations, Canberra.

THE MEANING OF CHANGE IN CHILD WELFARE

Tania Sweeney

Social Welfare Research Centre

ABSTRACT

This paper reviews some of the recent changes in the child and family welfare system, such as changes in policy and service provision and use. Some of the possible reasons for the diversification and deinstitutionalisation of the child welfare system are considered, including changes in the perception of the needs of families and children, changes in actual 'need', and changes in Commonwealth-State relationships. Drawing on the data obtained from a recent study of child care, child welfare and family support services, the paper questions whether the apparently progressive changes in child welfare represent 'progress' or new forms of social control over the lives of particular groups of families.

This paper addresses two questions: firstly, has the child welfare system changed in recent years and if so, in what ways? In what respects is it still the same? Secondly, do we have two systems of child welfare: one for the poor (child welfare) and one for the middle class (child care)?

To take the first question, a number of changes have taken place in both Commonwealth and State policies for children in recent times. These changes have been examined in our recent report entitled **Innovation and Change in the Child and Family Welfare System**. (SWRC Reports and Proceedings No.57). That report represents the first stage of our study aimed at considering child - family - state relationships in the context of Commonwealth - State relationships and responsibilities. Basically, we have noted that since the mid-1970s the Commonwealth has moved into 'traditional' welfare areas such as counselling, budget advice, and so on, perhaps not directly but through supporting services funded under the Family/Support Services Program. At the same time, the States have been moving further into the child care arena, especially in recent days, by providing capital funds for Commonwealth child care centres. Then, in the last few years, the Commonwealth has tried to withdraw from what it sees as 'welfare' services and the States have gradually become more focused on their statutory responsibilities towards abused, neglected children and young offenders.

With reference to the second question, despite recent changes in child welfare practice, such as the referral of children to child care and family support services, the perception of child care and child welfare as two separate systems of care, performing different functions, seems to remain. Increasingly child care is no longer seen as having any substitutive role. Or rather, the services provided by child care and those provided by child welfare are commonly seen as being two distinctly different kinds of service, serving different needs, and provided for different reasons and having different purposes and outcomes. Child care is seen in a positive light and regarded essential for families and children alike. It is seen as a right and regarded as a public utility. Meanwhile, child welfare is seen in a negative way, with a degree of stigma attached and considerable uncertainty about outcomes for the child. Yet the two services seem to be performing both preventive and protective functions in some cases.

In addition, child care and child welfare continue to be regarded as separate spheres of political responsibility, the former being regarded as principally a Commonwealth responsibility and the latter as belonging to the States. Thus at the policy level there is an attempt to keep the two services separate but at the level of operation the distinction between child care and child welfare is no longer clear-cut.

The question arises as to whether both systems of care are addressing the same issue, that is, a family's needs for resources and supports in the child rearing process.

In order to consider these two issues, that is, whether the child welfare system has changed and whether there are two systems of care, each based on the socio-economic status of the family, I want to examine the following:

1. A Summary of Changes in Child Welfare
2. The SWRC Study

3. Some Observations from the SWRC Study
4. Explanations of Changes in Child Welfare
5. Conclusions and Policy Implications

1. A SUMMARY OF CHANGES IN CHILD WELFARE

(A) The Late 1960s

Up until the late 1960s child welfare policies were characterized by the following assumptions:

- (1) malfunctioning families who did not teach their children acceptable values and behaviours were regarded as needing intervention;
- (2) malfunctioning was caused by individual pathology;
- (3) family malfunctioning was equated with immorality; this caused poverty (Tiffin, 1982);
- (4) children in the malfunctioning families, if they remained with their parents, would become delinquent and would reproduce the cycle of anti-social behaviour and life style;
- (5) children should be removed from such parents and encouraged to develop skills fitting to their class, to learn discipline and good behaviour and appropriate moral values, and so on.

Correspondingly, intervention usually meant removal of children from their parents and placement in some form of substitute care, often in country areas, away from the evils of family and the city and located in either the government or 'voluntary' sector.

Throughout the late 1960s and early 1970s, however, there appeared to be a significant change in the way the needs of families and children were viewed. Social justice for children became an issue, culminating in International Year of the Child (IYC) in 1979.

Concern for the well-being of 'welfare children' increased in the light of:

- (i) a recognition that children's needs and rights had suffered in the child welfare legal processes;
- (ii) a growing concern about the apparently poor outcomes of institutional care, which seemed to do little in lifting these children out of the cycle of poverty;
- (iii) concern about the lack of paternal support for children and the child poverty and at risk situations which often resulted from it;

- (iv) concern about the quality of substitute care provided in terms of children's length of time in care, number of placements, lack of planning and so on;
- (v) increasing recognition that structurally induced poverty often resulted in child abuse and institutionalization (Tiffin, 1982).

(B) The Mid 1970s

During the 1970s there was an increasing recognition, then, that:

- (1) welfare families were poor and/or Aboriginal;
- (2) poverty was caused by inequality or rather by poor families being 'blocked', that is, they lacked the opportunities to progress;
- (3) poor families were also seen to be most affected by social and urban change;
- (4) the Darwinistic, pessimistic view of children as automatically perpetuating the poverty cycle was an unproductive one. As a result, there was a shift to a view in which the solution to the problems of welfare families was seen in terms of their empowerment. Families were seen now as having a degree of free will and therefore as having the ability (with help) to change their situation;
- (5) what was needed to empower people were resources that supported them in the community;
- (6) the raising of children in the biological family rather than in substitute care was 'in the best interests of the child'.

According to Cohen (1985), these beliefs reflected the 'destructuring impulse' of the mid-1960s (1970s in Australia), during which time a 'radical' attack was mounted on social control systems. This was characterized by the following movements or ideologies;

- (i) **away from the state:** here we heard terms such as 'decentralization', 'deformalization', 'diversion', 'non-intervention'; a call toward divesting the state of certain control functions or at least by-passing them and creating instead innovative agencies which were community based and less bureaucratic;
- (ii) **away from the expert:** 'deprofessionalization', 'demedicalization', ... 'anti-psychiatry'; a distrust of professionals and experts and a demystification of their monopolistic claims of competence in classifying and treating various forms of deviance;

- (iii) **away from the institution:** 'deinstitutionalization', 'decarceration', 'community control',; a lack of faith in traditional closed institutions and a call for their replacement by non-segregative, 'open' measures, termed variously 'community control', 'community treatment', 'community corrections' or 'community care';
- (iv) **away from the mind:** 'back to justice', 'neo-classicism', 'behaviourism'; an impatience with ideologies of individualized treatment or rehabilitation based on psychological inner-states models and a call to reverse the positivist victory and to focus instead on body rather than mind; on act, rather than actor. (Cohen, 1985:31).

In child welfare, these trends were reflected in deinstitutionalization and provision of community programs to support children remaining at home with their families. Strategies used included provision of family support, funded by the Commonwealth and later shared by the States in some cases, and referral of children to child care, particularly day care and family day care. However, such 'progressive' moves were not unconditional (State) or open-ended (Commonwealth). By the early 1980s the numbers of referrals of 'welfare children' to child care were sufficient to be one of the major factors in prompting the Commonwealth to redefine the boundaries between child care and child welfare (Jones, 1985). Other recent controls on priority of access and pattern of use by the children referred by welfare departments have included:

- (a) limiting the number of such children who can use a child care service;
- (b) limiting the number who can attend at any one time;
- (c) limiting the hours of attendance of each child, per week;
- (d) requiring the parent, regularly, to justify the need for care;
- (e) giving higher priority to the children of working mothers and removing welfare children from a service if higher priority children are on the waiting list.

At the State level, welfare departments provided increased support to community based services which assisted families and children who were at risk of institutionalization. A policy of deinstitutionalization was pursued and, as a result, it is clear that the numbers of children in substitute care have declined. At the same time, however, the numbers of children who came under statutory or non-statutory supervision, (sometimes called preventive supervision, where no legal process is involved) have risen dramatically. Many of these children under these forms of supervision, or their families are supported by family support services or child care (Carter, 1983; Jamrozik, Drury and Sweeney, 1986).

(C) The 1980s

This period in child welfare seems to be characterized by:

- (i) a return to a concern with rescuing the child from abusive families (abusive being used in the broad sense);
- (ii) a concern with 'child abuse'; a term which now incorporates emotional and physical 'neglect' as well as physical maltreatment;
- (iii) a concern with whether preventive, community based programs could improve either the conditions for families (Alexander and McGahan, 1982) or life chances for children, especially in the context of the economic recession;
- (iv) a subsequent containment of, if not retreat by, the States from their community development activity, at the same time providing capital for child care (used predominantly by the middle class);
- (v) a return to categorization of child care services by the Commonwealth, so that rather than have universal services for children regardless of the circumstances of their parents, as outlined in the Labor Party policy statement of 1982 (Grimes, 1982) child care was now redefined as day care for working mothers, pre-school as education for four year olds of non-working mothers (and State responsibility), occasional care as 'non-essential' care of babies of non-working mothers and foster care as the substitute care needed by welfare families. Family day care was not to be used as pseudo-foster care.

Rather than recognizing that all care has elements of substitution, support and supplementation, with child care having the added benefit of a positive developmental function, child care was redefined as support to working mothers and child welfare as substitution of welfare mothers. There is a belief that support for the latter group of mothers in terms of their access to child care should be limited, lest they deny their child rearing responsibilities. The 'overuse' of child care by mothers not in the workforce, particularly those on benefits and paying little or no child care fees, was thus seen as a problem and led to the restrictions on use of care, described earlier. The argument about overuse of services and the cost implications have been outlined by a Commonwealth Interdepartmental Committee considering different fee relief measures:

... there is a strong argument in principle for imposing a minimum fee ... the lack of a minimum fee would seem to have contributed to an excessive use of services by families with a parent not in the workforce whose need of day care would not appear to be as great as other families with a sole parent or both parents working (Interdepartmental Committee, 1983, 12-13).

SUMMARY

In summary, at the State level, there has been a shift from an approach which has seen family problems in individual terms, in the 1960s; to one where these problems were located in community disorganization and disorder caused by rapid social, economic and urban change; thence a return to the

individual/family pathology approach. Despite these changes, the focus of resources of State welfare departments has remained with substitute care. Over the same period, 1966-1986, the joining or splitting of Commonwealth-State responsibilities has followed the same pattern. In the 1970s the Commonwealth had funded community development and family support programs, which it is now defining as 'welfare' and trying to hand it back to the States. While in the late 1970s these 'welfare' children were given priority of access to child care, in policy, at least, the situation is now reversed and their use of child care is 'at best' contained.

2. THE SWRC STUDY

(A) Analysis of Change 1966-1982

In order to examine the precise nature, meaning and significance of these changes, we developed a two-stage study. The first stage, from which some results have been outlined below, involved the analysis of changes in child welfare policy, administration and legislation of three States over the period 1966-1982. We have taken a sufficiently long period (17 years) to see what developments and changes had taken place over that time. The States considered were New South Wales, Tasmania and South Australia. The study also considered changes in Commonwealth policies and programs in child and family welfare. The major findings of that study, entitled, as noted above, **Innovation and Change in the Child and Family Welfare System** were:

- (i) that policy and legislative changes have seen State welfare departments attempt to shift their orientation from protection and control to a concern with family and community welfare. However, the focus of resources remain with the social control function of substitute care. It needs to be added that since 1982 there has been an increasing emphasis on statutory obligations in relation to child abuse;
- (ii) that in departmental policies and programs there has been some acknowledgement of external causes of problems in family functioning but this has been rather a 'reluctant' and inconsistent acknowledgement;
- (iii) a major response to 'people in need of help' has been the development of various intangible services in the form of counselling;
- (iv) we concluded that, by and large, **methods** rather than **objectives** of intervention had changed;
- (v) that it was likely that departmental clients, for example, those needing emergency assistance and substitute care, were still the poor, although departmental data fail to give client socio-economic profiles;

- (vi) that, given the above, State welfare departments were trying to shift their focus from protection to services which prevented family breakdown and enabled families to function in the community. However, how successful the departments have been in meeting this objective in terms of the level of functioning achieved by these families, may be open to debate;
- (vii) that the Commonwealth had attempted to facilitate these changes and had in fact moved into the 'welfare' area in terms of services, albeit indirectly. It had already done so in the area of financial support through benefits and emergency assistance grants;
- (viii) our report raised the issue as to whether the distinction between child care and child welfare was clear, both in policy and program terms, and in practice.

The report raised as many questions as provided answers:

- (a) what did these changes in policy and programs mean? Were they 'progressive' moves in the sense of being more humane? Were they oriented to the whole community rather than only some sections of it and the individual (as claimed); were the users still the poor; how and why were the services used; did the services involve coercion as did 'traditional' child welfare services; and what were the outcomes for children and their parents?
- (b) did the changes reflect changes in parents and child behaviour, or was it that government policy makers and child welfare workers had changed their perceptions of the needs and/or rights of children and families?
- (c) were there wider social, economic and political changes that accounted, in part, for the apparent or claimed 'radical' or 'progressive' changes in policy?

(B) The Field Study

In order to understand what was happening in child welfare, and to determine its relationship to child care, at the level of service delivery, we devised the second stage of our study. That stage involves empirical work aimed at examining the issues raised in our findings, at the level of actual service delivery. The study is being conducted in three phases, with the first phase now nearing completion.

The first phase of the study entails interviews with non-government and government field workers in child care, child welfare and family support agencies. Government agencies have included health and education services as well as welfare services. The voluntary sector has also included health-funded services. These interviews have basically covered the following:

- (a) type of service provided and the process of service provision, including questions relating to priorities, referral patterns,

the basis of process of decision-making, constraints on services and changes wanted;

- (b) details of the process of service provision, including aims, use of formal and informal contracts or agreements with families and/or with the welfare department, monitoring of families and perceived outcomes;
- (c) characteristics of users (parents and children), why families do or don't 'cope', characteristics of families and children 'at risk', what would happen to children and families without the service, and what could be done to overcome any disadvantage children suffer;
- (d) questions about the needs and rights of children generally; how the needs and rights of children and those of the parents are weighed and the impact of government policy on an agency's ability to meet needs and rights.

Following a pilot study of nine agencies, services in two regions in Sydney were selected. To date, forty-four agencies, principally voluntary agencies in child care, child welfare and family support have been visited. The pilot study of a Youth and Community Services' Community Welfare Office is about to commence.

The second stage is also about to begin. This involves interviewing workers from a sample of our agencies about different kinds of families they assist. These case studies should give us a more detailed picture of the families themselves and their involvement with the welfare system or other systems such as health.

The final phase will involve interviews with families themselves to talk with them not so much about the agencies they are currently dealing with, but about their experience of raising children and the different resources to which they have access.

As noted earlier, we have to date visited forty-four agencies. Of these, eleven were child care services, seventeen were child welfare, and seventeen were family support. The latter group included health services such as Family Centres and services funded by the Commonwealth under the Family Support Services Scheme. Some State-funded services were included. Child welfare services included agencies providing residential, family group home or foster care, while child care included pre-schools, day care and family day care. The analysis of these interviews is only just underway, so any comments made at this stage must be tentative.

3. SOME OBSERVATIONS FROM THE SWRC STUDY

It is not possible here to consider the range or complexity of issues arising from the field work. Rather, in order to consider the issues of whether the welfare system has changed and if so, how and what are the similarities and differences between child care and child welfare, I briefly want to address the following questions. My observations relate to the sample as a whole, in very general terms, unless otherwise specified.

- (a) what are the aims of service providers?
- (b) from the perspective of service providers, what are the reasons for families' use of services?
- (c) what are the methods of intervention or assistance?
- (d) how are the needs of families and children perceived, generally and for agency clients?
- (e) what are perceived to be the outcomes of assistance, for families and children?

(a) What are the aims of service providers?

Interviewees were asked the aims of the service(s) they provided and the constraints they saw in meeting their aims. With the exception of most child care agencies and those substitute care agencies that no longer had contact with parents, the focus of most services was on changing the behaviour of the parent(s). There was an emphasis on developing in the parent, through modelling and/or advice, child management and homemaker skills since under-or over-control of children and/or inability to organize a home and budget were seen as major problems.

A small number of agencies sought as much as they were able to provide services to allow families or children to become more independent. Workers here realized they were unable to radically alter the social position of families. Services provided in these agencies included child care, temporary accommodation, special and extended education for children, proposals for a separation allowance to enable parents to live apart and still provide for their children, and permanent temporary care arrangements to provide on-going support.

(b) From the perspective of service providers, what are the reasons for families' use of services?

A number of questions were directed at or raised this issue, including why people need to seek assistance or why intervention in family life takes place and what distinguished 'coping' and non-coping' families. These questions were often answered in terms of problems, with the most frequent responses being financial problems (poverty, or the need to work because of financial problems), lack of child rearing skills, including lack of control and inappropriate expectations of children and lack of life management skills. Also mentioned, were social isolation and breakdown in family relationships, including single parenthood.

When asked what distinguished coping from non-coping families, responses followed a similar pattern, with slightly more emphasis on family/community support or lack of it, and on functional or dysfunctional family or parental relationships.

There was a great diversity of opinion as to whether problems experienced by families were caused by the inadequacy of the individual, by a person's inability to form relationships with his/her family and/or the community, by lack of community integration and support or by social structures evidenced through social policies such as those of welfare and public housing

departments. Infrequently, individual family problems were portrayed as a power issue. Example of the latter perspective were responses such as 'society causes poverty through inequality' and that family problems were 'political not pathological'.

Constraints on the effectiveness of services were seen to be twofold, consisting both of government policies and funding levels and of the 'raw material' with which agencies had to work, that is the clients themselves. Unwillingness or inability to change was frequently mentioned as a constraint on the effectiveness of services.

(c) Methods of Intervention

The question arises as to whether these new 'progressive' services such as family support and child care involve any element of surveillance or coercion of welfare families, as was characteristic in state interventions such as, in the past, the removal of children from their natural families and their placement in substitute care. Our findings seem to indicate that an element of persuasion, surveillance and possibly coercion does exist for families who have been referred to an agency by the welfare department.

Persuasion/coercion is used to 'encourage' a family to attend child care or a family support service or to place a child in substitute care on a voluntary basis. An agency may have an informal or a written agreement or contract with the family and possibly with the welfare department about goals to be achieved, with the possibility of further intervention if those goals are not met. Many agency workers fulfil a surveillance role for the welfare department: families are reported for non-attendance or failure to change, written reports are provided on their progress (some reports are also prepared for the courts) and in some cases, the possibility of being reported for child abuse is used as a means of manipulating family behaviour.

(d) How are the needs of families and children perceived?

(i) The Needs of Children

In that, views of childhood fall into three groups:

(1) Children are innocent and vulnerable and in need of care and protection. Children have strong emotional needs which should be met by 'intact functional families'. They need affection, guidance, warmth, consistency in care and safety. This was the most predominant view. A very small number of agencies emphasized material needs and several in fact felt that children as a group did not need more societal resources, although this issue was mentioned more frequently in terms of rights rather than needs.

(2) A minority view was that children were (potentially) wrong doers as opposed to being vulnerable and innocent. As expressed by one interviewee,

Children need to be moulded, limits set. They have to know that someone else is in control. They need to be controlled. We need to be able to take action. We need to be controlled and moulded. The child's will needs to be broken, but not the spirit - the will is strong but the spirit is fragile ... kids will always choose the wrong way, given the chance.

This view echoes the notion of original sin and in fact this was mentioned by that interviewee.

(3) A third view of children and childhood, put forward principally by child care providers (pre-school, day care), encompassed notions of creativity, freedom of choice, development, and so on, rather than issues of control and parental responsibility for meeting emotional needs, although the latter was important. The difference seemed to be the emphasis given to different needs.

(ii) The Needs, Rights and Responsibilities of Parents

Interviewees were asked what resources families needed in child rearing, to whom this applied, what needs parents had as individuals and how they (agencies) worked out the issue of children's needs and rights and parental needs and rights. There seemed to be a good deal of agreement that families needed the basics (food, clothing, shelter, money) and other general support, including education. Some respondents listed child care. Most of those interviewed agreed that parents had the right to a break from their children, but how this was to be achieved for many of the families that they dealt with was unclear.

The issues of parental competence (or incompetence) and responsibility were significant ones. They were raised by the interviewees in answer to a number of questions, particularly those regarding conditions imposed upon or requirements of parents and why it was necessary to have these. It was in relation to these issues that behavioural change of parents was seen as necessary, as mentioned previously. It was believed, however, that not all parents were capable of change either because of unwillingness or intellectual capacity.

(iii) Characteristics of Agency Clients

The responses here reflected the sorts of problems agencies workers dealt with and, as previously noted, the characteristics of service users were often expressed in terms of problems. The latter included, also as previously noted, financial problems, single parenthood, lack of family/community support and lack of child management and living skills, such as organisation of the home.

(iv) Middle Class Clients and Others

There appeared to be a difference in the way middle class families and their problems or needs were perceived as compared with poorer 'welfare' families and there was certainly a difference in the way a service was provided (that is, no stigma). The outcomes were also perceived as different. At this point of analysis it is not possible to give tabulated data but only to illustrate these diversities that seemed to exist.

The aims of agencies dealing with clients they identified as being middle class tended to emphasize the enabling rather than the controlling function of the service. For example, family centre workers who provided child management advice, general support and counselling where needed (apparently similar aims to welfare-funded family support services) stated the aims of their services as:

to work towards mother feeling happier, more confident and mother enjoying baby.

behaviour modification to enhance a middle class lifestyle. Improve family cohesiveness for people not in life and death situations. To get people to use the talents available, ... to make the most of their intellectual capacity.

The families using these centres in middle class areas, the families with working mothers in child care and the users of pre-school were typically described as middle class and educated, often from professional backgrounds. They needed child care because they couldn't cope full time with children and/or they worked, or because they were keenly interested in their children's development. Families needing counselling or child management advice were often believed to be 'overparenting':

... Families are suffering from information overload. They are educated and have high expectations of themselves as parents and of their kids They expect a baby to eat and sleep but it doesn't work like that.

Some problems were seen to be the result of relationship problems but this was attributed to the necessity of husbands working long hours in demanding jobs.

Thus it seems that while poor parents were seen to have had low expectations of children and under-parented or were too authoritarian, middle class parents were seen to have a tendency to over-parent and had too-high expectations of children. The latter was thought to be due to the media, the 'Women's Weekly Syndrome' and the plethora of books on child care. Middle class families were aiming for perfection. There was an emphasis with the middle class that a crying baby or a difficult child was not the parents' 'fault' but something that should be expected and duly dealt with in the course of everyday events.

At the level of welfare practice, differential treatment of families according to class also seems to occur. At one family centre, mothers attending who feel they really can't cope and need a break and a sleep are able to be admitted to hospital along with their baby, as a 'social admission'. In this way they get a rest paid for by Medicare and the hospital budget. In other areas poor families who express the same need may have only the option of foster care or temporary care, funded from welfare with a stigma attached and in some cases the likelihood of having their child notified as being at risk if they do not undergo counselling.

Policies also clearly provided for differential treatment of families according to their class. For example, at child care centres working mothers did not have to continually justify their need, other than to state they were working. Welfare mothers periodically had to do this. However, one respondent questioned this differential treatment, according to the workforce status of the mother, explaining that for many middle class mothers, working was a legitimate way of saying 'I'm not coping' and/or gaining access to child care. Families using the family centres had a choice about whether to attend a service (the requirement for a referral deferred), when to attend and when to cease using it. There was no stigma attached to use.

The outcomes are also seen to be different. Children in child care are seen to be more independent, outgoing and so on. Children whose mothers had attended family centres were believed to settle and become more content (as did the mothers). It was also believed that parents using child care grew to be happy with their child's progress. The outcomes for children and families using family support services and substitute care services were seen to be more varied.

Middle class norms were also seen to be the yardstick by which families were judged as being different or not coping, though many interviewees found this hard to articulate. Some admitted that their middle class position affected their view of clients.

Sometimes I just can't help someone. I don't like them. I suppose it's my middle class values and moralities. Some families just aren't ready.

(e) Outcomes of Service Provision

The results about outcomes of services provision were mixed. Questions were asked about outcomes for children and families and also about the life chances of these children and if they were disadvantaged what could be done to overcome that disadvantage. The findings seem to indicate:

- (1) the outcomes of child care for children were seen as positive, enhancing their development and sociability;
- (2) the short term outcomes of family support and substitute care for children were seen as mixed; some improvements were seen in terms of children developing more trust etc., some believed more time was needed to work with children, others thought children became part of 'the system';
- (3) the outcomes for parents for all services were seen to be positive, although this contradicted many earlier statements about the ability of families to change. Many respondents did qualify their answers by saying that sometimes change was hard to effect and you had to look for small changes such as improvements in appearance. Respondents also discussed the pattern of repeated use of a service, where families seemed to need on-going support. Responses here may again be referring to short term outcomes.
- (4) the responses about outcomes differed markedly from those to questions about the long term prospects of children and what could be done to overcome the disadvantage they suffered, if any. The pattern of responses indicated that workers believed the children they dealt with faced at worst a grim, and at best a limited future. In the latter cases the outcomes for children were seen to be dependent on the ability of the parent(s) to change in some way or on the prospects of improved job opportunities. These responses provided an outstanding contrast to those given by child care workers, who saw the prospects for middle class children under their care as being more hopeful. The long term prospects for poor children attending child care were seen to be more doubtful.

Some respondents believed the children they saw would grow up as 'psychopathic killers, a burden to society', 'criminals and hoods'. Most believed that unless parents changed, their children would repeat the cycle of disadvantage.

4. Explanations of Change

Given the findings of the literature and our study, it seems reasonable to conclude that the child welfare system has been unable to change its aims, functions and outcomes, although forms of service provision have changed. A number of arguments as to why this is so have been outlined by Cohen (1985) in *Visions of Social Control*. What Cohen seeks to explain is not so much the failure of the new programs but 'a clear lack of fit, a measure of incongruence between the new system and the rhetoric with which it usually justifies itself. It is this incongruence and the emerging patterns themselves which have to be explained' (Cohen, 1985:87). He considers five models which represent different parameters of social action, and all five might be needed for a complete explanation as to why things 'are not as they seem'. These five models are set out in Table 1 and are briefly considered here.

- (a) Progress: in this model progress apparently based on new ideas is taken to be self-evident, without any questioning of the past or current contexts which shape development of ideas;
- (b) Organizational Progress: in this model programs fail not because of the good intentions of reformers but because of organizational blocks. Proponents here claim that the process of implementation is the problem (including factors such as low budgets), but Cohen argues that without an attempt to locate ideas and the reforms themselves in a wider social context, programs are bound to fail;
- (c) Ideological Contradiction: ideas which are used to provide program rationalization 'draw upon existing social, political and economic arrangements (as well as previous ideas)'. Ideologies that are used to justify programs contain 'contradictions, distortions, paradoxes, anomalies' which need to be teased out in order to understand why a program is not working in a way the rhetoric had portrayed;
- (d) Professional Interest: this model suggests that the power of the professions has never been broken and that the 'enterprises of classification (diagnosis, screening, selection) and intervention (control, treatment, punishment) remain as interlocked as they always have been'. New reform programs simply create new levels of knowledge and power;
- (e) Political Economy: here it is argued that current ideological changes and actual control patterns must be explained at the level of political economy. Whatever the particular theory, features common to all in this group are

... that benevolent, rhetorical intentions are of little or only derivative significance, that while professionals and

organizations might be important their autonomy is strictly controlled and limited by state, and the notion of 'failure' so central to the organizational model is meaningless ... what is there must be there to ensure the success of the state in reproducing capital and to deflect any threat to its stability. Now, as ever, the major force for change lies not within the crime control system itself, but at the level of national ... and political and economic developments (Cohen, 1985:103).

Thus Cohen claims that the most useful approach for understanding changes in control systems (or lack of them) can be found by an analysis of the social and economic system/context in which services are located. This view has been taken by a number of writers (Cohen 1985; Parton, 1985; Pelton, 1981; Gil, 1981;1984). In essence they argue that welfare systems in advanced capitalist societies serve a number of professional, bureaucratic and political interests or functions. Focusing on the latter, Gil (1984) has argued

... Child welfare services are meant to compensate for various objective and subjective shortcomings in the primary systems of child care, socialisation, schooling, and social control. Their function is simply to complete and correct unfinished tasks of the primary systems, to wit, the adaptation of children to prevailing patterns of life, roughly in conformity with their social class, racial, and cultural backgrounds. Child welfare policies and services are therefore supplementary tools of the state toward reproducing and preserving the status quo and its ideology. Verbalised goals to the contrary, prevailing child welfare policies and services are not tools toward social transformation, and they have little to do with facilitating the free and full development of children in their care (Gil, 1984:306-307).

To develop different aims and methods of intervention/assistance for the poor and 'undeserving' (Jordan, 1974), then, we would be talking about a different social order and a different relationship between the state and parents in terms of responsibility for children. This is why the tension between attempts at social justice for children and attempts at maintaining the social order as evident in child welfare cannot be resolved under existing social arrangements (Tiffin, 1982).

TABLE 1: Intentions and consequences: five models.

Model	Original Intentions	Status of Eventual Consequences
1. Progress	Benevolent - taken entirely at face value	More or less according to plan
2. Organizational convenience	Somewhat mixed but on the whole benevolent - things could have worked out	Things not quite working out: unmet promises, unintended consequences. Organizational convenience snarls up the original plan
3. Ideological contradiction	Contradictory and mixed and, for this reason, virtually impossible to realize	Because of contradictions, the emerging pattern bears little relationship to the plan. The policy area is a site in which contradictions are resolved
4. Professional interest	Some benevolence, but on the whole, intentions are highly suspect and eventually self-serving	Just what you would expect: the system is shaped by professional self-interest
5. Political economy	Intentions are more or less irrelevant or simply a mask for undeclared needs of the system	Just what you would expect: the system is shaped by the demands of the political economy

Source: Cohen (1985:88)

Cohen (1985) and Parton (1985) both suggest that social control or 'repression' has intensified for poor families as a result of economic recession and a growing concern about social disorder and disintegration. Parton (1985) in fact suggests that the increased incidence and concern about child abuse reflect a steadily growing societal anxiety about the decline of the family, the growth of violence and permissiveness, social instability and the lack of 'positive outcome and change' in those growing number of families involved with welfare services. The concept of child abuse evokes 'moral outrage' and is the limit of societal tolerance to disintegration as reflected in family behaviour and breakdown. This, rather than a change in parental behaviour, may provide one explanation as to why, in Australia, reasons for using substitute care have changed from 'neglect' to 'abuse'.

5. Conclusions and Policy Implication

Briefly, the conclusions from both the analysis of the available literature and data and some observations from our field study would lead to the following tentative conclusions:

- (a) that the child welfare system has changed in terms of its forms of intervention but not in terms of its aims and functions. The new services in many cases have the features of stigma, coercion and surveillance and often cater only for those families that are amenable and willing to change or be supervised;
- (b) that Commonwealth initiatives have assisted the process of deinstitutionalization and diversion through the development of services such as family support, child care, youth refuges and so on;
- (c) that while these initiatives at the Commonwealth and State levels reflected a move to see family problems as a consequence of social, economic and urban change there seemed to have been a recent return to seeing family difficulties not as symptoms of societal change or even inequality, but rather once again as individual pathology;
- (d) that despite apparently progressive moves to use services such as child care which are seen in a more positive light, conditions of use are imposed on 'welfare clients' so that the features of the traditional child welfare system, that is, stigma and coercion, in many cases remain;
- (e) thus, the two systems of provision, child welfare for the poor and child care for the middle class, remain. Recent policy changes at both the Commonwealth and State level maintain and compound these divisions. This is so, despite the fact that the evidence suggests that both systems are addressing families' needs for a range of resources to assist with the child rearing process. These needs (including the need for child care because families are unable for whatever reasons to care 24 hours a day for their children) seem to be defined and acted upon differently, according to the class position of families. However, it would seem that rather than child care

being seen as supplementation or support to family care, and child welfare being seen as substitution, all these elements can be found in one service.

Parton has some practical suggestions for change that would represent 'a framework for practice which attempts to be progressive and which takes seriously the structural factors' (Parton, 1985:185) associated with child abuse and neglect. Basically, he suggests that an anti-poverty campaign and primary prevention strategies, such as provisions of universal child care, should be adopted.

In order for these strategies to be truly 'progressive', Parton claims that a change in our thinking is needed in relation to family-state relationships and responsibilities, to be achieved by community child care arrangements, state child care provision and changes in working conditions to allow fathers more time for their children.

At present debates take place in terms of the 'rights of children' and the 'rights of parents' and what is the appropriate boundary and standard for state intervention in 'private' family life. The terms of these debates need to be recast. In reality the idea of parental rights has grown up with the notion of parental responsibility for rearing the children required by the labour market and the state. Parents are held responsible not only for producing hard-working, law-abiding and 'well-adjusted' citizens but for any social problems such as child abuse that may arise. In this context we should be striving to shift the parameters of the debate away from rights and towards responsibilities, away from 'whose' responsibilities and towards responsibilities 'to do what'. (Parton, 1985:185).

Thus the debate is shifted away from the concept of individual, parental responsibility for children to one which encompasses notions of collective child rearing.

In broad terms, Parton citing Coussins and Coote (1981), concludes that primary prevention strategies/policies for families should be based on the following principles. They should

- (1) be designed to break down rather than reinforce the artificial division of labour between women and men;
- (2) be built on freedom of choice;
- (3) recognise that children are our most precious resource and that everyone has an obligation to them, whether parents themselves or not;
- (4) be based on maintaining and expanding the social wage and community facilities under local control, such as eating places, social centres and laundries;
- (5) recognise the rights and needs of children within families as well as those of the family as a unit;

- (6) recognise the additional financial pressure on families with dependent children, and restore and protect the resources of these families. (Parton, 1985:187)

Parton's suggestions are similar to our concept of social parenthood (see SWRC Reports and Proceedings No.19). We think that rather than maintaining two systems of care based on class, a more productive policy approach might be to regard child care as a system of social parenthood where the care of children is shared between parents, the community and the state. Rather than seeing provisions for children, whether substitute care or child care, as a choice between state care of family care or care as a last resort or an evil necessity when parents are working or can't cope, it would be a system regarded as being necessary to the social functioning of both children and parents and seen as developmentally beneficial for children.

BIBLIOGRAPHY

- ALEXANDER, J. and McGAHAN, B. (1982) **Evaluation of the New South Wales Family Support Services Scheme**, Sydney, Social Research and Evaluation Ltd.
- CARTER, J. (1983) **From Protection to Prevention** (SWRC Reports and Proceedings No.29), Kensington, Social Welfare Research Centre, University of New South Wales.
- COHEN, S. (1985) **Visions of Social Control: Crime, Punishment and Classification**, Oxford, Polity Press.
- COUSSINS, J. and COOTE, A. (1981) **The Family in the Firing Line** (NCCL/CPAG).
- GIL, D. (1981) 'The United States versus Child Abuse' in Pelton, L. (ed).
- GIL, D. (1984) 'The Ideological Context of Child Welfare', **Children and Youth Services Review**, 6, (4), 229-309.
- GRIMES, D. (1982) **Social Security Bulletin** (July).
- GREGORY, G. and SMITH, N. (1982) **Particular Care**, Melbourne, Children's Bureau of Australia.
- INTERDEPARTMENTAL COMMITTEE (1983), **Children's Services Programme: Review into Income Related Assistance**, Canberra, Department of Social Security.
- JAMROZIK, A., DRURY, S. and SWEENEY, T. (1986) **Innovation and Change in the Child and Family Welfare System** (Reports and Proceedings No.57), Kensington, Social Welfare Research Centre, University of New South Wales.
- JANOWITZ, M. (1976) **Social Control of the Welfare State**, New York, Elsevier Scientific Publishing Co.
- JONES, A. (1985) 'The Child Care Policies of the Hawke Labor Government 1983-1985', Paper presented at the 17th Annual Conference of the Australian Political Studies Association, Adelaide, August.
- JORDAN, B. (1974) **Poor Parents: Social Policy and the 'Cycle of Deprivation'**, London, Routledge and Kegan Paul.
- PELTON, L. (1981) 'Child Abuse and Neglect: The Myth of Classlessness' in Pelton, L. (ed).
- PELTON, L. (1981) (ed), **The Social Context of Child Abuse**, New York, Human Sciences Press.
- PARTON, N. (1985) **The Politics of Child Abuse**, London, Macmillan.
- SWEENEY, T. and JAMROZIK, A. (1982) **Services for Young Children: Welfare Service or Social Parenthood?** (SWRC Reports and Proceedings No.19), Kensington, Social Welfare Research Centre, University of New South Wales.

- SWEENEY, T. and JAMROZIK, A. (1984) **Perspectives in Child Care: Experiences of Parents and Service Providers** (SWRC Reports and Proceedings No.44), Kensington, Social Welfare Research Centre, University of New South Wales.
- SWEENEY, T. (1982) **An Analysis of Federal Funding of Children's Services - A Sourcebook.** (SWRC Reports and Proceedings No.22), Kensington, Social Welfare Research Centre, University of New South Wales.
- SWEENEY, T. (1984) 'Child Care and Child Welfare: Two Systems or One?' in Hooke, R. (ed) **54th ANZAAS Congress: SWRC Papers** (SWRC Reports and Proceedings No.47), Kensington, Social Welfare Research Centre, University of New South Wales.
- SWEENEY, T. (1985,a) 'Child Care, Child Welfare and Family Support: Policies and Practices of the Commonwealth and States' in Jamrozik, A. (ed) **Issues in Social Welfare Policy 1985: Perceptions, Concepts and Practice** (SWRC Papers at ASPAA and ANZAAS), (SWRC Reports and Proceedings No.54), Kensington, Social Welfare Research Centre, University of New South Wales.
- SWEENEY, T. (1985,b) 'Child Care: The Question of Need' paper presented at the 17th National Conference of the Australian Early Childhood Association, Brisbane, 25th September.
- TIFFIN, S. (1982) **In Whose Best Interest? Child Welfare Reform in the Progressive Era**, Connecticut, Greenwood Press.
- VARDON, S. (1983) **Directions for Residential Care**, Sydney, Youth and Community Services, Government Printer.

**LOSING GROUND OR GAINING GROUND? -
MEASURING THE OUTCOMES OF WELFARE STATE PROVISION**

Peter Travers

School of Social Sciences

The Flinders University of South Australia

ABSTRACT

Throughout the 1980s, a favourite theme of conferences and seminars on welfare in the Western world has been the crisis of the welfare state: Can we afford it, can it deliver what it promises, does it actually do more harm than good to those it claims to benefit? This paper examines the kind of information we would need to answer those questions in Australia. It describes the patchy nature of present knowledge, and outlines a program that would enable us to learn how, in fact, the well-being of Australians changes over time.

It is remarkable how little we know about changes over time in the well-being of Australians. Until very recently, when we did look at that issue at all, it was generally to ask whether all sections of the community were sharing equally in rising standards of living. The patchy evidence we have suggests that Australia performed relatively well by world standards in sharing the fruits of prosperity. But now we are confronted with the very different question of who bears the burden of a decline in living standards that has already begun. Past experience suggests that those burdens will not be shared equally. In the 1930s, the political slogans talked of equal sacrifice, but the reality was of disproportionate suffering among working class families. The risk is that, once again, the weakest groups will suffer, but the community at large simply will not know what is going on. In this context, there is an urgent need for better social reporting - in other words, for citizens to be well informed about how different sections of the community are faring in such crucial areas as housing, access to health care, transport and job opportunities.

In the 1950s, there was a revival of a debate that had begun at least a century earlier. The issue is deceptively simple: What was the effect of the Industrial Revolution on the standard of living in Britain? Over the next ten years, a mass of new evidence appeared, with the optimists, led by R.M. Hartwell (Hartwell, 1961) arguing that the material conditions of living of all classes improved, while the pessimists, led by E.J. Hobsbawm (Hobsbawm, 1958) claimed that for the working class there was a deterioration both in quality of life and in material circumstances. After the dust of the revived debate had settled, Hartwell, the optimist, wrote, 'It is, of course, not to be expected that the "standard of living" debate will ever be resolved, no matter how much evidence is ultimately brought to bear on the issue' (Hartwell, 1975). At the same time, Hobsbawm, the pessimist, concluded that the debate had not been a waste of time. It had meant, at the very least, that some of the more outlandish theories that had been taken seriously in the 1950s had now been eliminated, and it may have meant that some of the later debate would now show greater rigour (Hobsbawm, 1975).

It seems to me that we are in the midst of a very similar kind of debate today. This time, the question is not about the effect of the Industrial Revolution, but about the effect of the welfare state on the standard of living and, specifically, the standard of living of the working class. In the current debate, we also have optimists who claim that the effect of the welfare state has been benign, at least to the extent that the working class have held their own, whereas they would not have in the absence of the welfare state (e.g. Thurow, 1980). The pessimists, on the other hand (who ideologically are as likely to be of the far left as of the far right), claim evidence that not only has there been no redistribution from rich to poor, but the welfare state has contributed directly to the immiseration of the working class. (Many of the more important issues are canvassed in **The Welfare State in Crisis**, Paris, OECD, 1981).

As with the Industrial Revolution debate, it would be easy to conclude that this one will never be resolved, since the arguments are fundamentally at cross purposes. However, I propose to take the more optimistic stance in this paper, and to argue that the debate on the effects of the welfare state can be taken beyond an ideologically inspired slanging match, that the quality of discussion can be improved and that, even though the arguments may never be resolved, at least we can eliminate some of the more outlandish propositions. I will give two examples of what I consider to be major

advances in the quality of debate in Australia. I will then concentrate on a proposition that is attracting wide support in the United States: the proposition that the welfare state actually causes the problems it seeks to solve. I will outline the kind of information we would need to collect if we are to face the challenge that proposition raises.

Some years ago, Winton Higgins made the assertion that the most obvious myth about the welfare state is that it acts as a redistributor of wealth and income from the rich to the poor (Higgins, 1978). The evidence on which the claim was based was meagre, but a supporting argument by analogy came from Britain with Le Grand's book **The Strategy of Equality** (Le Grand, 1982). Le Grand claims quite unequivocally that 'almost all public expenditure on the social services in Britain benefits the better off to a greater extent than the poor' (p.3), and concludes, 'the strategy of equality through public provision has failed' (p.151). However, Harding has pointed out that this conclusion was reached on the basis of an examination of the **distribution** of government spending, i.e. the absolute amount in money terms received by each group. If we look at the **incidence** of spending, namely, the value compared to each group's original income, we get a completely different picture (Harding, 1984). If we are interested in redistribution, the question is not whether the richest tenth get more, say, of the education dollar than the poorest tenth, but whether the education dollar decreases the gap between rich and poor. With this in mind, Harding then asked what was the incidence of federal taxation and of federal expenditure in 1975-76. The taxation system emerged as barely progressive, but the incidence of social outlays was highly progressive, and had a strong redistributive impact (p.100). Even education, the least redistributive of all expenditures, was mildly progressive (p.101). It is interesting to note that Harding's contribution to this discussion has been partly in terms of her quantitative analysis, but mainly in terms of conceptual clarification about what would count as redistribution.

The second area where the quality of the debate has improved markedly has been in the analysis of changes in government budgetary outlays. While conservatives have been crying impending doom because of the uncontrolled spiral in welfare expenditure in Australia, the welfare lobby has been equally vocal in deploring cuts in expenditure. In these debates, even the elementary question of whether there has in fact been a rise or a fall in expenditure is often overlooked, or distorted. Furthermore, it has been rare in these debates to have discussion on the crucial issue of what brought about the changes, if there were changes. Following on the earlier work of the Social Welfare Policy Secretariat (SWPS, 1984), recent analyses by Gruen (Gruen, 1985) and by the Economic Planning Advisory Council (EPAC, 1986) on the disaggregation of spending has greatly improved our understanding. We now have a decomposition of changes in expenditure into those caused by demographic change, those caused by changes in coverage, and changes in real rates of pensions. Take the case of age and service pensions under Fraser and under the first two years of Hawke. Annual increases in expenditure are very similar; the demographic component of the increases remains constant, but coverage and real benefits go in opposite directions. Under Fraser, coverage was still expanding following the abolition of the assets test, but there was a slight decline in coverage under Hawke, following changes in both the income and the assets test. This makes a slight fall in the real value of pensions under Fraser, and an increase under Hawke (Gruen, Table 5). With this kind of information, those who wish to take issue with the performance

of either Fraser or Hawke can now focus their criticisms with rather more effect than they do when they look only at gross outlays.

The two examples I have given both refer to improvements in the quality of debate over welfare inputs. We now have a better idea of whether expenditure has gone up or down, why it has changed, and who is receiving what benefits. This represents a vast improvement over the recent past. However, a new set of issues has been raised in the US by Charles Murray, issues which are pertinent to Australia, but which call for better systems of social accounting than we have at present.

Murray's argument can be put fairly briefly (Murray, 1984): From 1950 to 1968, poverty in America declined from 30% to 13%. From 1968 to 1980, it remained static around 13%, despite the quadrupling of expenditure associated with the War on Poverty. We can go further. The trendlines in other basic indicators of well-being such as education, health, family stability, and crime also took a turn for the worse at the same time, most consistently and most drastically for the poor.

The usual explanations for this loss of ground are economic decline, demographic change, and deficiencies in the poverty measure. Murray refutes each of these.

He claims that the explanation lies, rather, in the manner in which the rules for the poor were changed. The poor responded rationally, in ways that were to their short-term advantage, but long-term detriment. He illustrates this with his famous parable of Harold and Phyllis, a young couple who have just completed high school. They have no special talents, but neither are they particularly dull or indolent. Phyllis is pregnant. Murray's question then is: given the system of rewards and punishments that operated in 1960, what course of action then made sense for them, and what course of action made sense in 1970, after the rules had been changed? Needless to say, Murray's conclusion is that in 1960 it made sense for Harold and Phyllis to marry, and for Harold to get a job; by 1970, neither marriage nor a job made economic sense. Instead, without invoking any theories of a culture of poverty, or of a breakdown in the work ethic, but merely that Harold and Phyllis follow the logic of their world, the luckless couple are now two typical welfare types. Thus, the argument is that poverty today does not occur despite the welfare state, but because of the welfare state.

There are two ways of meeting Murray's challenge. The first is to question the validity or the relevance of the statistical basis of his case. This has been done with considerable effect in a plethora of journal articles over the past twelve months. (For a fuller discussion, see Danziger and Gottschalk, 1985; Jencks, 1985). One of the most striking features to an Australian observer of this aspect of the debate is the wealth of data available to both sets of protagonists. Annual measures of pre-transfer poverty go back to 1965; official measures of post-transfer poverty date from 1960; transfers are broken down into cash payments, and real in-kind transfers. The only comparable data for Australia are the recent estimates prepared by the Policy Co-ordination Unit of poverty as measured by the Henderson Poverty Line for four years between 1972-73 and 1981-82 (Gallagher, 1985). This small series shows a remarkable stability in the percentage of income units in poverty, but does not extend back far enough to test the full thrust of Murray's argument in Australia. Moreover, given the practice of updating the poverty line in Australia in relation to per capita disposable income rather than to

a basket of goods as in the US, one might conclude that the stability of the percentage in poverty is less remarkable than appears at first sight.

The second type of response to Murray is the one on which I propose to concentrate in this paper. Here, the focus moves from income statistics and discussions of motivation, to the question of what other kinds of constraints exist in the world of the Harolds and Phyllises. The argument is that what Murray attributes to the welfare system alone is, in fact, the result of much wider forces. To mount this kind of argument, we need a different set of information from the income statistics that are the basis of nearly all discussion on poverty both in the US and in Australia.

A Swedish observer of poverty studies in the US pointed out some time ago that what we define as the moral issue shapes the kind of measures we choose, and what will be their policy implications (Korpi, 1980). Poverty studies that focus on income alone seem inevitably to revolve around the moral issue of incentives, with conservatives like Murray arguing that the incentive effect is large, while his liberal opponents attempt to play down these effects. But in the European tradition, and above all in the Scandinavian tradition, the moral issue has been that of the rights of citizens to share in the resources of a country, only one of which is income. Poverty is defined in terms of deprivation on a variety of indicators that include income, work, housing, and social and political resources. Whereas Murray took it as given that Harold's only realistic job prospect was a low-paying, hot, tedious one, working the presses in a dry cleaning shop, it is precisely on this issue that the Scandinavian studies would focus in their poverty research. The issue of incentives could still be raised, but it would be raised within a context where a prior question had already been asked: what resources are available to Harold and Phyllis in terms of getting access to a decent job? What barriers stand in their way in terms of their region, race, language, gender, or class? The very asking of these kinds of question invites different policy responses from those invited by Murray's question.

I have listed some questions relating to what else is going on in the immediate world of Harold and Phyllis besides the incentives that attach to their welfare payments. But there are even wider questions of what else is happening in the world at large that may throw light on the issues raised by Murray. This approach is suggested by a passing comment made by Christopher Jencks. Jencks points out that the lamentable trends in crime, drug use, and child abandonment that Murray attributes to the US welfare system, were also observed at the same time in London, Prague, and Peking (Jencks, 1985, p.48). Now if, in fact, that was occurring, then we immediately have a strong suspicion that Murray is on the wrong track when he sees changes specific to the welfare system of one country as the villain. One way of testing this is to make comparative studies, where we look not only at what was happening in New York between 1960 and 1970, but also in London, Prague, and Peking.

What I am suggesting is that an appropriate response to the issues raised by Murray is to ask what else is happening, over and above the changes he has noted. Whether we ask what else is happening locally, or what else is happening elsewhere in the world, the common element is that we need a broader framework of social reporting than that used by Murray to answer the questions his thesis raises. I now want to turn to one such framework of social reporting.

In what he has called 'the Scandinavian approach to welfare research', Robert Erikson describes the Level of Living Surveys on which they are based (Erikson and Uusitalo, 1985). Welfare is defined in terms of control of resources. A person with a high standard of welfare commands great resources which afford extensive liberty of action (Erikson, 1985). On this approach, what a person does with their resources is their own business. In its emphasis on liberty of action, or positive freedom, this approach differs both from those that look at the achievement of certain states deemed to be desirable, and those that focus on subjective well-being. The emphasis, then, is on factual living conditions, rather than on the individual's level of satisfaction with their living conditions. We should be clear about what they have in mind when Erikson and his colleagues talk of 'factual living conditions', or 'objective measures of standard of living'. They are not of course talking of some sort of value-free indicator, but of a measure of resources rather than a measure of satisfaction. For these researchers, access to well-paying jobs and decent conditions of work are matters of interest; the contentment of happy slaves, and the plight of unhappy millionaires are not.

One crucial question is, for whom the information collected in the Level of Living surveys is intended: politicians, social and economic planners, or citizens? Frequently, there will be no clash of interests, but where there is, the Scandinavian researchers are emphatic that in the final analysis, the surveys should be designed to serve the information needs of citizens as members of a political community (Erikson and Uusitalo, 1985, p.16). In this, they are consistent with their general definition of welfare in terms of resources rather than how people use those resources. They further point out that it cannot be the role of a social report to determine how things ought to be or what should be done in a particular instance. That is the task of the citizen involved in the political process. What social reporting can tell us is how things are (Johansson, 1976).

This last point perhaps needs some elaboration. The Swedish Working Group on Low Income Questions listed three functions social reporting can fulfil when it tells us how things are:

1. **It can indicate the magnitude of different problems**, that is, how many people are affected by low income, poor housing, poor working conditions, social isolations, or whatever.
2. **It can indicate which groups are affected**. Are those bearing the brunt of a particular problem predominantly women, are they in a particular region, industry, of a particular ethnic background
3. **It can function as a warning signal**. This is achieved above all by repeating surveys. Are health conditions improving or deteriorating, and is the improvement or deterioration confined to particular sections of the population? (Johansson, p.58).

However, we should also keep in mind one of the things such surveys **cannot** do. They cannot tell us of the success or failure of particular social programs. Of their very nature, they tell us of the general progress or decline, on a variety of indicators, of the population as a whole, or sections of the population. The surveys can tell us, for instance, if the

health of manual workers is improving or deteriorating. That does not tell us directly if a particular health-care system was responsible.

How, then, are the actual Level of Living Surveys conducted? I will illustrate this by concentrating on the Swedish Level of Living Surveys that have now been conducted on three occasions, in 1968, 1974, and 1981. Survey techniques are used to measure living conditions since it is only through surveys that data can be collected that is linked to the same individuals, using consistent criteria that permit comparisons over time. The actual survey schedule is large - the 1981 survey contained 166 questions. However, the response rate was high, and the feedback on the survey process from respondents was generally enthusiastic.

The surveys cover nine areas:

1. Health, access to care, and longevity
2. Employment and working conditions
3. Economic resources
4. Knowledge and educational opportunities
5. Security of life and property
6. Family and social establishment
7. Recreation and culture
8. Political resources
9. Housing and local services

It should be stressed that, as a matter of deliberate policy, no attempt is made to aggregate these nine areas into a single scale. In fact, a crucial feature of the whole approach is the conviction that the attempt to measure standard of living by a single scale such as income is doomed to failure. The reason for this is that the nine components have been found to vary independently of one another. There are, of course, instances of an accumulation of disadvantage. In Norway, 10 per cent of the population, and in Sweden 6 per cent, fared badly on three or more of the components, but generally, the correlation was low (Ringén, 1985).

One of the advantages of this approach is that it permits us to compare different sections of the population, and ask how each fared over time on each of the nine component dimensions. In Sweden, it is the practice to use the very detailed information gathered on occupation to divide the population into three classes. Class I comprises senior civil servants and large-scale entrepreneurs; Class II comprises junior salaried employees, supervisory personnel, small businessmen, and farmers; and Class III are manual workers. This picture that emerges is generally optimistic. In no field was there an across-the-board deterioration of conditions between 1968 and 1981. In some areas such as income, long hours worked, and the proportion of tedious jobs, Class III made gains. In fact, one of the few cases of real deterioration was in Class I incomes, where senior public servants suffered a real decline. Access to medical services improved markedly for Class III, but on the other

hand, the gap in home-ownership between Class I and Class III widened during the period.

Erikson asks why, in the face of this evidence of general improvement of conditions, there is such a sense of malaise in Sweden, with a favourite theme of the media being the heightening of economic inequalities, apathy and lack of participation in the political process, with increasing numbers living in isolation, bereft of social contact.

There is one clear case where the total collective growth in resources has itself impaired the value of the resources of the individual. That is the case of education, where the rapid rise in the percentage with tertiary qualifications has meant that in the brief period 1968 to 1981, higher education has gone from being a guarantee of a good job to being merely an essential pre-requisite to a job. Given the faith an earlier generation put in education as the way to success, Erikson surmises that the fact that this dream turned sour might of itself explain some of the malaise (Erikson, 1985).

The rather less tangible factor is the possibility that, however much real improvement occurred, expectations grew even faster. Here we must recall that the Scandinavian surveys deliberately focus on actual levels of resources, not on whether people are subjectively contented or not. Finally, something of a reverse phenomenon can occur, when people who, for a variety of reasons, are pessimistic about the future, project their gloom onto the present. Erikson points out that the surveys have nothing to tell us about this.

What, then, can we learn from these sorts of surveys?

First, we should recall that they are not methods of evaluation of individual programs. They tell us, rather, of the global picture. They give us a multi-dimensional picture of improvement and deterioration, for the whole society, or for various segments. When there is a mood of general malaise, and institutions such as the welfare state are blamed for a deterioration of conditions, they tell us first of all if there has in fact been a deterioration of conditions. If editorial writers are still unhappy, as appears to be the case in Sweden, that is another matter. It can hardly justify talk of the 'crisis of the welfare state', except, perhaps, in that special case we have noted, where the very successes of increased educational attainment change the very meaning of a university degree.

Second, they form the basis for comparative studies, that enable us to see which of our ills and which of our achievements are specific to our society and our social arrangements, rather than a feature of all industrial societies, or of western industrial societies. By showing us how much or how little room for maneuver we have, comparative studies show us where to sheet home blame. Murray put up a sufficiently plausible case in his condemnation of the US welfare system to make his book a best-seller. One of the simplest tests of his thesis would be to use level of living surveys to see if Jencks is correct when he says that the deterioration of circumstances that Murray ascribes to the American welfare system were in fact global phenomena, in countries with widely differing social arrangements.

Finally, the level of living surveys give us a warning as to where we should focus our attention. Poverty line studies already can give us one kind of

warning. However, since they use a single indicator, income, they are not well-suited to uncover those situations found to obtain in Scandinavia where there is only a low correlation between problems occurring on the different indicators. In the Swedish example, the Class III manual workers had made considerable gains relative to Class I when income alone was the measure. Their situation had deteriorated when measured on the housing indicator.

Where there is, in fact, an accumulation of disadvantage, as occurred among six per cent in the Swedish study, we may well be seeing the quite different phenomenon of social segmentation, where the explanation does not lie with income, so much as social barriers in terms of gender, class, race, or ethnicity. In this case, though the surveys cannot tell us what policy measures are appropriate, they can certainly suggest that piecemeal remedies are unlikely to succeed.

Let me sum up, then, by saying that the so-called crisis of the welfare state comprises many elements: that costs are rising out of control; that benefits don't go to those for whom they are intended; that the short-term benefits are to the long-term detriment of their recipients. My focus has been the kind of information we need in order to engage sensibly in these debates. I have pointed to two major conceptual and empirical advances in the debate in Australia, namely, Harding's work on the redistributive impact of taxation and welfare expenditure, and the work of the PCU, Gruen, and EPAC on the decomposition of government expenditure. When it comes to challenges such as that made by Murray, I have argued that we need other kinds of information, and I have described one method of collecting it, the Scandinavian Level of Living surveys.

I began the paper with a reference to the inconclusive nature of the debate on the effects of the Industrial Revolution in Britain. The same intractable issues affecting the standard of living that bedevilled that debate also affect the present one. Counterfactual questions such as what would have happened to the working class in Australia had the Curtin/Chifley welfare state not been put in place will always remain highly speculative. However, I have argued that one can improve the rigour of the argument, and it is also possible to collect information that enables us to meet, and I hope eliminate, some of the more outlandish propositions.

REFERENCES

- DANZIGER, S. (1985) and GOTTSCHALK, P., 'The Poverty of Losing Ground', **Challenge** 28:32-38.
- ECONOMIC PLANNING ADVISORY COUNCIL (1986), 'Growth in Australian Social Expenditures', Council Paper No.17, Canberra, EPAC.
- ERIKSON, R. (1985) 'Welfare Trends in Sweden Today', **Current Sweden** No.330, March.
- ERIKSON, R., and UUSITALO, H. (1985) 'The Scandinavian Approach to Welfare Research', Ch.8 in Robert Erikson, Erik Jorgen Hansen, Stein Ringen and Hannu Uusitalo, **The Scandinavian Way: Welfare States and Welfare Research** London: M.E. Sharpe.
- GALLAGHER, P. (1985) 'Targeting Welfare Expenditures on the Poor: Work in Progress on Poverty in Australia, 1981/82', Policy Co-ordination Unit, Canberra.
- GRUEN, F.H. (1985) 'The Federal Budget: How much difference do elections make?', Discussion Paper No. 120A, Centre for Economic Policy Research, Canberra, Australian National University.
- HARDING, A. (1984) 'Who Benefits?: The Australian Welfare State and Redistribution', SWRC Reports and Proceedings No.45, Kensington, Social Welfare Research Centre, University of New South Wales.
- HARTWELL, R.M. (1961) 'The Rising Standard of Living in England, 1800-50', **Economic History Review** 2nd Series, XIII.
- HARTWELL, R.M. and ENGERMAN, S. (1975) 'Models of Immiseration: the theoretical basis of pessimism' in Arthur J. Taylor ed., **The Standard of Living in Britain in the Industrial Revolution**, London, Methuen.
- HIGGINS, W. (1978) 'State Welfare and Class Welfare' in Graeme Duncan ed, **Critical Essays in Australian Politics** Melbourne, Edward Arnold.
- HOBSBAWM, E.J. (1958) 'The British Standard of Living, 1790-1850', **Economic History Review**, 2nd series, XI.
- HOBSBAWM, E.J. (1975) 'The Standard of Living Debate', in Arthur J. Taylor ed., **The Standard of Living in Britain in the Industrial Revolution**, London, Methuen.
- JENCKS, J. (1985) 'Have the Poor Been Losing Ground', **New York Review of Books**, 9 May:41-49; Charles Murray and Christopher Jencks (1985), 'Losing Ground: An Exchange', **NYR**, 24 October:55-56.
- JOHANSSON, S. (1976) 'Towards a Theory of Social Reporting', Swedish Institute for Social Research.
- KORPI, W. (1980) 'Approaches to the Study of Poverty in the United States: Critical Notes from a European Perspective', pp.287-314 in Vincent T. Covello (ed.) **Poverty and Public Policy. An Evaluation of Social Science Research**, Boston: G.K. Hall, 1980.

- LE GRAND, J. (1982) **The Strategy of Equality**, London, George Allen and Unwin.
- MURRAY, C. (1984) **Losing Ground: American Social Policy, 1950-1980** New York, Basic Books.
- RINGEN, S. (1985) 'Towards a Third Stage in the Measurement of Poverty', **Acta Sociologica** 28:99-113.
- SOCIAL WELFARE POLICY SECRETARIAT (1984) **Commonwealth spending on income support between 1968-69 and 1978-79 and why it increased**, Canberra, SWPS.
- THUROW, L. (1980) **The Zero Sum Society**, New York, Basic Books.

SOCIAL WELFARE: WHOSE RESPONSIBILITY?

Frank Althuisen

Department for Community Welfare

Adelaide

ABSTRACT

The role of the Commonwealth Government in the provision of social security is clearly defined and fairly well understood in the community. It is less clear and less known what the States provide in that area, how the Commonwealth and State spheres of responsibility complement each other, or what kind of problems and effects arise from the interaction of the two spheres at the level of service delivery. The paper examines these issues, using as an example the South Australian situation, with appropriate references from the other States.

Your conference program has the title of this paper as, 'The Role of the States in Social Welfare Services', and the synopsis suggests I will address the questions of how the Commonwealth and States spheres of responsibility complement each other, and what kind of problems and effects arise from the interaction of the two spheres. In fact, I want to take the issue of Commonwealth/States responsibilities as a starting point, and move into a slightly different area, namely, what results from the form of debate, used in negotiation between these parties, and how effective it is in ensuring better welfare services. I intend to provoke and to challenge, and to question whether the solutions we seek are in fact appropriate and/or sufficient.

Generally speaking, there is an assumption that there are clear differences in responsibility for social welfare between the Commonwealth and the States. The Commonwealth provides pensions, benefits and so forth, and the States provide a range of residual services. That assumption of clear differences in responsibility is challenged in the work done by Adam Jamrozik et al (Jamrozik, Drury and Sweeney, 1986, **Innovation and Change in the Child and Family Welfare System**, SWRC Reports and Proceedings No.57) and is also evident from a number of other areas. More importantly, we may be asking the wrong questions in trying to define exclusive responsibilities.

I want to consider three examples that cover responsibilities more or less clearly definable as State or Commonwealth - at least on the face of it. Two of these were considered at the recent Autumn Conference of Social Welfare Administrators and the Council of Social Welfare Ministers: the issue of eligibility for unemployment benefits for under 16 year olds and that of emergency relief. The third area is that of State Concessions, which has been the subject of Government Reviews in three States during 1984.

Eligibility for unemployment benefits was raised in the form of the following recommendation to Welfare Administrators by the Standing Committee on Income Security:

it is recommended that the Federal Government extend unemployment benefits entitlements to non-student youth not currently eligible for unemployment benefits, and to non-students who have been given an exemption from compulsory schooling.

If we leave aside for a moment non-students who have been given an exemption, what we are looking at is the fact that although the school leaving age, in most States, is 15 years, entitlement to unemployment benefits does not start until 16 years. In other words, you are eligible to be employed, but not to be unemployed, at 15.

This is the basis of the States' argument, pointing out the obvious injustice. The Commonwealth is also reminded of its responsibility for income security (and this point is reinforced with reference to the recent Administrative Appeals Tribunal ruling in relation to certain homeless student youth). The States also point to the damaging consequences of the failure to pay, in terms of family breakdown, personal stress, effect on self-esteem etc., and there is no difficulty in finding supportive evidence for this in the many youth shelters. Further, the Commonwealth appears to be trying to drive up the compulsory school age to 16, and that is a State prerogative.

In the face of such logic, why doesn't the Commonwealth pay up? There is no doubt that the question of cost has some bearing, particularly in the light of questions about cuts to existing services. To get some idea of the cost, we can look at some limited figures for South Australia. During 1983-4, for example, a total of 3,756 15-year-olds left school, and another 544 under 15's also left. As a comparison, in November 1985, only 73 under 16's were being paid the Special Benefit, which is the only (discretionary) payment available to them. At, for example, 25% unemployment, we would be looking at, say, \$2.5 million, for a \$50 per week payment, in South Australia alone.

In fact, the Commonwealth's main argument is that it is their policy that young people should be encouraged to remain involved in education or training programs, and that the payment of benefits at an earlier age may be seen as an incentive for young people to leave school, or even home. They also argue that the family should bear responsibility for financial support.

Who wins? The proposition that unemployment benefits should be payable to unemployed youth above school leaving age was put at least as early as 1982, in the Main Report of the Victorian Government Income Security Task Force. There has been no agreement between the Commonwealth and States on this issue, and there has been no agreement, I believe, because the argument is put in absolute, authoritarian terms: the Commonwealth should pay. As a demand can only be met by capitulation or refusal, the options are rather limited.

In fact, the Commonwealth and the States are probably in reasonable agreement about the desirability of kids remaining at school longer. Given that that is the case, what could **both** contribute to bring this about? The capacity for **both** to contribute is considerably greater: it would be possible (for States) to raise the school leaving age; school programs could be made more sensitive to the differential needs of kids; some resources might be shifted to schools/student groups with low retention rates; we might even offer some financial incentives to stay at school. We can consider all these because we have a fair idea of why kids leave school early, and we should consider these, rather than the narrow, institutional view. (We might even offer an incentive to individual schools by having them pay an unemployment benefit to students who leave early because the school program is not relevant enough for them!)

By focussing on structural, authoritarian solutions, we obscure the capacity to achieve results for these young people, and fail to recognise mutually supportive possibilities and responsibilities. This is a strand that emerges from the other areas as well.

Let me take the second example, Emergency Financial Assistance (EFA), which was also the subject of a recommendation to the recent Welfare Administrators' meeting. The recommendation reads:

- (1) That the Commonwealth assume full responsibility for emergency relief where this represents ongoing income supplementation.
- (2) That the role of financial or material assistance provided to families by State and Territory Welfare Departments is to prevent family breakdown, reduce the risk of child maltreatment and reduce the numbers of children coming into care as part of a network of support services to families.

The States argue that 85% or more of E.F.A. recipients are pensioners or beneficiaries, and that the reasons for seeking E.F.A. relate largely, if not entirely, to inadequate income security payments by the Commonwealth. They can identify the particular groups worst done by, including, in particular, single parent families.

The Commonwealth view is that they do accept some responsibility for emergency assistance, having paid out about \$7 million in 1984/85 cf. about \$14 million of States. However, the Commonwealth argues, there are three further points to consider:

- (1) given that less than 3% of social security recipients used (or at least sought) E.F.A, how does this justify social security increases across the board?
- (2) if you increased benefits, etc., for all, you would still get some people requiring E.F.A.
- (3) what actually is the level of need? State payments vary substantially: e.g. in 1984/85, W.A. paid \$4.7 million, vs. \$1.3 million in each of S.A. and Tasmania, and \$665,000 in Queensland. Presumably, this does not reflect actual differences in need in those States.

The Commonwealth case must have been somewhat strengthened by the experience in New South Wales; when the announcement of stricter criteria for emergency relief resulted in fewer people presenting, without even testing their eligibility.

Is it possible to identify mutually exclusive responsibilities for the two parties? The recommendations suggest so. The reality is that emergency relief is **not** usually provided on an on-going basis; changing the criteria for payment may well have an impact on the presenting problem; it is not too easy to distinguish simply between income supplementation per se, and financial assistance to prevent family breakdown, given what we know about the effects of living on a low income. The W.A. 'Review of Concessions and Financial Aid' (1984), for example, suggests that discretionary financial assistance 'should be directed to secure financial, social and emotional stability when these are under threat'.

As the argument is generally reduced to the demand that the Commonwealth take over responsibility for emergency relief, the usual exasperated response is understandable. Given the considerable overlap of concerns and the agreement that some people (and particularly some groups) will require financial support above their regular income, there are some mutual advantages to reaching resolution. For example, the Commonwealth, by paying through States (or the non-Government sector) can have the demands on their income security responsibilities filtered through, using a residual service, with States gaining the benefit of recompense of payments. There is, in fact, some further action, which I will refer to shortly.

I want to turn briefly, now, to the third area, that of State Concessions; an area where State responsibilities are presumably clearly defined and understood. S.A., W.A. and Victoria all undertook reviews of their State Concession areas in 1984, and this is how they viewed these responsibilities: **South Australia:** the Final Report of the 'Review of State Government

Concessions' stated: '...a principal reason for concessions is the inadequacy in the level of pensions and benefits...'. The report continues: '**...while there remains a need** for the State Government to supplement income support assistance provided by the Commonwealth ... will continue to use the Commonwealth Health Card for eligibility'. The report also suggests that the Commonwealth should consult with the States before changing eligibility for the Health Card, where this impacts on State entitlements.

The **W.A. Report** ('Towards Making Ends Meet') also refers to the Commonwealth's primary responsibility for maintaining an adequate income security system, and points to inequities and inadequacy in this system as the reason for increasing demand on emergency relief. However, the report goes on to argue that '**...the State Government continues to have a role in the provision of concessions** to offset State Government costs and charges for persons on low or fixed incomes'.

The **Victorian** paper makes the same broad reference to Commonwealth responsibilities, and notes that a consequence of inadequacies in Social Security payments has been increasing demands on the State Government to assume a **more active role in assisting the economically disadvantaged**. This is in addition (they add, rather plaintively) to the State Government's considerable responsibilities in providing a whole range of helping and caring services. 'These problems can only be **overcome**' the report adds, 'by significant increases in the levels of income security payments by the Commonwealth Government'.

If we are to take the broad thrust of the views of at least some of the States in relation to the three examples, we are left with the argument that **if only** the Commonwealth raised social security payments high enough (which they have an obligation to do), we would not need State Concessions, nor pay E.F.A., nor be concerned about school leavers. Given the burden of such absolute responsibility, it is perhaps no wonder that the Commonwealth prefers to wait for the next Committee report in 12 months' time.

The problem is that we play the power game; we **do** seek absolute and authoritarian, simple and complete solutions and, because they do not reflect the full realities of capacity to contribute, we end up with no change, with inadequate services.

Because we are focused only on such solutions, we fail to see that we have the **capacity** to make complementary contributions, reflecting a shared and increasingly overlapping responsibility.

That is not to say that social security payments, or particular benefits, are necessarily sufficient (note the evidence that particular groups, e.g. single parent families, are over-represented as emergency relief recipients). It does suggest that it is ineffective and inaccurate to argue that the problems can be resolved only through one party. (As a matter of interest, the Victorian report on Concessions went on to say that '**...supporting parent beneficiaries are amongst the neediest in the country. They are also significantly disadvantaged by the State Concession system...**'.)

It is probably fair to say that the form of argument used by Commonwealth and States has not significantly benefited clients, e.g. school leavers. There are, however, some signs of change, at a number of levels. The Social Welfare Ministers, under conciliatory chairmanship, established a

Commonwealth/State Ministerial Sub-Committee to consider means of removing the impasse about Emergency Relief, and, given the acceptance of at least some responsibility by most participants, this may well achieve some results. There are also moves, from Welfare Administrators as well as through the A.L.P. to develop a national strategy on Social Justice which might provide a framework for co-operative action.

It is interesting, in this regard, to draw out one contribution to the debate about Emergency Relief from the Honourable Kay Hallahan, the Community Services Minister in Western Australia. It has been clear from a number of W.A. reports that it is particularly single women with dependent children who are in poverty. Rather than argue on the basis of, for example, the Commonwealth's failure to provide, she argued that it would be a commentary on the Council of Ministers not to be able to reach a solution - in other words, achieving outcomes for clients is rather more important than winning arguments. I want to come back to this aside later.

I have argued that, despite some significant overlap in client groups and responsibilities between Commonwealth and States, the solutions that tend to be sought for mutual problems are structural and absolute. I have implied that they are not sufficient solutions. In fact, structural solutions tend to be pervasive, our major response to perceived problems in service quality or delivery. I want to look at two areas of local interest to examine this further (again, looking at appropriateness and sufficiency), the first being the proposed merger of the Health Commission and the Department for Community Welfare.

The rationale for the merger, as outlined in a recent speech by the Minister, Dr. Cornwall, is twofold:

- (1) '... to move the health system more towards a modern and relevant 'Public Policy' approach to health issues with more emphasis on primary health care, prevention and community involvement ...', and
- (2) '... to transform our State Welfare system from effective but largely residual and statutory functions to a comprehensive social welfare model providing a broad range of community services which actively promote and maintain the well-being of the South Australian public.'

In relation to Welfare, what the proposal implicitly addresses is the issues of resources, and boundaries (both between client groups and services).

Let me start by putting to you a pessimistic view about what a merger would need to overcome. Is it the case, that Welfare's residual functions can be subsumed within broader, universal services for South Australia? I suspect that that requires a **mathematical** definition of 'residual' - it is what's left over to do. In fact, there is more evidence that 'residual' work is considered in the **pejorative** sense, as uncomfortable, not quite right, and certainly with a dubious client group. This discomfort with residual work permeates the field, from social work training institutions, to generic services, to Commonwealth/State Welfare debate about responsibility. It is **not** particularly a local phenomenon.

As Jamrozik et al have noted in their S.W.R.C. Report No. 57 '**Innovation and Change in the Child and Family Welfare System**', we seem increasingly to be focussing on a sub-class of clients who are users of the wide range of welfare services, and are caught up in the process of social control. What is a residualist view of welfare? If I can use some hyperbole: it is that it provides for the poor, the disadvantaged, the young offenders, and those at risk. It is for individuals and families in society who are seen as not quite making it, not quite coping, and for those most in need. Welfare does not come as a 'right', provides for second class citizens, and carries a stigma. Its resources are directed largely to **statutory and regulatory** functions, such as child protection.

A universal service, on the other hand, such as Community Health, has the philosophy that their service is a 'right' for all members of society, is concerned with education and prevention, and its work is based on a dialogue with the community. A universal service holds the community it serves in high regard.

The argument, in other words, is about niceness - nice services don't force people. Nice, universal services run parenting courses, but they won't have anything to do with compulsory reporting of child abuse, or statutory work. Nice services will run mental health programs, but they won't have 'mad' people around the place. Just an academic debate? The Mental Health area has been going through the same process of de-institutionalisation that the Welfare Department has in this State, and in other States. Despite the fact that it is a part of the Health scene, it has had little, if any, success in having its chronic or serious clients accepted as part of the Community Health clientele. Presumably, they would put off the general user.

What this reflects is not anything intrinsically unreasonable in Community Health or other universal services. What it reflects is community discomfort about accepting, let alone championing, fringe groups. That discomfort exists both where obligations are imposed on clients, as in statutory work (with which come reciprocal requirements on staff), and with client groups who are the subject of a community moral or attitudinal ambivalence. The latter group includes single parent families, who have only relatively recently come to receive some community acceptance, or at least lose some of the earlier moral stigma; women who are victims of domestic violence ('it's not quite the same as assault, and it must have been their fault as well'); young homeless ('we don't want to do anything that would encourage kids to leave home'); long term unemployment ('perhaps if we organise a few more training courses ...').

As we look at these latter groups, you note not only that the residual welfare services within the Government are not at present comfortably accommodated within the universal services; but that many of these groups don't even make it to the Government service level (if that is any indication of community acceptance). They are provided for through tightly funded voluntary groups, such as youth and women's shelters. And who are the clients? Aside from the 'mad' and the 'bad', they are particularly women and children. I will come back to this.

I am, of course, being unfair. The views that I put as those of the universal services are not shared by all those in the field; further, the shift to 'normalisation' in areas such as the disabled is predicated on the belief that it is not only desirable to become part of the mainstream, but

that it will ultimately be successful. Most importantly, it may be argued that what the different perceptions about residual **versus** universal services may reflect is the very fact that we do have organisational boundaries which cut across client needs, and lead to parochialism and compartmentalisation. In other words, in order to deal with a structural problem, it may be necessary to use a structural solution, at least to provide the impetus for change.

It is, in fact, in looking at boundaries that the need for change is evident. Although the actual client overlap between the agencies is very small, where there is overlap, such as in the areas of child abuse, some youth areas (including behaviour disorders), and substitute care (e.g. through the Intellectually Disabled Services Council - I.D.S.C.), planning without thought to boundaries, but to client needs, is vital.

Secondly, considering relevant Health and Welfare issues across the board enables us to do an aggregated needs analysis and resource allocation (particularly if guided by a clear articulation of values, philosophies and goals, as Dr. Cornwall identified as a requirement in the speech referred to above). This can serve to overcome what has become, in a sense, policy making by default, **within** rather than across service areas. These two areas of **functional coalescence**, and conceptual co-ordination relate closely to the problems that exist, and the means for addressing them.

What does a clear articulation of goals across the board offer? For a start, it allows you to start to address the question of selective priorities. The Department for Community Welfare, for example, last year refined its tasks down to a dozen or so priority areas, with child protection tasks as the top priority. Over the past few years, with the increasing budget constraints and the increasing demand in areas such as child protection, the Department has been forced to contract its work in the lower priority areas - lower priorities, that is, relative to **within house** tasks. When it comes to a decision to allocate your limited resources to supervising a youth on a bond or investigating a child abuse case, you do the latter. However, how would you determine the priority of supervising a young offender against running a relaxation group for the retired, or an anti-smoking class? An alternate way to review service convergence is by way of a functional inter-relationship of, for example, the community development capacity of some of the universal services with the specialist skills and interests of some of the 'residual' services - provided work is done to overcome what may be fundamentally opposing views and values.

Let me briefly sum up about coalescence. What it sets out to address is some serious questions about our capacity to respond to client needs through resource allocation and definition of client groups. I have suggested that this structural response may reflect the fact that it is structural problems that are being addressed. It also reflects the relative powerlessness of organisations to use other than those responses to effect service quality. This then raises the question of whether it is a sufficient response to bring about the desired changes.

Why do I question the appropriateness and sufficiency of institutional solutions? The third area I want to talk about is by way of some very specific examples of service areas that stand to benefit (presumably) from our narrow and absolute solutions: women's shelters, youth shelters, and

Aboriginal groups. I think we can immediately identify that we are talking about **residual**, residual areas.

I discussed with Dawn Rowan, from one of the local Women's Shelters, the proposal that came out in the A.L.P. Policy Statement last December for resettlement grants for women who were in shelters as victims of domestic violence. I suggested that \$500 might be a sum to consider, and she suggested that \$5,000 would be closer to what was required, given the cost of furniture, clothes, kitchenware etc. Should it be a Commonwealth, or a State cost?

She gave the example of a woman who had fled from home with her children, taking only the clothes they were wearing. She returned at a later time, together with shelter staff and a police escort, and a van to pick up goods from the house, including clothing, some furniture; and had packed most of it in the van when the husband arrived. After making a scene, he contacted his lawyer and was told to refuse to let the goods out. Despite the fact that all the goods were considered common property, the police would not allow the goods packed in the van to leave. In other words, not only the goods remaining in the house, and in the husband's possession, but also the goods in the van, and in the wife's possession, were to be controlled by the husband. The woman, at that point, was clearly powerless. The solution is not an organisational one of who pays how much - it relates not to empowerment of agencies, but of clients.

With the co-operation of youth shelters, the Department recently undertook a survey of young homeless people served by the shelters. There were some important 'discoveries': all the shelters housed significant numbers of young people who fell into the highest priorities for **Departmental** work: victims of child abuse, family breakdown, etc. Up to half of young people were on some form of statutory order, and/or were placed there by Departmental staff. The shelters, as you are aware, have limited funding, and have very limited access to specialist support areas. Although their residents are by and large indistinguishable from young people under direct Departmental care, they fail to qualify for the same (certainly limited) structural supports.

Last Friday, I was at a community meeting at Elizabeth, with the South Australian Consultative Committee on Social Welfare (S.A.C.C.S.W.) The local Aboriginal community was represented there, and spoke about their attempts, over the past five years, to get an Aboriginal Neighbourhood Centre at Salisbury. So far, they have been frustrated in their attempts, despite eventually seeking a location away from housing so that the good citizens (and potential neighbours) couldn't complain. What did they want to do? They wanted to set up a range of programs, including health, welfare, skills training, activities for the elderly. They do not yet have their centre. They also do not have their school bus, which they argue would be one further tool with which to tackle the very low Aboriginal school retention rate. One of the representatives remembered to ask at the end whether we were going to do anything.

What do these groups have in common? For a start, they don't appear to have benefited much from the structural approaches I commenced my paper with. Secondly, the people who work in these areas, as in, for example, child protection and the other areas of so-called residual welfare, **are** prepared to stand up in public, or in court, and take the responsibility, and do so day

after day. There's no reconvening the Committee in six months' time. Thirdly, they are, as we have discovered, the powerless, and the ones who should presumably most have gained from the solutions we devise.

Is there a solution? Not if we look for a single or conclusive one. In fact, focussing on 'a solution' brings us back to the realm of the absolute again, which I have suggested we must avoid. Because we focus on the power games of authority, we fail to identify what can be contributed. Because we focus on institutional solutions, we fail to identify that individuals are daily doing the task, and needing functional solutions to achieve what they set out to do. Because we focus on the abstract solution, we fail to be impressed by the clamour of those in the field seeking some simplistic, practical redress. There is not a solution, but there are directions we need to toil through, because we must move forward, particularly if the alternative is to do nothing.

First of all, we may seek to go beyond what are essentially power and structural solutions, and focus on contributive solutions. To do this, we need less to consider the structure of the solution, than the building blocks of the solution. That is not to say that structural change has no place in those solutions: it is rather that we must continually test these changes against actual - not notional - outcomes for clients.

Secondly, although we need constantly to review our functional solutions, and therefore the supporting structures, we need carefully to consider the possible unintended consequences. For example, in looking at Welfare merging with a universal service: secure care for young offenders does not look too uncomfortable alongside child protection, substitute care, and so forth. Alongside mothers and babies, and community health, secure care looks as if it might be better placed with Correctional Services. Contextual pressures, in other words, may precipitate eventual decisions not considered at the outset.

Thirdly, where a structural solution is proffered, it is essential to safeguard those attributes that relate most closely to client outcomes. For example, the merger proposes to create a bigger bureaucracy to ensure better service: what are the demerits of larger organisations that must be guarded against?

There are also 'cultural' difference that would need to be addressed. For example; it is intended to

- (1) amalgamate a Department where a significant percentage of staff are involved in direct or indirect service delivery, and where staff up to and including the Director-General make client decisions, with an organisation whose major responsibility is to administer and control other organisations;
- (2) take an organisation that currently happens to be headed by women, whose task and philosophy (the helping and caring professions) are 'feminine', and combine it with an organisation and profession that is historically, if not philosophically, bureaucratic, hierarchical, and, dare I say it, male.

Yes, of course, accusations of 'hierarchical' and 'bureaucratic' have been and can be leveled at Welfare organisations too. The point is that present differences must be addressed, and current strengths and potential safeguarded.

Fourth, perhaps we should be requiring committees and working parties to demonstrate outcomes in the same way we require of the programs we fund - all in the interests of accountability, of course. If we looked at outcomes, the many committees that have continued to press for changes for 15-year-old unemployed over the years, would have to be considered outright failures and yet we persist.

Fifth, there are not many of us who want to be publicly seen as champions of the poor, or the homeless, or the mad, or the abused. It's a bit too contentious, isn't it? It is not that no one will, but most of us will not, and it is therefore our responsibility to respect and protect those who will, and do, day after day - from shelter worker or social worker to Cabinet Minister.

Sixth, we need to be conscious of the nature of our **mutual** responsibilities. Is a Director-General the central person in an organisation, with a thousand helpers, or is the Director-General the final person in a supporting cast for the worker who faces the client? To what extent does policy development reflect what happens or is experienced in the field? Some of the research currently being undertaken by the Social Welfare Research Centre suggests that there is mutual benefit to be gained from closer ties between research and practice establishments.

I want briefly to retrace one other thread that runs through my paper. I made reference to the functionally oriented contribution that Kay Hallahan made to the debate about Emergency Relief. If you like, it was a selected comment. I also made reference, in relation to coalescence, to the 'feminine' nature of welfare, and particularly the fact that we have an increase in the number of female managers. I also referred, in my third brief section, to the powerlessness of the residual groups.

The growth of feminism has brought with it two possibilities. One of them is a numerical, an institutional change - there will be more women in senior positions, and we will ensure that women are represented in and enabled to contribute to every aspect of institutional maintenance. We will make interviews more structured (matching all our non-verbals, of course), and we will have made a significant achievement. The second possibility is that the change will also be a **qualitative** one: what is emerging is an indication of a subtle shift to enabling and permitting, to a more egalitarian approach. In her book entitled **Beyond Power: Women, Men and Morals**, Marilyn French argues, in effect, that we will only move from solutions based on power to those reflecting shared responsibility when we give recognition to these qualities and, by implication, resist the temptation to just change the structures (and structured) for different ones.

If the powerless - largely women and children - are to gain, it is these qualitative changes we have to reinforce, in addition to the purely quantitative ones.

Whose responsibility? Structural responses may or may not be necessary to effect a better service - they are never sufficient. It requires the

contribution of all who have some power: field workers, administrators, researchers at every level, whether that means lobbying, local co-operative initiatives, 'monitoring' or whatever. You and I in the welfare field can be like too many TV journalists - a bare stage on which the tragic lives of others are lived out, or we can determine what we can each contribute to the solutions required.

REFERENCES

- DEPARTMENT OF COMMUNITY WELFARE SERVICES (1984) **State Government Concessions in Victoria** (Report of the Ministerial Committee, October), Melbourne.
- STATE WORKING PARTY ON CONCESSIONS AND EMERGENCY FINANCIAL AID (1984) **Towards Making Ends Meet** (Report, July).
- CONCESSIONS REVIEW COMMITTEE, SOUTH AUSTRALIA (1984) **Review of State Government Concessions** (Final Report).
- FRENCH, Marilyn (1985) **Beyond Power: on Women, Men and Morals**, London, Jonathan Cape.
- STANDING COMMITTEE ON INCOME SECURITY (1986) **Report to 1986 Autumn Conference Standing Committee of Social Welfare Administrators, Council of Social Welfare Ministers** (April).

DISCUSSION FORUM

INTRODUCTION

As the aim of the Conference was to present and exchange views on social security and family welfare in a public forum, questions and comments from the participating audience were an important part of the day's programme. Discussion took place after the presentation of each paper and in the last session on the programme which was devoted entirely to a discussion forum. The participants were asked to express their own views and/or direct questions to any, or all, speakers who presented papers. Discussion was audio-recorded but no names of participants taking part were recorded.

This summary of discussion includes comments from the participants on the floor as well as those made by the speakers in answers to questions. The summary has been arranged under the issues, or topics, raised in the discussion at any time during the proceedings. As would be expected, issues do not always fall into neat and discrete categories; however, certain issues stand out clearly.

Was there a consensus of views among the participants? Probably a broad consensus, although there were differences of views on certain issues, in the audience as well as among the speakers. Wherever possible, these differences have been recorded. The important aspect of the forum was the awareness of certain issues and of their problematic nature. On the whole, the participants tended to emphasize certain problems rather than suggest solutions.

If any important points raised in the discussion have been omitted in this summary or have not received as much emphasis as a participant had expressed, this was not done with a deliberate intention. Omissions are unavoidable in recording and summing up a free-flowing discussion from a relatively large (100 person) audience participation.

The Economy and the Welfare State

There was an awareness among the participants of the economic constraints on social policy and on the allocation of resources to social welfare. Australia being a part of the international capitalist system, the constraints were internal as well as external. Whether social policies of successive governments had any effects on the distribution and re-distribution of resources appeared to be doubtful. It was important to ask to what extent was there 'equal sharing' of resources in times of prosperity and now, more importantly, whether there was going to be 'equal sharing' of costs in times of economic decline.

There was also a need to re-define the parameters of the debate in resource allocation. Were wages such an important factor in the production costs as it was generally believed and argued in some quarters and in the media? Doubts were expressed on these views. How did wages compare with the high profits recorded in the corporate sector over the recent years? What price were the unemployed expected to pay, considering their large numbers? It was observed that Australia now had more unemployed people than those engaged in agricultural production. Farmers had an organized voice, which the unemployed lacked. All these issues suggested the need for re-thinking in

economic theories which have become rather sterile, offering little solution to current problems.

Taxation and Social Security

The taxation system appears to have an inbuilt system of inequality. The suggestion of using the family unit as a unit for the purpose of taxation had to be viewed with caution, if only on the grounds of the difficulty in defining the family unit and possible danger of intrusion of privacy by the taxation authorities. On the other hand, intrusion was present in the system of Social Security, then would intrusion by the taxation authorities be any different?

In regard to the tax threshold and Dependent Spouse Rebate (DSR), it was pointed out that tax threshold in Australia was generous by international standards (e.g. in comparison with the other OECD countries). Some countries (e.g. New Zealand) did not have a tax threshold. There was a relationship between tax threshold and DSR, hence consideration of one needed also consideration of the other.

The relationship between taxation system and social security system received much attention in the discussion. It was pointed out that income re-distribution could be made through either, or both, systems, as tax rebates and social security payments had, technically, the same effect, but each had a different political effect. Expenditure on social security was an easy target for cost-cutting; expenditure via tax concessions/rebates was less visible. The question for social policy was not so much 'which system to use?' but 'whom is the system to benefit?' Single people, or families with dependent children? Which families? There was a consensus of views that the system of resource allocation needed to be considered as a whole so that effects of policies (taxation and social security) could be properly ascertained and understood in the community.

The Function of Welfare Services

Differences between material and non-material services were raised and discussed. The function/effect of material services was clear i.e. income support. What was the function of non-material services, such as personal services provided by welfare professionals? Did the professionals act as helpers and advisers, or a 'peacemakers'? There were indications that exercise of social control was often present, especially in services provided for poor people.

It was noted that one of the interesting aspects of Western industrialized societies was the absence of social disorder under conditions of high levels of unemployment and poverty in the midst of prosperity - an issue which had baffled some social scientists. Better social security provisions than in the years of the Great Depression had probably contributed to this, but the absence of disorder also illustrated the ability of the state to control potential disorder. In some views, personal welfare services played a significant role in controlling discontent among the poor and the unemployed.

The value of personal welfare services of non-material kind was acknowledged in the discussion but strong views were also expressed on the importance of providing material resources to families directly ("resourcing the family"), rather than providing services whose function could be seen to be helping families adjusting to unemployment and poverty.

The discussion confirmed the views presented in some of the papers that different perceptions of the aims of welfare services were related to the social class of the recipients. In such services as child welfare, for example, the problems experienced by middle-class families tended to be seen as problems or deficiencies in the system of service provision, while similar problems experienced by working-class or poor families were perceived to be in the families themselves and it was these families that were expected to change.

Some participants saw implications from the discussion for Schools of Social Work and other programmes of training for Social Welfare work. Comments were made that Social Workers showed considerable discomfort with statutory welfare work. If the quality of that work was to improve, welfare professionals needed to develop new perspectives and methods of service delivery.

Child Welfare

There was a confusion regarding the purpose of certain services. For example, the Family Support Services Scheme (FSSS) was first introduced as a programme aimed to assist families in child-rearing functions and thus lessen the necessity of substitute care, such as residential care. Was the Scheme fulfilling this function? Was it aimed to assist **all** families, or mainly **poor** families? There seemed to be explicit aims and implicit aims in the Scheme. Evidence from field research seemed to indicate that some services provided under the FSSS had in some ways become a complementary part of the State welfare system; there was an element of surveillance of certain families and social control function was evident in some agencies' perceptions and activities.

It was argued that child welfare encapsulated all areas of family welfare. It was therefore relevant to ask, for example, what was the aim of early childhood (child care) services, and in which direction should these services go? Were they to be primarily of benefit to the child? Should they give priority for mothers who were in the labour force? Was work-based child care appropriate? A view was expressed that child care services needed to be seen as a form of collective responsibility for child-rearing, bringing together the family and the community. Also, the interests of the child - parent - family unit were complementary and all these interests had to be kept in mind.

Governments' Responsibility

A question was asked: are governments doing anything of substance towards achieving an improvement in the provision of social security and social welfare? Views were expressed that there was little value in searching for,

or expecting, 'perfect' solutions, as such solutions were beyond the resources of governments or of the economy. Something positive has been done and was being done. This had to be recognized. People who worked on solutions (e.g. politicians, bureaucrats) became disheartened if there was no acknowledgement of their efforts but only constant criticism.

Issues of equity and equality in social welfare, it was also argued, entailed issues of power: governments, bureaucracies and welfare agencies were made up of middle-class people who were reluctant to share power with poor people. There might be a disposition to improve the lot of the poor, but was there a disposition to sharing power with them? There was also the need to acknowledge the problem of vested interests, political realities and economic interests.

On sharing responsibility for social welfare between the Commonwealth and State governments, the discussion identified many problem areas. For example, when one party decided to pull out of a joint programme, the remaining party, or parties were 'left holding the baby', without necessarily having the resources to continue the programme. This led to reluctance in participating in joint programmes - an issue encountered frequently with local government bodies. It also generated certain attitudes of cynicism among the people, service providers as well as recipients.

Research and Social Reporting

The system of repeated surveys and analysis of social indicators in Sweden was discussed by the participants with great interest. The need for such surveys in Australia was recognized, but comments were also made that information of this kind was available from surveys carried out by the Australian Bureau of Statistics (ABS). However, other participants pointed out that such data were not collected systematically or through the medium of one comprehensive survey designed specifically for that purpose but had to be searched for in various surveys primarily designed for other purposes. As a result, it was difficult to compare and/or correlate the findings. What was needed was a **new conceptual basis** for social reporting. The Swedish system provided consistent data in a comparative perspective related to various social classes of the population. It was then a **study of inequality, not of poverty**. This approach was strongly advocated by Swedish researchers.

Has inequality increased in Australia over the recent years? This question was not easy to answer because of the limited data available, and because of the narrow perceptions of what constituted inequality, e.g. measured by weekly income. Other aspects were also important, e.g. housing, health, access to credit, etc. Such information was necessary to provide a comprehensive input into the process of policy formulation.

SWRC Reports and Proceedings

- No. 1 J. Moller (ed.), **Data for Welfare Decision Making**, September 1980, 51 pp. \$4
- No. 2 Peter Saunders (ed.), **The Poverty Line: Methodology and Measurement**, October 1980, 54 pp. \$4
- No. 3 Michael Morrissey and Andrew Jakubowicz, **Migrants and Occupational Health: A Report**, November 1980, 92 pp. \$3
- No. 4 Jan Carter, **States of Confusion: Australian Policies and the Elderly Confused**, January 1981, 50 pp. \$3
- No. 5 Adam Graycar and David Kinnear, **The Aged and the State: A Working Paper**, Revised edition, September 1982, 119 pp. \$4
- No. 6 Michael Liffman, **Immigrant Welfare: A Research Perspective**, April 1981, 40 pp. \$3
- No. 7 Bettina Cass, **Unemployment and the Family: The Social Impact of the Restructuring of the Australian Labour Market**, April 1981, 55 pp. \$3
- No. 8 Adam Jamrozik and Marilyn Hoey, **Workforce in Transition: Implications for Welfare**, May 1981, 74 pp. \$4
- No. 9 Robert V. Horn, **Fiscal Welfare Effects of Changes in Australian Income Tax, 1972-73 to 1980-81**, May 1981, 59 pp. \$3
- No.10 Concetta Benn, **The Developmental Approach: Demonstration Programs in the Brotherhood of St. Laurence**, May 1981, 20 pp. NO LONGER AVAILABLE
- No.11 Bettina Cass (ed.), **Unemployment: Causes, Consequences and Policy Implications**, August 1981, 72 pp. \$3
- No.12 Adam Jamrozik and Robin Beck, **Worker Co-operatives: An Evaluative Study of the New South Wales Worker Co-operative Programme**, August 1981, 178 pp. \$5
- No.13 Robert V. Horn, **Extra Costs of Disablement: Background for an Australian Study**, September 1981, 25 pp. \$3
- No.14 P. R. Kaim-Caudle, **Cross National Comparisons of Social Services Pensions for the Elderly**, September 1981, 47 pp. \$3
- No.15 Adam Jamrozik, Marilyn Hoey, Marilyn Leeds, **Employment Benefits: Private or Public Welfare?**, November 1981, 138 pp. \$3
- No.16 Linda Rosenman, **Widowhood and Social Welfare Policy in Australia**, January 1982, 75 pp. \$3
- No.17 Adam Graycar and Wendy Silver, **Funding of Non-Government Welfare: Agencies Serving Disabled People in Western Australia**, January 1982, 89 pp. \$3
- No.18 Vivienne Milligan and Margaret McAllister, **Housing and Local Government: An Evaluation of the Waverley Community Housing Officer Project**, February 1982, 109 pp. \$3
- No.19 Tania Sweeney and Adam Jamrozik, **Services for Young Children: Welfare Service or Social Parenthood?**, March 1982, 144 pp. \$4

- No.20 Adam Graycar (ed.), **Aged Care - Whose Responsibility?**, March 1982, 49 pp. \$3
- No.21 Bettina Cass, **Family Policies in Australia: Contest over the Social Wage**, May 1982, 41 pp. \$3
- No.22 Tania Sweeney, **An Analysis of Federal Funding of Children's Services - A Sourcebook**, May 1982, 62 pp. \$3
- No.23 David Kinnear and Adam Graycar, **Family Care of Elderly People: Australian Perspectives**, May 1982, 63 pp. NO LONGER AVAILABLE
- No.24 Carol Keens and Bettina Cass, **Fiscal Welfare: Some Aspects of Australian Tax Policy. Class and Gender Considerations**, September 1982, 55 pp. \$3
- No.25 Jill Hardwick and Adam Graycar, **Volunteers in Non-Government Welfare Organisations in Australia: A Working Paper**, September 1982, 41 pp. \$3
- No.26 Robert Pinker, **Theory, Ideology and Social Policy**, October 1982, 23 pp. \$2
- No.27 Adam Jamrozik and Marilyn Hoey, **Dynamic Labour Market or Work on the Wane? Trends in the Australian Labour Force 1966-1981**, December 1982, 100 pp. \$4
- No.28 Adam Graycar, **Government Officers' Expectations of Non-Government Welfare Organisations: A Discussion Paper**, December 1982, 93 pp. \$3
- No.29 Jan Carter, **Protection to Prevention: Child Welfare Policies**, January 1983, 76 pp. \$3
- No.30 Peter Travers, **Unemployment and Life-History: A Pilot Study**, June 1983, 75 pp. \$4
- No.31 Jo Jarrah (ed.), **53rd ANZAAS Congress: SWRC Papers**, June 1983, 118 pp. \$4
- No.32 Andrew Jones, **Selectivity in Children's Services Policy**, June 1983, 68 pp. \$4
- No.33 Ian Scott and Adam Graycar, **Aspects of Fiscal Federalism and Social Welfare**, July 1983, 80 pp. \$4
- No.34 Jo Jarrah (ed.), **Child Welfare: Current Issues and Future Directions**, July 1983, 89 pp. \$4
- No.35 Carol Keens, Frances Staden and Adam Graycar, **Options for Independence: Australian Home Help Policies for Elderly People**, December 1983, 119 pp. \$5
- No.36 Diana Encel and Pauline Garde, **Unemployment in Australia: An Annotated Bibliography, 1978-83**, January 1984, 152 pp. \$5
- No.37 Stuart Rees and Anneke Emerson, **Disabled Children, Disabling Practices**, January 1984, 129 pp. \$5
- No.38 Chris Rossiter, David Kinnear and Adam Graycar, **Family Care of Elderly People: 1983 Survey Results**, January 1984, 100 pp. \$5
- No.39 Randall Smith, **Meals on Wheels in New South Wales: A Discussion Paper**, March 1984, 48 pp. \$4
- No.40 Bettina Cass and Mary Ann O'Loughlin, **Social Policies for Single Parent Families in Australia: An Analysis and a Comparison with Sweden**, March 1984, 86 pp. \$4
- No.41 Adam Graycar (ed.), **Accommodation After Retirement**, April 1984, 51 pp. \$4
- No.42 Linda Rosenman and Marilyn Leeds, **Women and the Australian Retirement Age Income System**, April 1984, 102 pp. \$5

- No.43 Ian Manning, **Measuring the Costs of Living of Australian Families**, April 1984, 70 pp. \$4
- No.44 Tania Sweeney and Adam Jamrozik, **Perspectives in Child Care: Experiences of Parents and Service Providers**, April 1984, 201 pp. \$5
- No.45 Ann Harding, **Who Benefits?: The Australian Welfare State and Redistribution**, April 1984, 147 pp. \$5
- No.46 Andrew Jakubowicz, Michael Morrissey and Joanne Palser, **Ethnicity, Class and Social Policy in Australia**, May 1984, 125 pp. \$5
- No.47 Rosemary Hooke (ed.), **54th ANZAAS Congress: SWRC Papers**, June 1984, 231 pp. \$5
- No.48 Graeme Brewer, **The Experience of Unemployment in Three Victorian Regions**, August 1984, 103 pp. \$5
- No.49 Ugo Ascoli, **Analysis of the Italian Welfare State: Some Implications for Current Australian Issues**, August 1984, 58 pp. \$5
- No.50 Chris Rossiter, **Family Care of Elderly People: Policy Issues**, December 1984, 83 pp. \$4
- No.51 Vivienne Milligan, Jill Hardwick and Adam Graycar, **Non-Government Welfare Organisations in Australia: A National Classification**, December 1984, 189 pp. \$5
- No.52 Richard Chisholm, **Black Children, White Welfare? Aboriginal Child Welfare Law and Policy in New South Wales**, April 1985, 150 pp. \$5
- No.53 Bruce Bradbury, Pauline Garde and Joan Vipond, **Bearing the Burden of Unemployment - Unequally. A Study of Australian Households in 1981**, August 1985, 102 pp. \$5
- No.54 Adam Jamrozik (ed.), **Issues in Social Welfare Policy 1985: Perceptions, Concepts and Practice** (SWRC Papers at ASPAA and ANZAAS), September 1985, 149 pp. \$5
- No.55 Adam Jamrozik (ed.), **Income Distribution, Taxation and Social Security: Issues of Current Concern**, January 1986, 150 pp. \$5
- No.56 Bruce Bradbury, Chris Rossiter and Joan Vipond, **Poverty, Before and After Paying for Housing**, February 1986, 101 pp. \$5
- No.57 Adam Jamrozik, Sarah Drury and Tania Sweeney, **Innovation and Change in the Child and Family Welfare System**, February 1986, 139 pp. \$5
- No.58 Diana Encel, **Unemployment in Australia: An Annotated Bibliography, 1980-85**, March 1986, 225 pp. \$5
- No.59 Ruth Errey, Carole Baker and Sarah Fox, **Community Care of the Aged: A Working Model of a Needs-Based Assessment Unit**, May 1986, 139 pp. \$5
- No.60 Adam Jamrozik (ed.), **Provision of Welfare Services to Immigrants** (Proceedings of SWRC Seminar, 26 May 1986), July 1986, 80 pp. \$4
- No.61 Adam Jamrozik (ed.), **Social Security and Family Welfare: Directions and Options Ahead** (Proceedings of SWRC Seminar, held in Adelaide, 4 July 1986), July 1986, 140 pp. \$5
- No.62 Jan Carter, **In Debt and Out of Work**, August 1986, 39 pp. \$3
- No.63 Don Stewart, **Workers' Compensation and Social Security: An Overview**, November 1986, 179 pp. \$5

- No.64 David Wiles, **Living on the Age Pension: A Survey Report**, June 1987, 108 pp. \$5
- No.65 Peter Saunders and Adam Jamrozik (eds), **Social Welfare in the Late 1980s: Reform, Progress, or Retreat?** (Proceedings of a conference held in Perth, Western Australia, on 27-28 March), June 1987, 180 pp. \$5
- No.66 Jill Hardwick, Jenny James and Fiona Brown, **Accommodation, Employment Policies and Services for People with Disabilities**, October 1987, 130 pp. \$5
- No.67 Peter Saunders (ed.), **Redistribution and the Welfare State: Estimating the Effects of Government Benefits and Taxes on Household Income**. (Proceedings of a Workshop held at the University of New South Wales on 13 May 1987), August 1987, 77pp. \$5.
- No.68 Sara Graham, **The Extra Costs Borne by Families Who Have a Child with a Disability**, September 1987, 146 pp. \$5
- No.69 Peter Saunders and Peter Whiteford, **Ending Child Poverty: An Assessment of the Government's Family Package**, December 1987, 86 pp. \$5
- No.70 Peter Saunders and Adam Jamrozik (eds), **Community Services in a Changing Economic and Social Environment**, December 1987, 165 pp. \$5
- No.71 Caroline Alcorso, **Migrant Workers and Workers' Compensation in New South Wales**, March 1988. 168 pp. \$5
- No.72 Bruce Bradbury, Diana Encel, Jenny James and Joan Vipond, **Poverty and the Workforce**, March 1988. 125 pp. \$5
- No.73 Donald Chandraratna and Michael Cummins, **Ethnicity and Ageing: The Anglo Asian Experience**, June 1988, 61 pp. \$5
- No.74 Elizabeth Dean, Cathy Boland and Adam Jamrozik, **Neighbourhood Houses in Tasmania: A Study in Community Development and Self-Help**, July 1988, 88pp. \$5
- No.75 Peter Saunders and Adam Jamrozik, **Community Services Policy: Economic and Social Implications**, (Proceedings of a conference held in Hobart, Tasmania, 27 May 1988), August 1988, 89pp. \$5
- No.76 Sara Graham and Peter Whiteford (eds), **Support and Services for People with Disabilities** (Proceedings of SWRC Conference held in Sydney, 23 September 1988), February 1989, 55 pp. \$5
- No.76 Alan Jordan, **Of Good Character and Deserving of a Pension**, March 1989, 64 pp. \$5